



**Town of Surfside
Regular Town Commission Meeting**

AGENDA

October 10, 2017

7 p.m.

Town Hall Commission Chambers - 9293 Harding Ave, 2nd Floor
Surfside, FL 33154

Rule 7.05 Decorum. Any person making impertinent or slanderous remarks or who becomes boisterous while addressing the commission shall be barred from further appearance before the commission by the presiding officer, unless permission to continue or again address the commission is granted by the majority vote of the commission members present. No clapping, applauding, heckling or verbal outbursts in support or opposition to a speaker or his or her remarks shall be permitted. Signs or placards may be disallowed in the commission chamber by the presiding officer. Persons exiting the commission chambers shall do so quietly.

Rule 6.05 Agenda. The good and welfare portion of the agenda set for 8:15 p.m. shall be restricted to discussion on subjects not already specifically scheduled on the agenda for discussion and debate. In no event shall this portion of the agenda be allotted more than 45 minutes with each speaker to be given no more than three minutes, unless by vote of a majority of the members of the commission present, it is agreed to extend the time frames. Likewise, commission members shall be restricted to speaking three minutes each unless an extension is granted in the same manner as set forth in the prior sentence.

Any person who received compensation, remuneration or expenses for conducting lobbying activities is required to register as a lobbyist with the Town Clerk prior to engaging in lobbying activities per Town Code Sec. 2-235. "Lobbyist" specifically includes the principal, as defined in this section, as well as any agent, officer or employee of a principal, regardless of whether such lobbying activities fall within the normal scope of employment of such agent, officer or employee. The term "lobbyist" specifically excludes any person who only appears as a representative of a not-for-profit corporation or entity (such as charitable organization, a trade association or trade union), without special compensation or reimbursement for the appearance, whether direct, indirect, or contingent, to express support or opposition to any item.

Per Miami Dade County Fire Marshal, the Commission Chambers has a maximum capacity of 99 people. Once reached this capacity, people will be asked to watch the meeting from the first floor.

** Denotes agenda items as "must haves" which means there will be significant impacts if the item is not addressed tonight. If these items have not been heard by 10 p.m., the order of the agenda will be changed to allow them to be heard.*

1. Opening

- A. Call to Order**
- B. Roll Call of Members**
- C. Pledge of Allegiance**
- D. Mayor and Commission Remarks** – Mayor Daniel Dietch
- E. Agenda and Order of Business** Additions, deletions and linkages
- F. Community Notes** – Mayor Daniel Dietch

2. Quasi-Judicial Hearings (None)

- 3. Consent Agenda** (*Set for approximately 7:30 p.m.*) *All items on the consent agenda are considered routine or status reports by the Town Commission and will be approved by one motion. Any Commission member may request that an item be removed from the Consent Agenda and discussed separately. If the public wishes to speak on a matter on the consent agenda they must inform the Town Clerk prior to the start of the meeting. They will be recognized to speak prior to the approval of the consent agenda.*

Recommended Motion: To approve all consent agenda items as presented below.

A. Minutes – Sandra Novoa, MMC, Town Clerk

- **September 18, 2017 First Budget Hearing Minutes**
- **September 18, 2017 Special Town Commission Meeting**
- **September 26, 2017 Final Budget Hearing Minutes**
- **September 26, 2017 Special Town Commission Meeting Minutes – Undergrounding**

***B. Town Manager’s Report** – Guillermo Olmedillo, Town Manager

1. See Click Fix
2. Post Hurricane Workshop
3. Interlocal Shuttle Update
4. Development Application Status
5. Code Compliance
6. Finance
7. Information Technology
8. Police Department

***C. Town Attorney’s Report** – Weiss Serota, Town Attorney

D. Committee Reports – Guillermo Olmedillo, Town Manager

- July 10, 2017 Tourist Board Meeting Minutes
- August 31, 2017 Planning and Zoning and Design Review Board Meeting Minutes

E. Expenditure of Forfeiture Funds for Fiscal Year 2017-2018 – Guillermo Olmedillo, Town Manager

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, PROVIDING FOR THE FISCAL YEAR 2017/2018 POLICE CONFISCATION FUND EXPENDITURE IN THE AMOUNT OF \$78,192 FROM THE FORFEITURE FUND TO SUPPORT CRIME PREVENTION INITIATIVES, COMMUNITY-BASED PROGRAMS AND LAW ENFORCEMENT EQUIPMENT; PROVIDING FOR AUTHORIZATION AND APPROVAL; PROVIDING FOR AN EFFECTIVE DATE.

F. Texting While Driving Urging Resolution – Mayor Daniel Dietch

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, URGING THE FLORIDA LEGISLATURE TO PASS LEGISLATION MAKING TEXTING WHILE DRIVING A PRIMARY OFFENSE; PROVIDING FOR TRANSMITTAL; AND PROVIDING FOR AN EFFECTIVE DATE

G. Confirmation of Termination of a State of Emergency – Guillermo Olmedillo, Town Manager

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, CONFIRMING THE TERMINATION OF THE STATE OF EMERGENCY DECLARED FOR THE TOWN OF SURFSIDE, FLORIDA RELATED TO HURRICANE IRMA; AND PROVIDING FOR AN EFFECTIVE DATE

4. Ordinances

(Set for approximately 7:45 p.m.) (Note: Good and Welfare must begin at 8:15)

A. Second Reading Ordinances

- 1. Pension Ordinance adopting Chapter 185 minimum benefits for police officers along with other changes to the ordinance – Guillermo Olmedillo, Town Manager**

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE V, DIVISION 2 OF THE CODE OF THE TOWN OF SURFSIDE REGARDING THE RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF SURFSIDE; AMENDING SECTION 2-171 OF THE TOWN CODE TO CLARIFY THE DEFINITION OF THE TERM SENIOR MANAGEMENT EMPLOYEE; AMENDING SECTION 2-175(d) OF THE TOWN CODE TO PROVIDE FOR ONE ACTUARIAL BUYBACK CALCULATION TO DETERMINE THE COST OF MILITARY OR PRIOR LAW ENFORCEMENT SERVICE; AMENDING SECTION 2-176(b) OF THE TOWN CODE TO PROVIDE FOR EARLY RETIREMENT FOR POLICE MEMBERS AT AGE 50 WITH TEN YEARS OF SERVICE; AMENDING SECTION 2-176(c)(2) OF THE TOWN CODE TO PROVIDE FOR A TEN YEAR CERTAIN AND LIFE BENEFIT AS THE NORMAL FORM OF BENEFIT FOR POLICE MEMBERS; AMENDING SECTION 2-177(c) OF THE TOWN CODE TO PROVIDE FOR OPTIONAL FORMS OF BENEFITS FOR POLICE MEMBERS; AMENDING SECTION 2-178(a) OF THE TOWN CODE TO PROVIDE FOR MINIMUM DEATH BENEFITS FOR POLICE MEMBERS; AMENDING SECTION 2-189(e)(2)a. AND (e)(4) OF THE TOWN CODE TO PROVIDE FOR MINIMUM DISABILITY BENEFITS FOR POLICE MEMBERS; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION; AND PROVIDING AN EFFECTIVE DATE.

2. **Crossover of the Dune** – Sarah Sinatra, Town Planner *[To be deferred to November 14, 2017 at 7:00 pm or as soon thereafter]*

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AMENDING CHAPTER 90 “ZONING”, SECTION 90-37 “SPECIAL EXCEPTIONS,” TO PROVIDE A SPECIAL EXCEPTION APPROVAL PROCESS AND RELATED CRITERIA FOR DUNE CROSSOVERS; AND BY AMENDING SECTION 90-60 “CONSTRUCTION ADJACENT TO BULKHEAD LINES” TO PERMIT DUNE CROSSOVERS ONLY IF APPROVED BY SPECIAL EXCEPTION; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

3. **Amending Article VI. – “Rules of Procedure for Town Meetings”** - Guillermo Olmedillo, Town Manager

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AMENDING ARTICLE VI. - “RULES OF PROCEDURE FOR TOWN MEETINGS”; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR CONFLICTS AND PROVIDING FOR AN EFFECTIVE DATE.

4. **Water, Sewer and Stormwater Rates and Service Charges** – Guillermo Olmedillo, Town Manager

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AMENDING CHAPTER 78 “UTILITIES” OF THE TOWN CODE; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; PROVIDING FOR INCORPORATION OF RECITALS; AND PROVIDING FOR AN EFFECTIVE DATE.

(Set for approximately N/A p.m.) (Note: Good and Welfare must begin at 8:15)

B. First Reading Ordinances

5. Resolutions and Proclamations

(Set for approximately 9:00 p.m.) (Note: Depends upon length of Good and Welfare)

- A. Water, Sewer and Stormwater Rates and Service Charges – Guillermo Olmedillo, Town Manager**

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, APPROVING AND ADOPTING WATER AND SEWER RATES AND SERVICE CHARGES EFFECTIVE OCTOBER 1, 2017; PROVIDING FOR AUTHORIZATION AND IMPLEMENTATION; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

- B. Water, Sewer and Stormwater Rates and Service Charges – Guillermo Olmedillo, Town Manager**

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, APPROVING AND ADOPTING STORMWATER UTILITY RATES EFFECTIVE OCTOBER 1, 2017; PROVIDING FOR AUTHORIZATION AND IMPLEMENTATION; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

- C. Request to Release Covenant Restricting Property Use for property generally located at 9380, 9372, 9364, 9348, 9340, 9332, 9316 and 9300 Collins Avenue – Guillermo Olmedillo, Town Manager**

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, APPROVING THE RELEASE OF A COVENANT BURDENING PROPERTY GENERALLY LOCATED AT 9380, 9372, 9364, 9348, 9340, 9332, 9316 AND 9300 COLLINS AVENUE; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR AN EFFECTIVE DATE.

- D. Public Information Representative (Independent Contractor) – Guillermo Olmedillo, Town Manager**

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AUTHORIZING AND APPROVING A PROPOSAL AND AGREEMENT WITH PINZUR COMMUNICATIONS, INC TO PROVIDE PUBLIC INFORMATION REPRESENTATIVE SERVICES; PROVIDING FOR WAIVER OF COMPETITIVE BIDDING; AUTHORIZING THE TOWN MANAGER TO NEGOTIATE AND ENTER INTO AN AGREEMENT FOR THE SERVICES; PROVIDING FOR IMPLEMENTATION; AND PROVIDING FOR AN EFFECTIVE DATE.

6. Good and Welfare (Set for approximately 8:15 p.m.)

Public comments for subjects or items not on the agenda. Public comment on agenda items will be allowed when agenda item is discussed by the Commission.

7. Town Manager and Town Attorney Reports

Town Manager and Town Attorney Reports have been moved to the Consent Agenda – Item 3.

All items on the Consent Agenda are considered routine or status reports by the Town Commission and will be approved by one motion. Any Commission member may request that an item be removed from the consent agenda and discussed separately.

8. Unfinished Business and New Business

9. Mayor, Commission and Staff Communications

A. Discussion Regarding Regulation of Medical Marijuana Dispensaries –
Guillermo Olmedillo, Town Manager

B. Freeboard Modification– Sarah Sinatra Gould, Town Planner

C. Charter Amendment to Address Additional Freeboard – Sarah Sinatra Gould,
Town Planner

D. Artificial Grass – Guillermo Olmedillo, Town Manager

E. Board and Committees Vacancies [Verbal] – Sandra Novoa, MMC, Town Clerk

➤ *Design Review Board – At Large Appointment*

➤ *Sustainability Subcommittee – Vice Mayor Cohen*

➤ *Planning and Zoning Board – Commissioner Gielchinsky*

➤ *Tourist Board – Commissioner Gielchinsky*

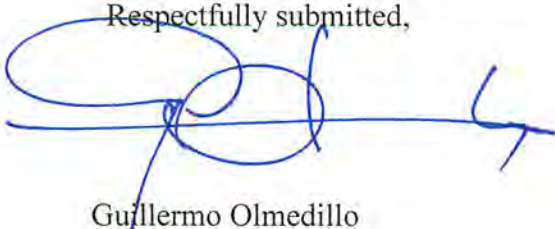
➤ *Personnel Appeals Board – Commissioner Karukin*

**F. Report on Special Commission Meeting- Presentation from Dr. Kury on
Undergrounding Powerlines [Verbal] –** Guillermo Olmedillo, Town Manager

G. Update on property located at 200 96th Street [Verbal] – Guillermo Olmedillo,
Town Manager

10. Adjournment

Respectfully submitted,



Guillermo Olmedillo
Town Manager

THIS MEETING IS OPEN TO THE PUBLIC. IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT OF 1990, ALL PERSONS THAT ARE DISABLED; WHO NEED SPECIAL ACCOMMODATIONS TO PARTICIPATE IN THIS MEETING BECAUSE OF THAT DISABILITY SHOULD CONTACT THE OFFICE OF THE TOWN CLERK AT 305-861-4863 EXT. 226 NO LATER THAN FOUR DAYS PRIOR TO SUCH PROCEEDING.

IN ACCORDANCE WITH THE PROVISIONS OF SECTION 286.0105, FLORIDA STATUTES, ANYONE WISHING TO APPEAL ANY DECISION MADE BY THE TOWN OF SURFSIDE COMMISSION, WITH RESPECT TO ANY MATTER CONSIDERED AT THIS MEETING OR HEARING, WILL NEED A RECORD OF THE PROCEEDINGS AND FOR SUCH PURPOSE, MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE WHICH RECORD SHALL INCLUDE THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED.

AGENDA ITEMS MAY BE VIEWED AT THE OFFICE OF THE TOWN CLERK, TOWN OF SURFSIDE TOWN HALL, 9293 HARDING AVENUE. ANYONE WISHING TO OBTAIN A COPY OF ANY AGENDA ITEM SHOULD CONTACT THE TOWN CLERK AT 305-861-4863. A COMPLETE AGENDA PACKET IS ALSO AVAILABLE ON THE TOWN WEBSITE AT www.townofsurfsidefl.gov.

TWO OR MORE MEMBERS OF OTHER TOWN BOARDS MAY ATTEND THIS MEETING.

THESE MEETINGS MAY BE CONDUCTED BY MEANS OF OR IN CONJUNCTION WITH COMMUNICATIONS MEDIA TECHNOLOGY, SPECIFICALLY, A TELEPHONE CONFERENCE CALL. THE LOCATION 9293 HARDING AVENUE, SURFSIDE, FL 33154, WHICH IS OPEN TO THE PUBLIC, SHALL SERVE AS AN ACCESS POINT FOR SUCH COMMUNICATION.



Town of Surfside
FIRST BUDGET HEARING
TOWN HALL COMMISSION CHAMBERS
9293 HARDING AVENUE

SEPTEMBER 18, 2017
5:01 PM

MINUTES

1. Opening

A. Call to Order

Mayor Daniel Dietch called the meeting to order at 5:01pm.

B. Roll Call of Members

Town Clerk Sandra Novoa call the roll with the following members present: Mayor Dietch, Commissioner Gielchinsky and Commissioner Karukin. Vice Mayor Cohen and Commissioner Paul were absent.

Commissioner Paul arrived at 5:02pm.

Vice Mayor Cohen arrived at 5:04pm.

C. Pledge of Allegiance

Public Works Director Randy Stokes led the Pledge of Allegiance.

2. Discussion Regarding Millage Rate and Budget – Guillermo Olmedillo, Town Manager

The Town Manager presented the item to the Town Commission.

3. Fiscal Year 2017-2018 Millage Rate Resolution

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, ADOPTING A PROPOSED MILLAGE RATE FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2017 AND ENDING SEPTEMBER 30, 2018; ANNOUNCING THE PERCENTAGE INCREASE IN PROPERTY TAXES; CONFIRMING DATE OF SECOND PUBLIC HEARING; PROVIDING FOR INCORPORATION OF RECITALS; AND PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk read the title of the resolution.

Mayor opened the meeting for any public speaker and no one wished to speak.

Commissioner Karukin made a motion to approve. The motion received a second from Commissioner Paul and all were in favor.

4. Public Comment

No one wished to speak.

5. Fiscal Year 2017-2018 Annual Budget Resolution

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, ADOPTING A TENTATIVE BUDGET FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2017 AND ENDING SEPTEMBER 30, 2018; CONFIRMING DATE OF SECOND PUBLIC HEARING; PROVIDING FOR INCORPORATION OF RECITALS; AND PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk read the title of the resolution.

Mayor opened the meeting for any public speaker and no one wished to speak.

Commissioner Karukin made a motion to approve. The motion received a second from Commissioner Paul and all were in favor.

6. Public Comment

No one wished to speak.

7. Adjournment

There being no further business, Commissioner Karukin made a motion to adjourn. The motion received a second from Commissioner Paul and all voted in favor. Meeting adjourned at 5:09pm.

Respectfully submitted,

Accepted this _____ day of _____, 2017

Daniel Dietch, Mayor

Attest:

Sandra Novoa, MMC
Town Clerk



Town of Surfside
Special Town Commission Meeting
MINUTES
September 18, 2017
6 p.m.

Town Hall Commission Chambers - 9293 Harding Ave, 2nd Floor
Surfside, FL 33154

1. Opening

A. Call to Order

Mayor Dietch called the meeting to order at 6:02 p.m.

B. Roll Call of Members

Town Clerk Sandra Novoa called the roll with the following members present: Mayor Daniel Dietch, Vice Mayor Barry Cohen, Commissioner Tina Paul, Commissioner Michael Karukin and Commissioner Daniel Gielchinsky.

C. Pledge of Allegiance

Police Chief Allen led the Pledge of Allegiance.

D. Mayor and Commission Remarks – Mayor Daniel Dietch

Members of the Commission spoke on Hurricane Irma and how well the town staff responded. Best wishes went out for the upcoming Jewish holidays.

E. Agenda and Order of Business Additions, deletions and linkages

Town Attorney Lillian Arango recommended a motion to ratify and reflect the cancellation of the Regular Commission meeting scheduled for September 12, 2017 due to the aftermath of Hurricane Irma, and rescheduling of the meeting as a Special Meeting by the Town Manager to today, September 18, 2017. All dates listed on the Agenda and various items reflecting the original meeting date of September 12, 2017 should reflect September 18, 2017. Commissioner Gielchinsky moved the motion to that effect. The motion was seconded by Commissioner Paul and all voted in favor.

Town Manager Olmedillo requested to defer item 5C – Tyler Technologies ERP Software System.

Mayor Daniel Dietch requested to add an item as 9F to speak about Post Hurricane Irma. The Mayor requested we hold item 4B1 until the attorney arrives.

Commissioner Karukin made a motion to accept. The motion received a second from Commissioner Paul and all voted in favor.

F. Community Notes – Mayor Daniel Dietch

The Mayor announced upcoming community events which can be found in the Gazette and on the Town's website.

2. Quasi-Judicial Hearings (None)

3. Consent Agenda

Commissioner Karukin made a motion to accept all items under the consent agenda. Commissioner Paul seconded the motion and all voted in favor.

A. Minutes – Sandra Novoa, MMC, Town Clerk

- **July 11, 2017 Budget Meeting Minutes**
- **July 11, 2017 Special Commission Meeting – Quasi-Judicial Hearing Minutes**
- **July 11, 2017 Regular Commission Meeting Minutes**

Adopted on consent

***B. Town Manager’s Report** – Guillermo Olmedillo, Town Manager

1. See Click Fix
2. Interlocal Shuttle Update
3. Development Application Status
4. Miami-Dade County League of Cities Meeting
5. Code Compliance
6. Finance
7. Information Technology
8. Police Department

Adopted on consent

***C. Town Attorney’s Report** – Weiss Serota, Town Attorney

Adopted on consent

D. Committee Reports – Guillermo Olmedillo, Town Manager

- May 2, 2017 Pension Board Meeting
- June 29, 2017 Sustainability Subcommittee Meeting Minutes
- June 29, 2017 Planning and Zoning and Design Review Board Meeting Minutes

E. Strategic Miami Area Rapid Transit (SMART) Plan Resolution – Guillermo Olmedillo, Town Manager

A RESOLUTION OF THE TOWN COMMISSIONER OF THE TOWN OF SURFSIDE, FLORIDA ENDORSING AND SUPPORTING THE EXPANSION OF THE NEW STARTS TRANSIT PROGRAM (NSTP) TO FACILITATE FUNDING FOR THE STRATEGIC MIAMI AREA RAPID TRANSIT (SMART) PLAN; PROVIDING FOR IMPLEMENTATION; AND PROVIDING FOR AN EFFECTIVE DATE

Adopted on consent

4. Ordinances

A. Second Reading Ordinances

B. First Reading Ordinances

1. **Pension Ordinance adopting Chapter 185 minimum benefits for police officers along with other changes to the ordinance – Guillermo Olmedillo, Town Manager**

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE V, DIVISION 2 OF THE CODE OF THE TOWN OF SURFSIDE REGARDING THE RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF SURFSIDE; AMENDING SECTION 2-171 OF THE TOWN CODE TO CLARIFY THE DEFINITION OF THE TERM SENIOR MANAGEMENT EMPLOYEE; AMENDING SECTION 2-175(d) OF THE TOWN CODE TO PROVIDE FOR ONE ACTUARIAL BUYBACK CALCULATION TO DETERMINE THE COST OF MILITARY OR PRIOR LAW ENFORCEMENT SERVICE; AMENDING SECTION 2-176(b) OF THE TOWN CODE TO PROVIDE FOR EARLY RETIREMENT FOR POLICE MEMBERS AT AGE 50 WITH TEN YEARS OF SERVICE; AMENDING SECTION 2-176(e)(2) OF THE TOWN CODE TO PROVIDE FOR A TEN YEAR CERTAIN AND LIFE BENEFIT AS THE NORMAL FORM OF BENEFIT FOR POLICE MEMBERS; AMENDING SECTION 2-177(c) OF THE TOWN CODE TO PROVIDE FOR OPTIONAL FORMS OF BENEFITS FOR POLICE MEMBERS; AMENDING SECTION 2-178(a) OF THE TOWN CODE TO PROVIDE FOR MINIMUM DEATH BENEFITS FOR POLICE MEMBERS; AMENDING SECTION 2-189(e)(2)a. AND (e)(4) OF THE TOWN CODE TO PROVIDE FOR MINIMUM DISABILITY BENEFITS FOR POLICE MEMBERS; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION; AND PROVIDING AN EFFECTIVE DATE.

Town Clerk Sandra Novoa read the title of the ordinance.

Pension Attorney Adam Levinson presented the item to the Town Commission.

Commissioner Karukin made a motion to approve. The motion received a second from Commissioner Paul. Motion carried 5-0.

2. Crossover of the Dune – Sarah Sinatra, Town Planner

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AMENDING CHAPTER 90 “ZONING”, SECTION 90-37 “SPECIAL EXCEPTIONS,” TO PROVIDE A SPECIAL EXCEPTION APPROVAL PROCESS AND RELATED CRITERIA FOR DUNE CROSSOVERS; AND BY AMENDING SECTION 90-60 “CONSTRUCTION ADJACENT TO BULKHEAD LINES” TO PERMIT DUNE CROSSOVERS ONLY IF APPROVED BY SPECIAL EXCEPTION; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Sandra Novoa read the title of the ordinance.

Commissioner Karukin made a motion for discussion purposes. The motion received a second from Commissioner Paul,

Town Manager Guillermo Olmedillo presented the item to the Town Commission.

Commissioner Karukin made a motion to approve. The motion received a second from Commissioner Paul. Motion carried 5-0.

3. Amending Article VI. – “Rules of Procedure for Town Meetings” - Guillermo Olmedillo, Town Manager

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AMENDING ARTICLE VI. - “RULES OF PROCEDURE FOR TOWN MEETINGS”; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR CONFLICTS AND PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Sandra Novoa read the title of the ordinance.

Commissioner Karukin made a motion for discussion purposes. The motion received a second from Commissioner Paul.

Town Attorney Lillian Arango and Town Manager Guillermo Olmedillo presented the item to the Town Commission.

Commissioner Karukin commented on the item and had some questions on the proposed Rule 6.06 (b)(1) on page 8 of the proposed ordinance. Lobbyist and fees were discussed and under the County Ethics Code, neighborhood

associations such as condos are exempt from registering as lobbyist and paying the fee.

After some discussion, Commissioner Paul made a motion to approve with modifications made and not including resolutions under Rule 6.06(b)(1) and requesting the Town Attorney's Office to work and revise language for second reading. The motion received a second from Commissioner Gielchinsky and the motion carried 5-0.

4. Water, Sewer and Stormwater Rate Adjustment – Guillermo Olmedillo, Town Manager

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AMENDING CHAPTER 78 "UTILITIES" OF THE TOWN CODE; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; PROVIDING FOR INCORPORATION OF RECITALS; AND PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Sandra Novoa read the title of the ordinance.

Town Manager Guillermo Olmedillo presented the item to the Town Commission.

Commissioner Karukin made a motion to accept. The motion received a second from Commissioner Paul. Motion carried 5-0.

5. Resolutions and Proclamations

A. Four Year Staggered Terms for the Town Commission and Retain Two Year Term for the Mayor – Commissioner Michael Karukin

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, CALLING FOR A MARCH 20, 2018 TOWN OF SURFSIDE SPECIAL ELECTION, FOR THE PURPOSE OF SUBMITTING TO THE ELECTORATE OF THE TOWN OF SURFSIDE, FLORIDA, A PROPOSED AMENDMENT TO THE TOWN CHARTER CONCERNING SECTION 5 - "NUMBER; SELECTION; TERM", SECTION 8 - "PRESIDING OFFICERS", AND SECTION 105 - "GENERAL AND SPECIAL ELECTIONS OF COMMISSION MEMBERS", AS PRESENTED IN A BALLOT QUESTION ON AMENDMENTS TO THE TOWN CHARTER "ESTABLISHING FOUR-YEAR STAGGERED TERMS FOR COMMISSIONERS AND RETAINING MAYOR'S TWO- YEAR TERM" COMMENCING WITH TOWN'S GENERAL ELECTION IN 2020; PROVIDING FOR THE TOWN CLERK TO UTILIZE THE SERVICES OF MIAMI-DADE COUNTY

**SUPERVISOR OF ELECTIONS FOR THE SPECIAL ELECTION;
PROVIDING FOR CHARTER AMENDMENT ELECTION
PROCEDURES AND RELATED DETAILS; PROVIDING FOR
SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

Town Clerk Sandra Novoa read the title of the resolution.

Commissioner Karukin presented the item to the Town Commission and after some discussion he made a motion to approve with an amendment to add “Commencing in 2020” under Section 2 and 3 of the resolution. The motion received a second from Commissioner Gielchinsky and all voted in favor.

Public Speaker Lou Cohen spoke in favor of the item.

Commissioner Karukin made a motion to take Item 4B1next. The motion received a second from Commissioner Paul and all voted in favor.

B. Employee Health Benefits Contract Renewal for FY 2017-2018 – Guillermo Olmedillo, Town Manager

**A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF
SURFSIDE, FLORIDA, APPROVING GROUP HEALTH INSURANCE
COVERAGE WITH AETNA, DENTAL AND VISION COVERAGE WITH
GUARDIAN, AND TERM LIFE INSURANCE, ACCIDENTAL DEATH,
SHORT TERM DISABILITY, AND LONG TERM DISABILITY WITH
MUTUAL OF OMAHA; TERMINATING THE PRIOR PAYMENT
AGREEMENT WITH THE TOWN’S INSURANCE BROKER, ADAMS
BENEFIT, AND ACCEPTING THE PAYMENT TERMS WITH ADAMS
BENEFIT INCORPORATED AS PART OF THE AETNA FEE
ARRANGEMENT; PROVIDING FOR APPROVAL AND
AUTHORIZATION; PROVIDING FOR IMPLEMENTATION; AND
PROVIDING FOR AN EFFECTIVE DATE.**

Town Clerk Sandra Novoa read the title of the resolution.

Commissioner Paul made a motion for discussion purposes only. The motion received a second from Commissioner Gielchinsky.

Town Manager Guillermo Olmedillo and Human Resources Director Yamileth Slate-McCloud presented the item to the Town Commission.

After staff presentation and some answered questions by the Commission, Commissioner Paul made a motion to approve. The motion received a second from Commissioner Karukin and all voted in favor.

C. Tyler Technologies ERP Software System - Guillermo Olmedillo, Town Manager

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AWARDED RFP NO. 2015-001 FOR A TURN KEY ENTERPRISE RESOURCE PLANNING SOFTWARE SOLUTION TO TYLER TECHNOLOGIES, INC.; APPROVING A SOFTWARE AS A SERVICE AGREEMENT WITH TYLER TECHNOLOGIES, INC. FOR A FIVE YEAR INITIAL TERM IN AN AMOUNT NOT TO EXCEED \$556,285; PROVIDING FOR APPROVAL AND AUTHORIZATION; PROVIDING FOR IMPLEMENTATION; AND PROVIDING AN EFFECTIVE DATE.

Item deferred

D. Beach Renourishment Funding Urging Resolution – Mayor Daniel Dietch

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, URGING THE FLORIDA LEGISLATURE TO APPROPRIATE FUNDS FOR BEACH RENOURISHMENT PROJECTS; SUPPORTING SENATE BILL 174; PROVIDING FOR TRANSMITTAL; PROVIDING FOR AUTHORIZATION; PROVIDING FOR INCORPORATION OF RECITALS; AND PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Sandra Novoa read the title of the resolution.

Mayor Dietch presented the item. Vice Mayor Cohen questioned if the storm surge and flooding came from the ocean or the bay. Manager Olmedillo and Building Official Randy Stokes responded and said none of the water came from the ocean but it did come from the bay.

Commissioner Paul made a motion to approve. The motion received a second from Commissioner Gielchinsky and all voted in favor.

E. Fulfillment of Amortized Cost for Recycling Containers as per Interlocal Agreement – Guillermo Olmedillo, Town Manager

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AUTHORIZING THE EXPENDITURE FROM THE 2016-2017 FISCAL YEAR BUDGET IN THE TOTAL AMOUNT OF \$16,041.60; PROVIDING FOR IMPLEMENTATION; AND PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Sandra Novoa read the title of the resolution.

Commissioner Karukin made a motion to approve. The motion received a second from Commissioner Paul and all voted in favor.

F. Request to Release Covenant Restricting Property Use for 200 96th Street (the “Property”) – Guillermo Olmedillo, Town Manager

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, APPROVING THE RELEASE OF A COVENANT BURDENING 200 96TH STREET; VERIFYING THE PROPERTY STATUS SUBSEQUENT TO RELEASE OF THE COVENANT; PROVIDING FOR RESTORATION OF THE PROPERTY; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Sandra Novoa read the title of the resolution.

Commissioner Gielchinsky made a motion for discussion purposes. The motion received a second from Commissioner Paul.

Town Manager Olmedillo presented the item to the Town Commission.

Public Speaker Carli Koshal spoke on the item.

After some discussion Commissioner Gielchinsky made a motion to approve with an amendment suggested by Mayor Dietch to section 4 of the resolution to request that the Owner shall within 6 months of the approval remove all improvements on the Property provided to allow off-street parking and sod the property consistent with Town standards. The motion received a second from Commissioner Paul and all voted in favor.

The Town Commissioner directed staff to reach out to the owner and check the possibilities of the Town acquiring that land.

As a point of privilege, the Mayor recognized former Vice Mayor Tourgeman who attended the meeting.

6. Good and Welfare

The Mayor opened the meeting to public speakers.

Public Speakers:

-Eli Tourgeman expressed his gratitude to the Public Works Dept. for the incredible job they did after hurricane Irma.

-Lou Cohen spoke about providing a sign that indicates access to the beach.

No one else wishing to speak the Mayor closed Good and Welfare.

7. Town Manager and Town Attorney Reports

Town Manager and Town Attorney Reports have been moved to the Consent Agenda – Item 3.

8. Unfinished Business and New Business

9. Mayor, Commission and Staff Communications

A. Walkability and Pedestrian Improvements Trial Update – Guillermo Olmedillo, Town Manager

The Commission discussed the item and Commissioner Paul gave a handout to the Commission with some of her suggestions.

Public Speaker George Kousoulas spoke on the item.

Commissioner Gielchinsky made a motion to move forward on the item. The motion received a second from Commissioner Karukin and all voted in favor.

B. Discussion Regarding Regulation of Medical Marijuana Dispensaries – Guillermo Olmedillo, Town Manager

Town Attorney Kathy Mehaffey presented the item.

After some discussion, the Commission asked to have the item brought back as an ordinance format for a discussion item.

C. Elimination of the Sustainability Sub Committee and transferring responsibility to Planning and Zoning (P&Z) Board – Commissioner Michael Karukin

Manager Olmedillo read a statement from Chair Lecour of the Planning and Zoning Board supporting the elimination and transferring of the Sustainability Sub Committee.

Public Speaker Lou Cohen spoke on the item.

Public Speaker George Kousoulas spoke on the item. Commissioner Gielchinsky made a motion to extend the speaking time for Mr. Kousoulas.

There was much discussion on the item and the item will be revisited.

D. Design Review Board Vacancy (Verbal) – Sandra Novoa, MMC, Town Clerk

Town Clerk Novoa spoke of the resignation of Mr. Covin from the DRB and she has not received a nomination for a replacement. The qualifications for members of the DRB was clarified. Commissioner Gielchinsky also said Mr. Iacobacci from the Planning and Zoning Board will also be resigning and a replacement will be needed.

E. Texting While Driving Urging Resolution – Mayor Daniel Dietch

The Mayor read a letter from Representative Stark who is asking for support and urging to prepare a resolution to make texting while driving a primary offense.

Commissioner Karukin made a motion to have the Town Attorney prepare a resolution. The motion received a second from Commissioner Paul and all voted in favor.

F. Post Hurricane (added) – Mayor Daniel Dietch

Mayor Dietch spoke about Hurricane Irma and the before and after action taken by the town. Manger Olmedillo spoke on the item and suggested a review. Members of the Commission gave their views and suggestions. Mayor Dietch directed the Town Manager to have a public meeting within 45 days to have the town tell their story and have the public give their feedback.

10. Adjournment

Commissioner Karukin made a motion to adjourn. The motion received a second from Commissioner Paul and all voted in favor. Meeting adjourned at 9:20 p.m.

Respectfully submitted,

Accepted this ____ day of _____, 2017

Daniel Dietch, Mayor

Attest:

Sandra Novoa, MMC
Town Clerk



**Town of Surfside
FINAL BUDGET HEARING
TOWN HALL COMMISSION CHAMBERS
9293 HARDING AVENUE**

**SEPTEMBER 26, 2017
5:01 PM**

MINUTES

1. Opening

A. Call to Order

Mayor Daniel Dietch called the meeting to order at 5:03pm.

B. Roll Call of Members

Town Clerk Sandra Novoa call the roll with the following members present: Mayor Dietch, Vice Mayor Cohen, Commissioner Gielchinsky and Commissioner Karukin and Commissioner Paul.

C. Pledge of Allegiance

Chief David Allen led the Pledge of Allegiance.

2. Discussion Regarding Millage Rate and Budget – Guillermo Olmedillo, Town Manager

Town Manager Guillermo Olmedillo introduced the item. Finance Director Donald Nelson presented a PowerPoint presentation on the Budget to the Town Commission.

3. Fiscal Year 2017-2018 Millage Rate Resolution

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, ADOPTING THE FINAL MILLAGE RATE FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2017 AND ENDING SEPTEMBER 30, 2018; ANNOUNCING THE PERCENTAGE INCREASE IN PROPERTY TAXES; PROVIDING FOR INCORPORATION OF RECITALS; AND PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Sandra Novoa read the title of the resolution.

Commissioner Karukin made a motion to approve. The motion received a second from Commissioner Paul. The motion carried 5-0.

4. Public Comment

Victor May spoke on the item and expressed his views on the Budget.
Lou Cohen spoke on the budget.

5. Fiscal Year 2017-2018 Annual Budget Resolution

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, ADOPTING A FINAL BUDGET FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2017 AND ENDING SEPTEMBER 30, 2018; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR EXPENDITURE OF BUDGETED FUNDS; PROVIDING FOR BUDGETARY CONTROLS; PROVIDING FOR GRANTS AND GIFTS; PROVIDING FOR BUDGET AMENDMENTS; PROVIDING FOR ENCUMBRANCES; AND PROVIDING FOR AN EFFECTIVE DATE.

Town Clerk Sandra Novoa read the title of the resolution.

Commissioner Karukin made a motion to approve. The motion received a second from Commissioner Paul. Motion carried 5-0.

6. Public Comment

No one wished to speak under this section.

7. Adjournment

There being no further business, Commissioner Karukin made a motion to adjourn. The motion received a second from Commissioner Paul and all voted in favor. Meeting adjourned at 5:29pm.

Respectfully submitted,

Accepted this ____ day of _____, 2017

Daniel Dietch, Mayor

Attest:

Sandra Novoa, MMC
Town Clerk



**Town of Surfside
Special Commission Meeting
Undergrounding Powerlines
MINUTES**

**September 26, 2017
5:30 p.m.**

Town Hall Commission Chambers - 9293 Harding Ave, 2nd Floor
Surfside, FL 33154

1. Opening

A. Call to Order

Mayor Dietch called the meeting to order at 5:34 p.m.

B. Roll Call of Members

Deputy Clerk Elora Riera called the roll with the following members present: Mayor Daniel Dietch, Vice Mayor Barry Cohen, Commissioner Tina Paul, Commissioner Michael Karukin and Commissioner Daniel Gielchinsky.

C. Pledge of Allegiance

Police Chief Allen led the Pledge of Allegiance.

2. Presentation from Dr. Kury on Undergrounding Powerlines

Commissioner Karukin introduced the item to the Commission and public. He introduced Doctor Ted Kury, Director of Energy Studies from the University of Florida Public Utility Research Center.

Dr. Ted Kury presented a PowerPoint explaining the process of hardening utility lines in the State of Florida and the pros and cons on undergrounding utilities and other alternatives that may also be beneficial.

3. Discussion

The following speakers posed questions to Dr. Kury and the Town Commission: Clara Diaz-Leal, Shumel Rubashkin, Victor May, Michaela Schneiderbauer, Deborah Cimadevilla, George Kousoulas, Mitchell Gottlieb, Ken Arnold, and Eli Ginsburg.

The Mayor, Vice Mayor and Town Commissioners posed questions to Dr. Kury and provided their input and thoughts regarding undergrounding utilities.

Commissioner Karukin presented a PowerPoint presentation explaining the history of the Town of Surfside and some of the efforts that have been done to date related to undergrounding.

Some discussion took place among the members of the Town Commission.

Mayor Dietch stated that there will be more meetings related to this topic. He also announced that the Town will be having a post Hurricane Irma workshop and invited the public to attend and provide their input as to what can be done differently.

4. Adjournment

There being no further business, the meeting adjourned at 7:39pm.

Respectfully submitted,

Accepted this _____ day of _____, 2017

Daniel Dietch, Mayor

Attest:

Sandra Novoa, MMC
Town Clerk



TOWN MANAGER'S REPORT OCTOBER 2017

COMMUNITY PROGRAMS / INITIATIVES / ENHANCEMENTS

1. **See Click Fix** -- Report attached.
2. **Post Hurricane Workshop** – November 1, 2017 at 5:30pm – 7:30pm in the Commission Chambers.
3. **Interlocal Shuttle Update:** On June 12, 2017 the Bay Harbor Islands Council voted to join Surfside and Bal Harbour Village in moving the Surf-Bal-Bay Interlocal Shuttle initiative forward. Since that date, staff met with representatives of FIU's Lehman Center for Transportation Research as well as this initiative's primary representatives from the other two municipalities. An interlocal MOU is earmarked for the November 14, 2017 meeting of the three municipalities with the view of retaining FIU that month to begin the proposed objectives.

4. **Development Application Status**

A. 9116 Harding – A site plan application for a 4 unit townhouse development has been received. A Development Review meeting was held November 2, 2016. Comments were provided and corrections were required. The plans were resubmitted and the second Development Review Group (DRG) was held on February 7, 2017 and a third DRG was held on May 18, 2017. The DIC meeting was held on June 1, 2017. The property has recently been sold and the new owner has added one property to the site for additional landscape purposes. A DRG meeting will be scheduled when the revised plans are submitted.

B. Surf Club Northwest Building – A site plan amendment was submitted on February 9, 2017. The DRG meeting was held on March 9. Revisions were required and were received on April 24, 2017. A DRG meeting was held on May 11, 2017. The DIC meeting was held on June 1, 2017. The Planning and Zoning Board meeting was held on August 31, 2017. The Town Commission hearing is scheduled for October 10, 2017.

C. 8995 Collins – A site plan was submitted on May 19, 2017. A DRG meeting was held on June 19, 2017. The applicant submitted the revised drawings and a second DRG meeting was held on August 24, 2017. Revisions were required and a third DRG meeting was held on September 28, 2017. The DIC meeting will be scheduled.

D. The Surf Club II, 9133-9149 Collins – A revised site plan was submitted on August 28, 2017 for 46 new condominium units, two renovated condominium units and 31 new hotel units DRG and DIC were held on September 28, 2017. The Planning and Zoning Board will be scheduled.

TOWN DEPARTMENTS

5. Code Compliance

A. Code Violation Cases: As of September 25, 2017, the total number of active, open cases being managed is 174; of these cases, 109 cases are still under investigation and are working towards compliance, 4 cases are on-hold, 16 are in the Special Master hearing queue; 8 cases are in post-Special Magistrate action status, and 37 cases have been issued liens and remain unpaid. Properties with unpaid liens are sent reminder letters on a quarterly basis.

B. Collected Civil Penalty Fines: Unresolved code compliance cases accrue fines until the code violation is resolved. After the violation is abated, then the property owners are notified to remit the fine amount due. In many cases, the fine amount is either paid, resolved via a settlement agreement, or referred to the Town's Special Master for a hearing and ruling on the fine amount due. The following is a summary by fiscal year of the fine amounts collected:

FY 16/17: 117 cases have paid/settled through September 25, 2017 for a total collection of \$40,842

FY 15/16: 152 cases paid/settled for a total of \$137,282

6. Finance

A. Budget to Actual Monthly Report – August 31, 2017 Report attached

B. Enterprise Resource Planning (ERP): The Town received two ERP proposals from Tyler Technologies, Inc. and Accela/Springbrook to replace the current SunGard computer software applications to a new central platform system to be used by all Town departments. Both proposals have been carefully reviewed with on-site presentations of their applications, off-site visits to other municipalities that use these ERP applications. Telephone calls were placed to distant cities that were not visited but were interviewed on their recommendations regarding the two ERP vendors and their ERP solutions. Tyler Technologies is the recommended ERP solution and the Software-as-a-service (SaaS) Agreement will be presented at the October 10, 2017 Town Commission meeting for approval.

7. Information Technology

- IT placed an order in June for ASI/SDI Digital box for the Meeting Broadcast System (Channel 93). The equipment will be installed in October.
- IT is working with the Video System Controller and Server subcontractor, LexisNexus HD to obtain quotes for replacement of the system. The first quote obtained from AVI came in at \$12,440. IT will work with the interim Finance Director on the next steps for approval and replacement. This was just approved in the FY2017/2018 budget.
- IT installed Ethernet cables in five different locations in the Town Hall building to provide Wi-Fi to Town employees and for public meetings. Equipment to be ordered Oct 30th.
- IT is working with the vendor to upgrade the SCALA and renew the maintenance contract by Oct 30th.
- The new Town website is earmarked to be operational by November 1, 2017.

8. Police Department


A. September 2017 Significant Incidents/Arrests

- Residential Burglary - 09/08/2017 to 09/11/2017 at 1800 hours: 917 91st Street. An evacuated residence due to Hurricane Irma was entered using force and ransacked.
- Residential Burglary - 09/08/2017 to 09/11/2017: 925 91st Street. An evacuated residence due to Hurricane Irma was entered using force and ransacked.

B. Traffic Mitigation Update:

- Damaged and missing stop signs from Hurricane Irma are being replaced by Public Works.

#	Initiatives	Update(s)
	Short Term (0 – 6 months)	
1	<p>95 Street & Harding Avenue (westbound), left Turn lane added.</p> <p>300 block of 95th Street (eastbound), right turn lane added.</p>	<p>On 04-27-2017, the traffic lanes in the 200 block of 95 Street, between Collins Avenue and Harding Avenue were modified to improve the traffic flow. New lane pavement markers delineate the new vehicular traffic flow for westbound traffic on 95 Street approaching Harding Avenue. The pavement markings allow vehicles to travel in two lanes west of the alleyway with one lane designated for travel westbound only on 95 Street across Harding Avenue, and the other lane designated as a left turn only lane for vehicles turning southbound onto Harding Avenue. Three parking spaces on the North East side of 95 Street & Harding Avenue have been eliminated to allow for a westbound travel lane.</p> <p>As of Tuesday 08-22-2017, the traffic flow in the 300 block of 95th Street, between Abbott Avenue and Harding Avenue, has been altered. The new lane pavement markers delineate the new vehicular traffic flow for eastbound traffic on 95th Street approaching Harding Avenue. The pavement markings allow vehicles to travel in two lanes east of the alleyway with one lane designated for travel eastbound only on 95th Street across Harding Avenue, and the other lane designated as a right turn only lane for vehicles turning southbound onto Harding Avenue. The loading zone at this location has been eliminated to allow for a right turn only</p>

		<p>lane. Please refer to the traffic diagram below.</p> 
2	<p>New Stop Signs at all intersections west of Harding Avenue</p>	<p>Public Works installed stop signs at the following locations:</p> <ul style="list-style-type: none"> • 89th Street & Byron Avenue (east-west) • 90th Street & Abbott Avenue (east-west) • 90th Street & Carlyle Avenue (east-west) • 92nd Street & Abbott Avenue (east-west) • 92nd Street & Carlyle Avenue (east-west)
3	<p>New Stop Bar Reflectors</p>	<p>Completed</p>
4	<p>New Speed Bumps</p>	<p>New speed bumps have been installed at the following locations:</p> <ul style="list-style-type: none"> • 8900 block of Abbott Avenue • 9100 block of Abbott Avenue • 9300 block of Abbott Avenue
5	<p>Revisit Street Closure ○ 94th Street / Abbott Avenue</p>	<p>Commission approved a motion against revisiting this item.</p>
6	<p>New Street Closure ○ Byron Avenue (northbound) at 88th Street</p>	<p>Requires study, Miami-Dade County and Miami Beach approval. Pending meetings / agreements.</p>
7	<p>Loop Detector Installation</p>	<p>CGA was authorized to move forward with the preparation of the bid documents for the traffic loops at three signalized intersections along Harding Avenue. CGA will need to provide updated scope of services and fee in order to provide traffic counts and traffic analysis at subject intersections (before and after traffic analysis) per commission request at 05/09/17 meeting.</p> <p>The east Stop Bar at 93 Street & Harding Avenue will be moved back.</p>

		August 8, 2017, CGA submitted their additional service agreement for completing the before and after traffic analysis at the signalized intersections along Harding Avenue that new traffic loops are being installed. At the Commission meeting where the Post Design Services contract was approved, the Mayor and Commission asked if CGA could do a before and after analysis in order to evaluate the change in traffic operations at these subject intersections. The traffic counts are currently scheduled for the 29th, 30th or 31st of August (second week of regular school).
8	Install a centerline curb on 95 th Street between Abbott and Byron Avenues	Public Works installed delineators to deter trucks from traveling west on 95 th Street.
9	Eliminate Crosswalks on Collins (north) & Harding (south) Avenues	FDOT stated that eliminating crosswalks would hinder pedestrian travel and further study would be required before they can agree to that recommendation.
10	Create Vehicular Circulation Plans for New Construction Projects <ul style="list-style-type: none"> o Minimize lane closures 	MOT's and circulation plans for new construction projects was a primary topic of discussion with FDOT and the surrounding jurisdictions representatives. A plan to improve the coordination of projects and to enhance communication by FDOT providing notice well in advance of all approved MOT's to the three jurisdictions was agreed upon. The early notice system has shown an improvement.
11	Evaluate Sidewalk Options	Commission approved a motion to continue to evaluate pedestrian safety options in Surfside.
12	Install traffic light at 96 th Street & Abbott Avenue Eliminate left hand turn at 96 th Street & Byron Avenue	Town Manager Olmedillo, Chief Allen, Captain Yero and Randy Stokes, from the Town and Eric Czerniejewsky from CGAS, spent a few hours with Ramon Sierra, FDOT District 6. Several simulations were run, and the result is that the back-up traffic in the east bound direction made congestion worse on 96 th Street. This will not allow the vehicles turning right from Byron to move, causing a longer back-up on Byron and creating additional congestion on Harding and Collins. FDOT will not eliminate the left turn at 96 Street & Byron Avenue.
13	Install a crosswalk at 90 th Street & Harding Avenue (north side)	FDOT agreed to reconsider installing a traffic signal at the location, pending study (count). The Town installed traffic delineators designed to allow a left turn only onto Harding Avenue, preventing vehicles from traveling westbound across the intersection.
14	Send demand letters to mapping companies	Completed

Intermediate Term (7 – 18 months)		
15	<p>Create 1-Way Streets</p> <ul style="list-style-type: none"> ○ 88th, 89th, 90th and 91st Street between Collins & Harding Avenues 	A Town meeting was held July 18 th , 2017, to present a new traffic pattern plan making 89 th Street one-way only for westbound vehicular traffic from Collins Avenue to Hawthorne Avenue and 90 th Street one-way only for eastbound vehicular traffic from Bay Drive to Collins Avenue.
16	<p>Design 91st Street Improvements</p> <ul style="list-style-type: none"> ○ Sidewalk, landscaping and buried utilities 	Pending design and engineering cost estimates.
Long Term (19+ months)		
17	Gate the area west of Harding Avenue and create a special taxing district	This item is back in the commission discussion stage.

#	Parking / Taxis	Update
1	<p>The Town of Surfside added 18 new single parking spaces and 2 loading zones in the streets that are east of Collins Avenue. These new parking spaces provide additional parking options for residents and visitors to our Town. The additional loading zones provide a safe location for trucks and other vehicles to deliver goods and services to residents.</p> <p>The total number of single parking spaces added is now 12.</p>	<p>The additional parking spaces are located in the following locations:</p> <ul style="list-style-type: none"> • 100 block of 88th Street (4 spaces) effective 06-01-2017 • 100 block of 90th Street (4 spaces) effective upon completion of on-going construction project • 100 block of 92nd Street (4 spaces) effective 06-01-2017 • 100 block of 96th Street (6 spaces) six single pay parking spaces were removed and the area was designated a Tow-Away Zone. <p>The additional loading zones are located in the following locations:</p> <ul style="list-style-type: none"> • 100 block of 89th Street - effective 06-01-2017 • 100 block of 94th Street - effective 06-01-2017
2	Taxi Cab Stands added and changed.	<ul style="list-style-type: none"> • The Taxi Cab Stand at 94th Street & Collins Avenue was reduced from (4) vehicles to (2) vehicles. • 94th Street & Harding Avenue (across from Publix) will have a (2) vehicle Taxi Cab Stand. * One metered parking space has been added. • In the 200 block of 92nd Street (North side in front of the Marriott) one metered parking space was removed and replaced with a (1) vehicle Taxi Cab Stand. • A (2) vehicle Taxi Cab Stand has been added to the south side of the 200 block of Collins Avenue.


C. High Holiday Detail

The High Holiday services began on Wednesday evening, September 20, 2017 and end Saturday, October 14, 2017. The Surfside Police Department has increased police presence with assigned details for high visibility during the High Holidays in the areas of The Shul 9540 Collins Avenue, Young Israel 9592 Harding Avenue, Hechal Shalom Sephardic Congregation 310 95th Street and Magen David Sephardic Congregation 9348 Harding Avenue. The enhanced patrols are concentrated before and after services when congregants from the surrounding area and neighboring communities are walking to and from these locations. In addition, Bal Harbour and Bay Harbor Islands Police Departments have assigned officers to further augment patrols in the area.

D. Police Events

- The 16th Citizens Police Academy class began on September 21 and will conclude on December 7 with a graduation ceremony. The classes will include K-9 Unit, Crime Scene Investigation, Homicide Investigation, Marine Patrol, SWAT, Police Involved Shootings, Officer Survival, Driving Range, Firearms Range, Fundamentals of Law and Miami-Dade Fire Rescue Department.
- The Surfside Police Department will host a community blood drive on October 11 from 12:00 p.m. – 4:00 p.m. The blood mobile will be in the Town Hall lot.
- The Surfside Police Department will host a Mobile Department of Motor Vehicles event for residents to apply for and renew their driver's licenses on October 19 from 10:00 a.m. to 2:00 p.m. in the Commission Chambers.
- The monthly Bike with the Chief is October 25 at Town Hall at 5:00 p.m.
- Coffee with the Cops is October 26 at Starbucks at 10:00 a.m.
- The Halloween Block Party is on October 31 on 92nd Street and Byron Avenue from 6:00 p.m. to 8:00 p.m. Police Officers and civilian staff will distribute candy and glow necklaces.
- The Prescription Drug Drop Off Day is October 28 from 10:00 a.m. to 2:00 p.m. in the Town Hall Lobby. Dina Goldstein will manage this event.
- Surfside PD, Sunny Isles Beach PD, Bay Harbour Islands PD and Bal Harbour PD will host a Shred a Thon and DEA Drug Take Back on October 28 at Bill Bird Marina (Haulover Park) from 10:00 a.m. to 2:00 p.m. A CSA will be assigned to attend.

Respectfully submitted:



Guillermo Olmedillo, Town Manager



Town of Surfside, FL

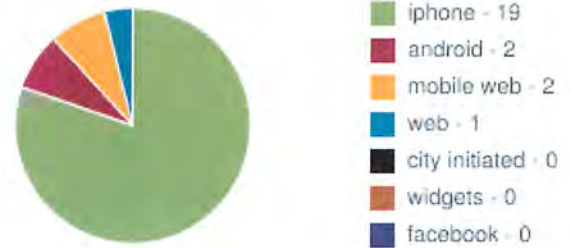
Between Aug 01, 2017 and Sep 25, 2017

6 requests were opened

6 requests were closed

The average time to close was 30.7 days.

Requests by Source



REQUEST CATEGORY	OPENED	CLOSED	DAYS TO CLOSE
Beach Issue	9	5	51.6
Other	7	5	32.0
Code Compliance (Safety Concern)	3	6	12.7
Police (Safety Concern)	2	2	3.5
Code Compliance (Violation)	2	3	39.8
Construction Issues	1	0	0.0
Parking Issue	0	1	54.6
96 Street Park (P & R)	0	0	0.0
Barking Dog	0	0	0.0
Beach Patrol	0	0	0.0
Community Center (P & R)	0	0	0.0
Dead Animal	0	0	0.0
Dog Stations (P & R)	0	0	0.0
Drainage/Flooding (PW)	0	0	0.0
Graffiti (in park) (P & R)	0	0	0.0
Graffiti (PW)	0	0	0.0
Hawthorne Tot-Lot (P & R)	0	0	0.0

R)			
Pothole (PW)	0	0	0.0
Solid Waste (Commercial) (PW)	0	0	0.0
Solid Waste (Residential) (PW)	0	0	0.0
Street lights (PW)	0	0	0.0
Surfside Dog Park (P & R)	0	0	0.0
Utilities (Water/Sewer) (PW)	0	0	0.0
Veterans Park (P & R)	0	0	0.0



Town of Surfside, FL

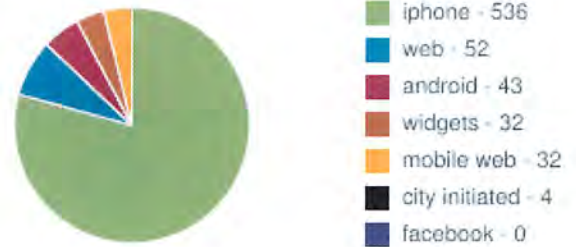
Between May 01, 2013 and Sep 25, 2017

268 requests were opened

268 requests were closed

The average time to close was 28.0 days.

Requests by Source



REQUEST CATEGORY	OPENED	CLOSED	DAYS TO CLOSE
Other	179	172	20.1
Beach Issue	112	101	14.0
Parking Issue	70	70	3.4
Police (Safety Concern)	73	73	8.7
Code Compliance (Violation)	56	54	53.6
Street lights (PW)	37	36	178.7
Code Compliance (Safety Concern)	40	38	56.7
Utilities (Water/Sewer) (PW)	20	20	10.4
Construction Issues	18	17	11.5
Dog Stations (P & R)	13	13	5.3
Drainage/Flooding (PW)	13	13	22.6
Barking Dog	12	12	20.0
Solid Waste (Residential) (PW)	13	12	20.0
Surfside Dog Park (P & R)	8	8	1.1
96 Street Park (P & R)	9	9	3.5

Community Center (P & R)	6	6	0.1
Pothole (PW)	5	5	31.7
Hawthorne Tot-Lot (P & R)	4	4	5.2
Beach Patrol	3	3	0.7
Dead Animal	3	3	21.0
Graffiti (PW)	3	3	25.2
Solid Waste (Commercial) (PW)	2	2	0.1
Graffiti (in park) (P & R)	0	0	0.0
Veterans Park (P & R)	0	0	0.0

TOWN OF SURFSIDE, FLORIDA
MONTHLY BUDGET TO ACTUAL SUMMARY
FISCAL YEAR 2016/2017

AS OF

August 31, 2017

92% OF YEAR EXPIRED (BENCHMARK)

Agenda Item #

Page

1 of 3

Agenda Date: October 10, 2017

	ACTUAL	ANNUAL BUDGETED	% BUDGET
GOVERNMENTAL FUNDS			
<i>GENERAL FUND</i>			
REVENUE	\$ 13,569,419	\$13,531,474	100%
EXPENDITURES	11,640,988	\$13,531,474	86%
Net Change in Fund Balance	1,928,431		
Fund Balance-September 30, 2016 (Audited)	7,368,408		
Fund Balance-August 31, 2017 (Reserves)	<u>\$ 9,296,839</u>		
<i>TOURIST RESORT FUND</i>			
REVENUE	\$ 631,499	\$735,031	86%
EXPENDITURES	557,688	\$735,031	76%
Net Change in Fund Balance	73,811		
Fund Balance-September 30, 2016 (Audited)	363,407		
Fund Balance-August 31, 2017 (Reserves)	<u>\$ 437,218</u>		
<i>POLICE FORFEITURE FUND</i>			
REVENUE	\$ 58,102	\$50,592	115%
EXPENDITURES	36,947	\$50,592	73%
Net Change in Fund Balance	\$ 21,155		
Fund Balance-September 30, 2016 (Audited)	141,755		
Fund Balance-August 31, 2017 (Reserves)	<u>\$ 162,910</u>		
<i>TRANSPORTATION SURTAX FUND</i>			
REVENUE	\$ 202,846	\$294,799	69%
EXPENDITURES	165,699	\$294,799	56%
Net Change in Fund Balance	37,147		
Fund Balance-September 30, 2016 (Audited)	354,264		
Fund Balance-August 31, 2017 (Reserves)	<u>\$ 391,411</u>		
<i>BUILDING FUND</i>			
REVENUE	\$ 2,491,771	\$1,927,983	129%
EXPENDITURES	779,541	\$1,927,983	40%
Net Change in Fund Balance	1,712,230		
Fund Balance-September 30, 2016 (Audited)	0		
Fund Balance-August 31, 2017 (Reserves)	<u>\$ 1,712,230</u>		
<i>CAPITAL PROJECTS FUND</i>			
REVENUE	\$ 247,104	\$973,818	25%
EXPENDITURES	890,694	\$973,818	91%
Net Change in Fund Balance	(643,590)		
Fund Balance-September 30, 2016 (Audited)	1,154,352		
Fund Balance-August 31, 2017 (Reserves)	<u>\$ 510,762</u>		

NOTES:

* Many revenues for August 2017 are received in subsequent months (timing difference) and are recorded on a cash basis in the month received.

- A. Includes \$2,000,000 available for hurricane/emergencies. Includes \$198,405 of Prepaid Expenses. The balance of \$5,170,003 is unassigned fund balance (reserves).
- B. Resort Tax Revenues total collected through August 2017 is \$2,053,176 (\$631,499 is the Tourist Resort Fund and \$1,421,677 is the General Fund).

ENTERPRISE FUNDS

ACTUAL

ANNUAL BUDGETED	% BUDGET
------------------------	-----------------

WATER & SEWER FUND

REVENUE	\$ 3,033,309	\$3,359,624	90%
EXPENDITURES	2,530,968	\$3,359,624	75%
Change in Net Position	502,341		
Unrestricted Net Position-September 30, 2016 (Audited)	(2,827,890)		
Restricted Net Position	1,765,319 C1		
Unrestricted Net Position-August 31, 2017 (Reserves)	<u>\$ (560,230) C2</u>		

MUNICIPAL PARKING FUND

REVENUE	\$ 1,038,727	\$1,706,356	61%
EXPENDITURES	1,213,020	\$1,706,356	71%
Change in Net Position	(174,293)		
Unrestricted Net Position-September 30, 2016 (Audited)	1,111,941		
Unrestricted Net Position-August 31, 2017 (Reserves)	<u>\$ 937,648</u>		

SOLID WASTE FUND

REVENUE	\$ 1,702,028	\$1,786,275	95%
EXPENDITURES	1,495,082	\$1,786,275	84%
Change in Net Position	206,946		
Unrestricted Net Position-September 30, 2016 (Audited)	245,941		
Unrestricted Net Position-August 31, 2017 (Reserves)	<u>\$ 452,887</u>		

STORMWATER FUND

REVENUE	\$ 486,439	\$684,143	71%
EXPENDITURES	330,249	\$684,143	48%
Change in Net Position	156,190		
Unrestricted Net Position-September 30, 2016 (Audited)	3,392,370		
Restricted Net Position	347,140 C3		
Unrestricted Net Position-August 31, 2017 (Reserves)	<u>\$ 3,895,700</u>		

NOTES:(con't)

C1. The Restricted Net Position of \$1,765,319 includes \$1,522,319 for renewal and replacement, and \$243,000 for State Revolving Loan reserves.

C2. The reserves balance of (\$560,230) is the result of a change in current net position as of August 2017 of \$502,341 net position as of September 30, 2016 of (\$2,827,890) includes Restricted Net Position of \$1,765,319.

C3. The Restricted Net Position of \$347,140 includes \$266,140 for renewal and replacement, \$81,000 for State Revolving Loan reserves.


Mayte D. Gamotea, Interim Finance Director


Guillermo Olmedillo, Town Manager

**Town of Surfside
Fund Balance (Reserves)**

8/31/2017

FUND	9/30/2014	9/30/2015	9/30/2016	8/31/2017
General	\$ 6,366,391	\$ 5,905,726	\$ 7,368,408	\$ 9,296,839
Tourist Resort	180,297	339,396	363,407	437,218
Police Forfeiture	159,626	113,431	141,755	162,910
Transportation Surtax	396,740	440,662	354,264	391,411
Building	-	-	-	1,712,230
Capital Projects	849,445	182,903	1,154,352	510,762
Water & Sewer	(3,501,884)	(2,705,871)	(2,827,890)	(560,230)
Municipal Parking	1,000,355	1,089,165	1,111,941	937,648
Solid Waste	116,662	340,391	245,941	452,887
Stormwater	3,838,412	4,051,768	3,392,370	3,895,700
Total	\$ 9,406,044	\$ 9,757,571	\$ 11,304,548	\$ 17,237,375



TOWN OF SURFSIDE
Office of the Town Attorney
 MUNICIPAL BUILDING
 9293 HARDING AVENUE
 SURFSIDE, FLORIDA 33154-3009
 Telephone (305) 993-1065

TO: Town Commission

FROM: Lillian Arango, Town Attorney

CC: Guillermo Olmedillo, Town Manager

DATE: October 2, 2017

SUBJECT: Office of the Town Attorney Report for October 10, 2017

This Office attended/prepared and/or rendered advice for the following Public Meetings:

September 18, 2017 - Town Commission First Budget Hearing

September 18, 2017 – Town Commission Special Meeting

September 20, 2017 – Special Master Hearing (Code Enforcement)

September 26, 2017 - Town Commission Final Budget Hearing

September 26, 2017 - Town Commission Special Meeting (Underground Utilities)

September 28, 2017 – DRG and DRG/DIC Meetings

September 28, 2017 – Design Review Board and Planning and Zoning Board Meeting

Preparation and Review of agenda materials:

- Town Commission Meetings
- Design Review Board and Planning and Zoning Board Meeting
- Tourist Board, and meet with new Director
- Members of the firm drafted the resolutions and ordinances for these meetings in addition to drafting or assisting with the preparation of a number of the communications and

reviewing, revising and, as appropriate, negotiating the legal requirements of the relative agreements and supporting documents.

Commission support:

Members of the firm have worked with members of the Town Commission to address concerns and research specific issues and are always available, either in the office or by phone or email. We appreciate your support as we have worked to transition the office, fine-tune schedules, evaluate and adjust prior practices, and address special needs and emergency procedures occasioned by Hurricane Irma. Transitions are always challenging, but often a time to make improvements or adjustments which will improve quality and service.

Staff support:

Members of the firm have met with and provided extensive support to staff and boards with application review, contract and agreement review and negotiation, code enforcement, building permit and enforcement issues, research, document review, legal review of various issues, and Town Code interpretation and application.

Key issues:

The workload has been diverse and has included specific issue support to every department. Key issues have included:

- Revamping and completion of the election charter revision
- Review, evaluation and revision of the Commission and Committee procedures
- Preparation for millage and budget adoption
- Finalization of Tyler Technologies contract and materials
- Negotiation and document drafting for several interlocal issues
- Various development and quasi-judicial applications
- Beach Furniture Ordinance application and Administrative Policy
- Ethics and Lobbying Code
- Water, Sewer and Stormwater Rates, process for adoption of rates and implementation of new rates

- Emergency procedures in aftermath of Hurricane Irma

Litigation:

New information is provided for the following cases or claims:

Florida Municipal Insurance Trust (“FMIT”) investigates claims and provides legal representation for the Town on the following claims/lawsuits:

1. Pieter Bakker v. Town of Surfside, a municipal corporation of the State of Florida and Young Israel of Bal Harbour, Inc. On May 30, 2012, Pieter Bakker filed a complaint in State Court against the Town which alleges counts against the Town including contract zoning, Charter violations, and a request for a writ of certiorari to quash Resolution 12-Z-2078 approving a Site Plan Application to permit Young Israel to build a synagogue on 9580 Abbott Avenue. On September 30, 2013, the Court ordered this matter to be transferred to the Appellate Division. Petitioner, Mr. Bakker filed a Third Amended Petition for Writ of Certiorari. The Town and Young Israel have filed a response to the Third Amended Petition for Writ of Certiorari. Hearing and oral argument on the merits was originally scheduled for September 6, 2017, but upon order of the Court has been rescheduled to December 6, 2017 at 3:30 pm.
2. Aceto and Muhammad v. Town of Surfside – Case No. 16-490-AP. Christopher Aceto and Adilah S. Muhammad, as property owners were cited and the Special Master found they had violated the Town’s Code of Ordinances by failing to register and pay fees and resort taxes on the short-term rental of their residential condominium. They appealed the order of the Special Magistrate. All briefs have been completed. On August 29, 2017, the Town received notice the item has been set for review by the Court for November 16, 2017, without oral argument.
3. JP Morgan Chase Bank, N.A v. Jacob Haris, et al – Case No. 2017-CA-007429. JP Morgan has filed for mortgage foreclosure of the property located at 9372 Bay Drive. The Town has filed Defendant, Town of Surfside’s Answer to Plaintiff’s Verified Amended Complaint, and Petition to Participate in Surplus, in connection with code enforcement liens on the Property.

Special Matters: Continued monitoring of new case law and legislation from Federal, State and County. Matters which we will continue to work on, some of which you may anticipate in the upcoming months include issues related to medical marijuana, sign code revisions, short term rental provisions, ethics code and lobbying registration and restrictions, Anti-Nepotism Policy, and review and evaluate existing franchise agreements with FPL and utility providers, and debris monitoring contracts.



Town of Surfside

TOURIST BOARD MEETING MINUTES

July 10 2017 – 5:30 p.m.

Town Hall Commission Chambers –
9293 Harding Ave, 2nd Floor, Surfside, FL 33154

**** NOTE – The video recording of this meeting is unavailable due to technical issues. Therefore, transcription of the minutes was created from notes. ****

1. Opening Items:

a. Call to Order/Roll Call

The meeting was called to order by Chair Cohen at 5:55 p.m.

The following were present: Chair Cohen
Secretary Meischeid
Vice Chair Weiss

Absent: Board member Berger

Also present: Duncan Tavares, Assistant Town Manager
Lilian Arango, Town Attorney
Vice Mayor Barry Cohen, Commission Liaison
Melissa Richards, Marketing & Special Proj. Coordinator
Elora Riera, Deputy Clerk

b. Board Member Zawid's Resignation – Chair Cohen

Chair Cohen advised the Board of Jennifer Zawid's resignation. She wishes Jennifer all the best in her future.

c. Approval of Minutes:

Secretary Meischeid moved to approve the minutes as written. Vice Chair Weiss seconded the motion which passed 3-0 on voice vote.

d. A/R (Resort Tax)

Assistant Town Manager Tavares provided the resort tax spreadsheets to the Board for their information and answered questions from the Board.

e. Tourism Director Update

Assistant Town Manager Tavares explained that they are still in the process of filling the Tourism Director position. They have received a few resumes.

2. Discussion Items

a. FY17/18 Holiday Lights

Assistant Town Manager Tavares gave an overview of prior discussions the Board has had regarding the holiday lights.

After some discussion, Secretary Meischeid made a motion to go with the \$65,000 that was used for the holiday lights last year and to give flexibility to Assistant Town Manager Tavares to search for funding through the budget or reserves. Vice Chair Weiss seconded the motion which passed 3-0 on roll call vote.

b. FY17/18 Budget – Items from the Board

The Board discussed different items of the budget. Jacober Creative and Assistant Town Manager Tavares presented and answered any questions from the Board.

Vice Chair Weiss made a motion to move forward and bring back the budget items as part of the next fiscal year budget plan. Secretary Meischeid seconded the motion which passed 3-0 on roll call vote.

c. First Fridays Update

Sara Liss of the First Fridays event provided an overview of the event that took place on July 7th. Ms. Liss and Assistant Town Manager Tavares answered questions from the Board.

Ms. Liss provided a new event idea to the Board. The event idea involved paddle boarding and floating docks. She answered any questions and comments that the Board had about this new event.

After some discussion, Vice Chair Weiss made a motion to proceed with Ms. Liss' event idea and to explore details and cost from a conceptual approach. Secretary Meischeid seconded the motion which passed 3-0 on roll call vote.

d. Sister Cities Update

Assistant Town Manager Tavares had no information to provide to the Board at this time. Due to the resignation of Board Member Zawid, he hopes to have information for the Board at a future meeting.

e. Public Comment

Public speakers: George Kousoulas of 9225 Collins Avenue, Barbara McLaughlin of 9341 Collins Avenue

3. Adjournment

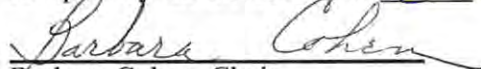
Secretary Meischeid made a motion to adjourn the meeting at 7:58 p.m. and Vice Chair Weiss seconded the motion which passed 3-0 on voice vote.

Respectfully submitted:



Elora Riera, Deputy Clerk

Adopted by the Board on this 2nd day of October, 2017



Barbara Cohen, Chair



**Town of Surfside
DESIGN REVIEW BOARD/
PLANNING & ZONING BOARD
MINUTES**

August 31, 2017 – 6:00 p.m.
Town Hall Commission Chambers –
9293 Harding Ave, 2nd Floor, Surfside, FL 33154

DESIGN REVIEW BOARD

1. Call to Order/Roll Call

Chair Lindsay Lecour called the meeting to order at 6:05 p.m.

Deputy Clerk Elora Riera called the roll with the following members present: Chair Lindsay Lecour, Vice Chair Judith Frankel, Board Member Brian Roller, Board Member Peter Glynn, Board Member Richard Iacobacci and Board Member Jorge Gutierrez.

2. Approval of Minutes – June 29, 2017

Vice Chair Frankel made a motion to adopt the minutes. The motion received a second from Board Member Glynn and all voted in favor

3. Design Review Board Applications:

A. 524 90th Street – Fence - The applicant is requesting fencing to enclose a pool. A 4.5-foot-high aluminum rail fence is proposed facing 90th Street and a 6-foot wood fence with a gate is proposed along the side and rear of the property.

Town Planner Sarah Sinatra presented the item.

Board Member Gutierrez made a motion to approve. The motion received a second from Board Member Iacobacci and all voted in favor.

B. 1404 Biscaya Drive – Carport Conversion - The applicant is requesting to convert their carport to additional living space.

Town Planner Sarah Sinatra presented the item.

Board Member Iacobacci stated that the plans included in the packet were not detailed and made a motion to defer to the next meeting. The motion received a second from Board Member Gutierrez and all voted in favor.

C. 9448 Harding Avenue – Sign - The applicant is requesting one (1) illuminated wall sign for an Alexia + Frankie's Beauty Bar retail business.

Town Planner Sarah Sinatra presented the item.

Board Member Gutierrez made a motion to approve with the following conditions:

1. Proposed sign shall be off-set from the wall a minimum of one quarter inch to a maximum of two inches to permit rain water to flow down the wall face;
2. The wall face shall be reconditioned and painted as necessary;

The motion received a second from Board Member Glynn and all voted in favor.

D. 9599 Harding Avenue – Sign - The applicant is requesting one (1) illuminated wall sign for Iberia Bank.

Town Planner Sarah Sinatra presented the item.

Board Member Gutierrez made motion to accept with the following conditions:

1. Proposed sign shall be off-set from the wall a minimum of one quarter inch to a maximum of two inches to permit rain water to flow down the wall face;
2. The wall face shall be reconditioned and painted as necessary;
3. All power electrical boxes and switches shall be removed;

The motion received a second from Board Member Glynn and all voted in favor.

E. 9551 Harding Avenue - Sign - The applicant is requesting two (2) window signs and one (1) projecting sign for Araxi Burger Restaurant.

Town Planner Sarah Sinatra presented the item.

Board Member Gutierrez made a motion to accept with the following condition:

1. Two (2) hanging signs are allowed.

The motion received a second from Board Member Glynn. The motion carried 5-1 with Board Member Iacobacci voting in opposition.

F. 8811 Emerson Avenue – Addition - The applicant is requesting a 334.7 square foot addition to the rear side of the house with a covered terrace.

Town Planner Sarah Sinatra presented the item.

Board Member Gutierrez made a motion to approve. The motion received a second from Board Member Glynn and all voted in favor.

G. 8851 Froude Avenue – Addition - The applicant is proposing the construction of a two-story addition on the back of an existing single-family residence.

Town Planner Sarah Sinatra presented the item.

Mr. Jeff Rhodes spoke in favor of the item.

Board Member Iacobacci made a motion to approve with the following conditions:

1. At Building Permit, a property survey will be required to be submitted that confirms the crown of road elevation.

The motion received a second from Board Member Gutierrez. The motion carried 6-0.

4. Quasi-Judicial Application:

A. Surf Club NW Building Site Plan Amendment

A RESOLUTION OF THE TOWN OF SURFSIDE, FLORIDA, PLANNING AND ZONING BOARD, RECOMMENDING APPROVAL OF A SITE PLAN AMENDMENT APPLICATION, TO MODIFY THE DESIGN OF THE NORTHWEST BUILDING TO REDUCE RETAIL SPACE; REMOVE ALL RESIDENTIAL UNITS; ADD BACK-OF-HOUSE SPACE FOR THE HOTEL TO ADD OFFICE SPACE AND KITCHEN SPACE FOR THE RESTAURANT; INCREASE ON-SITE PARKING FROM 67 SPACES TO 161 SPACES; AND PERMIT MODIFICATION OF RELATED SITE IMPROVEMENTS; ALL FOR PROPERTY GENERALLY LOCATED AT 9100 COLLINS AVENUE, SURFSIDE, FL, AS SUBMITTED BY THE SURF CLUB, INC.; PROVIDING FOR A SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Deputy Clerk Elora Riera read the title of the resolution.

Chair Lecour explained the quasi-judicial process and the duties of the members of the Design Review Board.

Deputy Clerk Riera confirmed that compliance with advertising requirements have been met.

Town Attorney Kathy Mehaffey asked the Members of the Design Review Board if they had ex-parte communications with the applicant to which they all answered negative.

Deputy Clerk Riera swore in everyone wishing to speak in favor or against the item.

Town Planer Sarah Sinatra introduced the item to the Design Review Board by giving a PowerPoint Presentation.

Alexander Tachmes representing the applicant gave a presentation and spoke in favor of the item.

Koby Karp representing the applicant gave a presentation and spoke on the item.

Public speaker Ben Acquario spoke on the item.

Board Member Gutierrez had some questions on the site plan as to signage, elevation and other aspects of the project. The applicant addressed all the questions.

After some discussion, Board Member Iacobacci made a motion to recommend the project to the Planning and Zoning Board with the following conditions:

Revisit the five (5) foot sidewalks

Revisit shade canopies on the sidewalks

Continue to push for a crosswalk and light on East side

Ensure there is screen on the garage roof top

Adhere to Town's Tennis Club hours

The motion received a second from Board Member Gutierrez and all voted in favor.

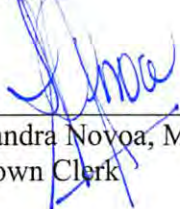
5. Adjournment

There being no further business to come before the Design Review Board, Board Member Gutierrez made a motion to adjourn the meeting. The motion received a second from Board Member Glynn and all voted in favor. Meeting adjourned at 7:18pm.

Accepted this 20th day of September, 2017


Chair Lindsay Lecoul

Attest:



Sandra Novoa, MMC
Town Clerk

PLANNING & ZONING BOARD

MINUTES

1. Call to Order/Roll Call

Chair Lindsay Lecour called the meeting to order at 7:18 p.m.

Deputy Clerk Elora Riera called the roll with the following members present: Chair Lindsay Lecour, Vice Chair Judith Frankel, Board Member Brian Roller, Board Member Peter Glynn and Board Member Richard Iacobacci. Commissioner Daniel Gielchinsky attended as liaison.

2. Commissioner Daniel Gielchinsky- Town Commission Liaison Report

Commissioner Gielchinsky reported that the Commission did not meet during the month of August and spoke about the July Commission meeting. He stated that the Commission gave direction to the Town Manager to do a Community meeting with the residents from 89th and 90th Street to propose the Walkability plan. The Manager will provide feedback to the Commission during their September 12, 2017 Regular Commission meeting.

Commissioner Gielchinsky also informed the Board that the Commission will also have a Special Commission meeting on September 26, 2017 with a presentation from Doctor Kury to present the pros and cons of undergrounding the utility lines.

He spoke about the recent vacancy on the Design Review Board as Mr. Covin can no longer serve as a Board Member and encouraged anyone qualified to apply for this vacancy.

3. Planning and Zoning Board Member – Sustainability Subcommittee Liaison Report

Chair Lecour spoke about her attendance at the Sustainability Sub Committee Meeting earlier that day and gave a brief update as to what the Committee discussed.

4. Approval of Minutes – June 29, 2017

Board Member Glynn made a motion to approve. The motion received a second from Vice Chair Frankel and all voted in favor.

Chair Lecour suggested adding more detail under the discussion items section.

5. Quasi-Judicial Application:

A. Surf Club NW Building Site Plan Amendment

A RESOLUTION OF THE TOWN OF SURFSIDE, FLORIDA, PLANNING AND ZONING BOARD, RECOMMENDING APPROVAL OF A SITE PLAN AMENDMENT APPLICATION, TO MODIFY THE DESIGN OF THE NORTHWEST BUILDING TO REDUCE RETAIL SPACE; REMOVE ALL RESIDENTIAL UNITS; ADD BACK-OF-HOUSE SPACE FOR THE HOTEL TO ADD OFFICE SPACE AND KITCHEN SPACE FOR THE RESTAURANT; INCREASE ON-SITE PARKING FROM 67 SPACES TO 161 SPACES; AND PERMIT MODIFICATION OF RELATED SITE IMPROVEMENTS; ALL FOR

PROPERTY GENERALLY LOCATED AT 9100 COLLINS AVENUE, SURFSIDE, FL, AS SUBMITTED BY THE SURF CLUB, INC.; PROVIDING FOR A SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

Deputy Clerk Elora Riera read the title of the resolution.

Chair Lecour explained the quasi-judicial process and the duties of the members of the Planning and Zoning Board.

Deputy Clerk Riera confirmed that compliance with advertising requirements have been met.

Town Attorney Kathy Mehaffey asked the Members of the Planning and Zoning Board if they had ex-parte communications with the applicant to which they all answered negative.

Deputy Clerk Riera swore in everyone wishing to speak in favor or against the item.

Chair Lecour opened the Public Hearing. No one spoke on the item and Chair Lecour closed the Public Hearing.

Chair Lecour asked the Board for any further questions or concerns that they may have for Staff or the applicant. No further questions were asked.

Board Member Iacobacci made a motion to approve with the conditions previously discussed during the Design Review Board meeting. The motion received a second from Board Member Roller and all voted in favor.

6. Discussion Items:

A. Alexis Alvey – Safe Harbor: Creating a Walkable Surfside

FIU graduate Ms. Alvey presented to the Planning and Zoning Board with her study on how to improve walkability within the Town. She explained that her presentation is only for informational purposes.

After her presentation, the members of the Planning and Zoning Board had some questions on how to possibly make this happen within the Town.

Town Manager Olmedillo expressed his interest in achieving some of the aspects within the presentation and making Surfside a more walkable place. He also explained that he will provide the Town Commission with an update during the September 12, 2017 Regular Commission meeting.

Chair Lecour asked if there is any similar pilot program for the business district. Town Manager Olmedillo stated that anything that could be done within the Business District will attract more people into the Town.

Vice Chair Frankel suggested to have meetings with property owners to see if there can be a unified look throughout the Town.

Chair Lecour would like an update during the next meeting and maybe a more detailed presentation regarding walkability within the Business District.

Chair Lecour requested that a copy of the presentation be sent to the Board.

B. Sea Level Rise and Freeboard

Town Planner Sarah Sinatra spoke about the 5 feet of freeboard. She explained the issues that Miami Beach is facing with this as well.

She presented some graphics to show the difference between a two foot of freeboard and one foot of freeboard. Sarah explained more about the concept and offered to do some more research that will not require a referendum. Sarah Sinatra stated that she will present some new language during the next Planning and Zoning Meeting and most likely present it to the Town Commission in the month of October.

Board Member Glynn feels very strong about doing a referendum and believes the Town should do something about sea level rise and freeboard.

The Board requested to possibly leave the referendum open as they would like to discuss it further, if possible during a special meeting. The Board agreed to possibly meet on September 18, 2017.

C. Artificial Grass

Town Planner Sarah Sinatra presented the item. She explained that currently the Town code does not permit artificial grass. A resident made a request for the Town Commission to amend the code to allow artificial grass.

The resident spoke on the item and stated that he has been the only one in Town that has been cited. He provided the Board with the specification of the grass he installed and requested the Board to modify the code.

Town Manager Olmedillo spoke on the item and explained that once he was made aware of the issue and there were more people involved, he requested the Code Enforcement Director to put a hold on any code violations or citations until the issue is discussed by Planning and Zoning and the Town Commission.

After some discussion, the Board was not in favor of changing the Town Code to allow artificial grass.

D. Future Agenda Items

Five-foot sidewalk suggested by Design Review Board Member Gutierrez

E. Adjournment

There being no further business to come before the Planning and Zoning Board, Board Member Glynn made a motion to adjourn the meeting. The motion received a second from Vice Chair Frankel and all voted in favor. Meeting adjourned at 8:50 pm.

Accepted this 20th day of September, 2017


Chair Lindsay Lecour

Attest:


Sandra Novoa, MMC
Town Clerk



Town of Surfside Commission Communication

Agenda Item # 3E

Agenda Date: October 10, 2017

Subject: Expenditure of Forfeiture Funds for Fiscal Year 2017-2018

Objective: To utilize forfeiture funds to support crime prevention initiatives, community-based programs, and law enforcement equipment for use by law enforcement personnel that supports law enforcement activities.

Background: Forfeiture funds may be used for law enforcement purposes only including supporting community policing activities, law enforcement training, law enforcement operations, law enforcement equipment, crime awareness programs, and community-based initiatives. Although the expenditures have been authorized in the budget, the Town Commission must also approve a specific resolution.

Analysis:

1. The Police Department conducts promotional activities, crime prevention initiatives, programs, and training and distributes crime prevention material and miscellaneous supplies for children, residents and businesses throughout the year. The training and programs and materials include the Citizens Police Academy, monthly crime prevention workshops, school career days, Teen Summer Camp, Holiday Toy Drive, residential and commercial security surveys, victim awareness seminars, Bike with the Chief, Halloween Safety Night, self-defense classes, Do The Right Thing of Miami youth program, crime mapping and alerting system. Also included is the expense for the annual mandated federal audit. Projected total cost \$12,600.
2. The patrol mobile laptop program allows officers to electronically complete their reports and conduct criminal and driver license checks on the road. The project includes the cost for the lease of the laptops, the software, and the air cards. Projected total cost \$20,592.
3. The Police Department also purchases special police equipment throughout the fiscal year. This equipment may include weapons, weapon accessories, field force equipment, electronic control weapons, ammunition, simunition, leased vehicles, body armor, telecommunication undercover cellular phones, electronic surveillance,

office supplies, fitness and training, a forensic evidence drying cabinet, and a RFP development for a Computer Aided Dispatch, Records Management, Police Report Writing, Mobile Field Reporting, Crime Case Management Tracking/ Criminal Intelligence, Property and Evidence System (CAD/RM/MC system). Projected total cost \$45,000.

Budget Impact:

The total projected expenditure from forfeiture fund is \$78,192 for Fiscal Year 2017-2018. The forfeiture fund balance from the accounts of Department of Justice, Department of Treasury and the State of Florida funds is \$155,863.89 as of September 30, 2017.

Staff Impact: N/A

Recommendation: It is recommended that the Surfside Town Commission approve the resolution to utilize \$78,192 from forfeiture funds to support crime prevention initiatives and materials, community-based programs and events, the patrol mobile laptop project, law enforcement special equipment, an evidence drying cabinet, and A RFP Development for a CAD/RM/MC System.



Julio Yero
Captain of Police
On behalf of Chief David Allen



Guillermo Olmedillo
Town Manager



Donald Nelson
Finance Director

RESOLUTION NO. 17 – _____

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, PROVIDING FOR THE FISCAL YEAR 2017/2018 POLICE CONFISCATION FUND EXPENDITURE IN THE AMOUNT OF \$78,192 FROM THE FORFEITURE FUND TO SUPPORT CRIME PREVENTION INITIATIVES, COMMUNITY-BASED PROGRAMS AND LAW ENFORCEMENT EQUIPMENT; PROVIDING FOR AUTHORIZATION AND APPROVAL; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Section 881(e)(3) of Title 21, United States Code and §932.7055, Fla. Stat. define the purpose and procedures for the appropriation and expenditure of funds from the Police Confiscation Fund; and

WHEREAS, the Chief of Police of the Town of Surfside has determined that the appropriation and expenditure of funds is necessary to support crime prevention initiatives, community-based programs, and law enforcement equipment for use by law enforcement personnel that supports law enforcement activities; and

WHEREAS, the total expenditure from forfeiture funds is \$78,192 for the following items: (1) \$12,600 for promotional activities, crime prevention initiatives, programs, and training and distributes crime prevention material and miscellaneous supplies for children, residents and businesses throughout the year. The training and programs and materials include the Citizens Police Academy, monthly crime prevention workshops, school career days, Teen Summer Police Camp, Holiday Toy Drive, residential and commercial security surveys, victim awareness seminars, Bike with the Chief, Halloween Safety Night, self-defense classes, Do The Right Thing of Miami youth program, crime mapping and alerting system. Also included is the expense for the annual mandated federal audit; (2) \$20,592 for patrol mobile program that includes laptop program lease, software and the air cards; (3) \$45,000 for law enforcement equipment (weapons, weapon accessories, field force equipment, electronic control weapons, ammunition, simunition, leased vehicles, body armor, telecommunication undercover cellular phones, electronic surveillance, office supplies, fitness, training and the Power DMS Electronic Data Storage System for law enforcement accreditation standards).

WHEREAS, such funds are available in the Police Confiscation Fund State of Florida and Federal Asset Forfeiture Program.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AS FOLLOWS:

Section 1. Recitals. The above and foregoing recitals are true and correct and are incorporated herein by reference.

Section 2. Confiscation Fund Expenditures and Authorization and Approval.

Based on the attached Certificate of the Police Chief, the Town Commission hereby authorizes an approves the Police Confiscation Fund expenditures for the Fiscal Year 2017/2018 in the amount of \$78,192 to support crime prevention initiatives, community-based programs, and law enforcement equipment for use by law enforcement personnel that supports law enforcement activities as set forth in Attachment "A."

Section 3. Effective Date. This Resolution shall become effective immediately upon adoption.

PASSED and ADOPTED this 10th day of October, 2017.

Motion by _____,

Second by _____.

FINAL VOTE ON ADOPTION

Commissioner Daniel Gielchinsky	_____
Commissioner Michael Karukin	_____
Commissioner Tina Paul	_____
Vice Mayor Barry Cohen	_____
Mayor Daniel Dietch	_____

Daniel Dietch, Mayor

ATTEST:

Sandra Novoa, MMC
Town Clerk

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:**

Weiss Serota Helfman Cole & Bierman, P.L.
Town Attorney

ATTACHMENT "A"
CERTIFICATE OF CHIEF OF POLICE

I, DAVID E. ALLEN, Chief of Police of the Town of Surfside, do hereby certify the expenditures for \$78,192 from the Town of Surfside Confiscation Fund for the 2017/2018 Fiscal Year budget complies with provisions Section 881(e)(3) of Title 21, United States Code and §932.7055, Fla. Stat.

(1) \$12,600.00 for promotional activities, crime prevention initiatives, programs, and training and distributes crime prevention material and miscellaneous supplies for children, residents and businesses throughout the year. The training and programs and materials include the Citizens Police Academy, monthly crime prevention workshops, school career days, Teen Summer Police Camp, Holiday Toy Drive, residential and commercial security surveys, victim awareness seminars, Bike with the Chief, Halloween Safety Night, self-defense classes, Do The Right Thing of Miami youth program, crime mapping and alerting system. Also included is the expense for the annual mandated federal audit;

(2) \$20,592.00 for patrol mobile program that includes laptop program lease, software and the air cards;

(3) \$45,000.00 for law enforcement equipment (weapons, weapon accessories, field force equipment, electronic control weapons, ammunition, simunition, leased vehicles, body armor, telecommunication undercover cellular phones, electronic surveillance, office supplies, fitness, training and the Power DMS Electronic Data Storage System for law enforcement accreditation standards).

Dated: _____

David E. Allen
Chief of Police



**Town of Surfside
Town Commission Meeting
October 10, 2017
7:00 pm**

Town Hall Commission Chambers - 9293 Harding Avenue, 2nd Floor
Surfside, FL 33154

Agenda #: 3F
Date: October 10, 2017
From: Daniel Dietch, Mayor
Subject: Texting While Driving Urging Resolution

Objective: To approve the enclosed resolution supporting Representative Stark's initiative and urging the Florida Legislature to make texting while driving a primary offense.

Consideration: In 2013, the State of Florida passed the "Florida Ban on Texting While Driving Law," prohibiting any person from operating motor vehicle while manually typing any letters, numbers, symbols or character into a mobile device. Florida's Ban on Texting While Driving Law makes its provisions enforceable only as a secondary driving offense, meaning that it is enforceable only after the operator of a motor vehicle has been pulled over or detained for suspected violation of another primary offense under Florida law.

Texting while driving is an unsafe practice that contributes to unnecessary vehicular delays and accidents and injuries. Currently, Florida is one of four states that considers texting while driving a secondary offense. Thus, the current law is very difficult to enforce and does little to discourage the unsafe activity.

During the September 18, 2017 Town Commission Meeting, the Town Commission directed the Town Attorney to prepare an urging resolution to the Florida Legislature supporting Representative Stark's initiative to make texting while driving a primary offense.

Recommendation: Approve the enclosed resolution supporting Representative Stark's initiative and urging the Florida Legislature to make texting while driving a primary offense.

enclosure

RESOLUTION NO. 17-__

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, URGING THE FLORIDA LEGISLATURE TO PASS LEGISLATION MAKING TEXTING WHILE DRIVING A PRIMARY OFFENSE; PROVIDING FOR TRANSMITTAL; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in 2013, the State of Florida passed the “Florida Ban on Texting While Driving Law,” prohibiting any person from operating motor vehicle while manually typing any letters, numbers, symbols or character into a mobile device (“Texting Law”); and

WHEREAS, the Texting Law made its provisions enforceable only as a secondary driving offense—that is enforceable only after the operator of a motor vehicle has been detained for suspected violation of another primary offense under Chapter 316, 320, and/or 322, Florida Statutes; and

WHEREAS, Florida is one of few states where texting and driving is not a primary offense; and

WHEREAS, texting while driving continues to be a dangerous, distracted-driver activity, which has increasingly been the cause of traffic delays and serious motor vehicle accidents, some leading to serious injury and death; and

WHEREAS, if texting while driving was classified as a primary offense, police officers would be better equipped to stop distracted, texting drivers, discouraging the behavior broadly throughout the community; and

WHEREAS, the Town Commission finds that urging the Florida Legislature to pass legislation making texting while driving a primary offense is in the best interest of the Town and public safety.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AS FOLLOWS:

Section 1. Recitals. The foregoing recitals are confirmed, adopted, and incorporated herein and made a part hereof by this reference.

Section 2. Urging Florida Legislature to Pass Legislation Making Texting While Driving a Primary Offense. The Florida Legislature is hereby urged to pass legislation making texting while driving a primary offense, allowing police officers to stop directly distracted drivers before such drivers can cause traffic accidents, injuries and loss of life.

Section 3. Transmittal. The Town Clerk is hereby directed to transmit this Resolution to the Speaker of the Florida House of Representatives, the President of the Florida Senate, the Governor of the State of Florida, and such individuals of the Florida Legislature and staff as deemed appropriate by the Town Manager to ensure that the Town's position is clearly received and understood.

Section 4. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED this 10th day of October, 2017.

Motion by _____ .
Second by _____ .

DANIEL DIETCH, MAYOR

ATTEST:

Sandra Novoa, MMC, Town Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY FOR THE TOWN OF SURFSIDE ONLY:

Town Attorney

FINAL VOTE ON ADOPTION:

Mayor Daniel Dietch _____
Vice-Mayor Barry Richard Cohen _____
Commissioner Barry Richard Cohen _____
Commissioner Michael Karukin _____
Commissioner Tina Paul _____



Town of Surfside Commission Communication

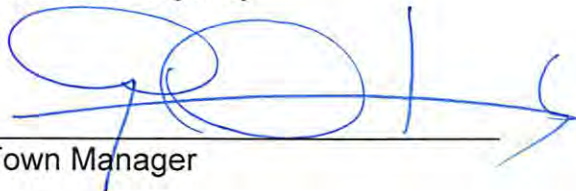
Agenda Item # 3G

Agenda Date: October 10, 2017

Subject: Confirmation of Termination of State of Emergency

Background: On September 4, 2017, Governor Rick Scott issued Executive Order 17-235, declaring a state of emergency for all 67 counties within the State of Florida in response to the approaching and imminent threat of Hurricane Irma. On September 5, 2017 the Mayor and Town Manager declared a State of Emergency within the Town pursuant to Sections 2-261–2-270 Emergency Management Procedures, of the Town Code. As cleanup continued in the aftermath of Hurricane Irma, that emergency declaration was extended by the Mayor and Town Manager on September 13, 2017 and again on September 20, 2017. On September 27, 2017, the Mayor and Town Manager found and certified that the danger posed to Town residents and property by Hurricane Irma had abated, the conditions warranting the state of emergency as it related to Hurricane Irma had ceased to exist, and pursuant to Section 2-263 of the Town Code, terminated the state of emergency. The Town Code requires that the termination of the state of emergency be confirmed by resolution of the Town Commission.

Recommendation: Approve the Resolution confirming the termination of the Town's state of emergency.



Town Manager

Attachments:

1. Town of Surfside Emergency Declaration
2. Extension #1 of Town of Surfside Emergency Declaration
3. Extension #2 of Town of Surfside Emergency Declaration
4. Certification and Termination of Town of Surfside Emergency Declaration

RESOLUTION NO. 17-__

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, CONFIRMING THE TERMINATION OF THE STATE OF EMERGENCY DECLARED FOR THE TOWN OF SURFSIDE, FLORIDA RELATED TO HURRICANE IRMA; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, on September 4, 2017, by Executive Order 17-235, Florida Governor Rick Scott declared a state of emergency for all 67 counties within the State of Florida in response to the approaching and imminent threat of Hurricane Irma; and

WHEREAS, Pursuant to Article VIII, Chapter 2 (Sections 2-261–2-270) Emergency Management Procedures, of the Code of the Town of Surfside, Florida, the Mayor and Town Manager declared a State of Emergency within the Town on September 5, 2017 as a result of the imminent and severe threat which required immediate and expeditious action as a result of the threat of Hurricane Irma which was anticipated to result in substantial injury or harm to Town residents or substantial damage to or loss of property; and

WHEREAS, In recognition of the ongoing state of emergency throughout the State of Florida and the extensive and ongoing recovery efforts that were continuing within the Town, the Town’s State of Emergency declared on September 5, 2017 was extended on September 13th and again on September 20th; and

WHEREAS, On September 27, 2017, the Mayor and Town Manager found and certified that the danger posed to Town residents and property by Hurricane Irma had abated and the conditions warranting the state of emergency as it related to Hurricane Irma had ceased to exist; and

WHEREAS, pursuant to Sec. 2-263, “Termination of a state of emergency”, of the Town Code, upon such certification, the Mayor and Town Manager terminated the state of emergency within the Town on September 27, 2017; and

WHEREAS, the Town code requires that termination of the state of emergency be confirmed by resolution of the Town Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AS FOLLOWS:

Section 1. Recitals. The foregoing recitals are confirmed, adopted, and incorporated herein and made a part hereof by this reference.

Section 2. Termination of State of Emergency. The termination of the State of Emergency for the Town of Surfside, Florida, declared September 5, 2017, extended on September 13, 2017 and on September 20, 2017, and terminated effective September 27, 2017, is hereby confirmed.

Section 3. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED this 10th day of October, 2017.

Motion by _____ .

Second by _____ .

Daniel Dietch, Mayor

ATTEST:

Sandra Novoa, MMC, Town Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY FOR THE TOWN OF SURFSIDE ONLY:

Town Attorney

FINAL VOTE ON ADOPTION:

Mayor Daniel Dietch _____
Vice-Mayor Barry Richard Cohen _____
Commissioner Daniel Gielchinsky _____
Commissioner Michael Karukin _____
Commissioner Tina Paul _____



Town of Surfside Commission Communication

Agenda Item # 4A1

Agenda Date: September 12, 2017 / October 10, 2017

Subject: Pension ordinance adopting Chapter 185 minimum benefits for police officers along with other changes to the ordinance.

Background: The Town of Surfside sponsors a defined benefit retirement plan for employees of the Town of Surfside ("Retirement Plan"). The Retirement Plan is governed by Chapter 185, Florida Statutes ("Chapter 185"), with regard to the police membership. Chapter 185 requires the adoption of specified minimum benefits for police officers. The Retirement Plan receives premium taxes to fund the cost of minimum benefits for the police membership. The actuary for the Board of Trustees has determined that the Retirement Plan's accumulated Chapter 185 premium tax reserves are available to fund Chapter 185 minimum benefits. The Board of Trustees of the Retirement Plan has recommended this ordinance.

The required minimum benefits for police officers, which are being purchased with Chapter 185 premium taxes are set forth below:

- *Early retirement:* age 50 with ten or more years of service, with a 3% per year early retirement reduction;
- *Normal form of payment:* 10 year certain and life annuity;
- *Service-connected disability:* minimum benefit is the greater of accrued benefit or 42% of average final compensation;
- *Non-service connected disability benefit:* minimum benefit of 25% of average final compensation;
- *Survivor benefit:* accrued benefit payable as a ten year certain only annuity.

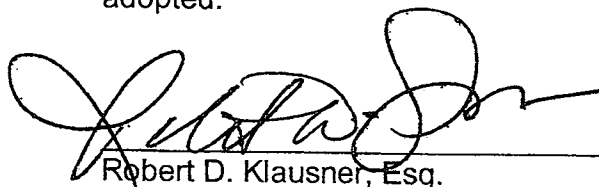
With regard to the non-police members, the Retirement Plan was amended in 2016 to adopt a second tier benefit structure. The Board of Trustees has recommended the clarification of the term "Senior Management Employee" to include the Assistant Town Manager and all Directors. The Board has also recommended that after completing one (1) year of service, each police officer shall be permitted one (1) buyback calculation to be provided by the Pension Board's actuary at no cost to the police officer. The cost of any additional buyback requests shall be at the police officer's expense.

Analysis: Chapter 185 premium taxes have accumulated annually for several years. The accumulated reserve, which is being used to fund the purchase of the required minimum benefits for police officers, totaled \$325,654 as of September 30, 2016. Additionally, annual premium tax distributions will be applied as necessary to preserve cost neutrality for the Town.

Budget Impact: The Retirement Plan's actuary will prepare a formal actuarial impact statement, as required by Chapter 112, Florida Statutes.

Staff Impact: No staff impact.

Recommendation: It is recommended that the Ordinance amending the Pension Plan be adopted.



Robert D. Klausner, Esq.
General Counsel
Retirement Plan for
Employees of the Town of Surfside



Town Manager

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE V, DIVISION 2 OF THE CODE OF THE TOWN OF SURFSIDE REGARDING THE RETIREMENT PLAN FOR EMPLOYEES OF THE TOWN OF SURFSIDE; AMENDING SECTION 2-171 OF THE TOWN CODE TO CLARIFY THE DEFINITION OF THE TERM SENIOR MANAGEMENT EMPLOYEE; AMENDING SECTION 2-175(d) OF THE TOWN CODE TO PROVIDE FOR ONE ACTUARIAL BUYBACK CALCULATION TO DETERMINE THE COST OF MILITARY OR PRIOR LAW ENFORCEMENT SERVICE; AMENDING SECTION 2-176(b) OF THE TOWN CODE TO PROVIDE FOR EARLY RETIREMENT FOR POLICE MEMBERS AT AGE 50 WITH TEN YEARS OF SERVICE; AMENDING SECTION 2-176(c)(2) OF THE TOWN CODE TO PROVIDE FOR A TEN YEAR CERTAIN AND LIFE BENEFIT AS THE NORMAL FORM OF BENEFIT FOR POLICE MEMBERS; AMENDING SECTION 2-177(c) OF THE TOWN CODE TO PROVIDE FOR OPTIONAL FORMS OF BENEFITS FOR POLICE MEMBERS; AMENDING SECTION 2-178(a) OF THE TOWN CODE TO PROVIDE FOR MINIMUM DEATH BENEFITS FOR POLICE MEMBERS; AMENDING SECTION 2-189(e)(2)a. AND (e)(4) OF THE TOWN CODE TO PROVIDE FOR MINIMUM DISABILITY BENEFITS FOR POLICE MEMBERS; PROVIDING FOR SEVERABILITY; PROVIDING FOR CODIFICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Surfside sponsors a defined benefit retirement plan for employees of the Town of Surfside (“Retirement Plan”);

WHEREAS, the Retirement Plan is governed by the requirements of Chapter 185, Florida Statutes (“Chapter 185”), with regard to the police membership;

WHEREAS, Chapter 185 requires the adoption of specified minimum benefits for police officers;

WHEREAS, the Retirement Plan receives premium taxes to fund the cost of minimum benefits for the police membership;

WHEREAS, the Board of Trustees of the Retirement Plan has recommended the adoption of Chapter 185 minimum benefits for the police membership;

WHEREAS the actuary for the Board of Trustees has determined that the Plan's accumulated Chapter 185 premium taxes and reserves are available to fund Chapter 185 minimum benefits;

WHEREAS, the Plan was amended in 2016 to adopt a second tier benefit structure;

WHEREAS, the Board of Trustees of the Retirement Plan has recommended the clarification of the term "Senior Management Employee" to include the Assistant Town Manager and all Directors; and

WHEREAS, the Commission of the Town of Surfside believes that the adoption of this amendment is in the best interests of the citizens and taxpayers of the Town;

NOW, THEREFORE, BE IT ORDAINED by the Town Commission of the Town of Surfside:

Section 1. SECTION 2-171, Definitions, is hereby amended and to be read as follows:

Senior management employee: For purposes of the new senior management tier benefit, senior management employee means the town manager, assistant town manager, town attorney, town clerk, ~~town attorney, town clerk, building and zoning department director, code compliance director, finance director, human resources director, parks and recreation director, public works director, tourism, economic development and community services director~~ and all directors.

Section 2. SECTION 2-175(d), Military; Prior Law Enforcement Service, is hereby amended and to be read as follows:

- (d) Police officer members shall be entitled to purchase credit of up to six years for prior law enforcement service with a municipal agency or for prior military service as long as the police officer is not entitled to receive a benefit for such other prior service. In order to purchase and receive credit for prior military or law enforcement service, the police officer shall pay the full actuarial cost to purchase such service as determined by the actuary and as approved by the board. After completing one (1) year of service, each police officer shall be permitted one (1) buyback calculation to be provided by the Pension Board's actuary at no cost to the police officer. The cost of any additional buyback requests shall be at the police officer's expense.

Section 3. SECTION 2-176(b) & (c)(2), Service Retirement Allowance, is hereby

amended and to be read as follows:

Sec. 2-176. Service Retirement Allowance.

- (b) Early retirement date. The early retirement date of each member who is not a police officer shall be the first day of the month coincident with or next following the earlier of:
- (1) The completion of 20 years of creditable service; or
 - (2) The attainment of age 55 and the completion of 15 years of creditable service.

Each member who retires from service on or after ~~his~~ their early retirement date shall be entitled to receive a service retirement annuity in the amount provided in subsection (c) of this section. Early retirement benefits shall commence on the date which would have been the member's normal retirement date had he continued in employment with the town. Alternatively, and at the option of the member, reduced early retirement benefits may commence at an earlier date, but no earlier than the attainment of age 55, with the reduction being equal to one-half of one percent for each month by which the benefit commencement date precedes the date which would have been the member's normal retirement date had he continued in employment with the town.

Early retirement date for police officers. The early retirement date of each police officer shall be the first day of the month coincident with or next following the earlier of:

- (1) The completion of 20 years of creditable service; or
- (2) The attainment of age 50 and the completion of 10 years of creditable service.

Each police officer who retires from service on or after their early retirement date shall be entitled to receive a service retirement annuity in the amount provided in subsection (c) of this section. Early retirement benefits shall commence on the date which would have been the member's normal retirement date had they continued in employment with the town. Alternatively, and at the option of the member, reduced early retirement benefits may commence at an earlier date with the reduction being equal to three (3) percent for each year by which the benefit commencement date precedes the date which would have been the member's normal retirement date had they continued in employment with the town.

(c) *Computation of annuity.*

- (2) For police officer members, the amount of monthly retirement annuity with respect to all creditable service rendered by the member prior to October 1, 1979, shall be equal to one and two-thirds percent of the monthly average final compensation multiplied by the number of years of creditable service rendered prior to October 1, 1979. For each employee who contributes at the rate of five percent of earnable compensation on and after January 1, 1980, the amount of monthly retirement annuity with respect to creditable service rendered after

September 30, 1979, shall be equal to one and two-thirds percent of the monthly average final compensation multiplied by the number of years of creditable service rendered after September 30, 1979. For each employee who contributes at the rate of seven percent of earnable compensation on and after January 1, 1980, the amount of monthly retirement annuity with respect to creditable service rendered after September 30, 1979, shall be equal to two percent of the monthly average final compensation multiplied by the number of years of creditable service rendered after September 30, 1979. For each member who contributes at the rate of eight percent of earnable compensation after June 30, 1996, the amount of monthly retirement annuity with respect to creditable service rendered after June 30, 1996, shall be equal to two and one-half percent of monthly average final compensation multiplied by the number of years of creditable service rendered after June 30, 1996. For each member who elects as of July 1, 1996 to increase his contribution from five percent to seven percent of earnable compensation, the amount of retirement annuity with respect to creditable service rendered after June 30, 1996, shall be equal to two percent of monthly average final compensation multiplied by the number of years of creditable service rendered after June 30, 1996. For each member who elects as of July 1, 1996 to increase his contribution rate to seven percent or eight percent of earnable compensation, the amount of retirement annuity with respect to creditable service rendered after September 30, 1979 but before July 1, 1996 shall be equal to one and two-thirds percent, if prior to July 1, 1996 he had been contributing at the rate of five percent, or two percent, if prior to July 1, 1996 he had been contributing at the rate of seven percent, of monthly average final compensation multiplied by the number of years of creditable service rendered after September 30, 1979 but prior to July 1, 1996. The foregoing election periods shall expire on July 31, 1996 and may not be extended for any reason. For each member who contributes at the rate of five percent of earnable compensation on and after February 1, 2003, the amount of monthly retirement annuity with respect to creditable service rendered on and after February 1, 2003 through September 30, 2005 shall be equal to two percent of the monthly average final compensation multiplied by the number of years of creditable service rendered on and after February 1, 2003 through September 30, 2005. For each member who contributes at the rate of six percent of earnable compensation on and after February 1, 2003 through September 30, 2005, the amount of monthly retirement annuity with respect to creditable service rendered on and after February 1, 2003 through September 30, 2005 shall be equal to two and one-half percent of the monthly average final compensation multiplied by the number of years of creditable service rendered on and after February 1, 2003 through September 30, 2005. Effective October 1, 2005, the monthly retirement annuity with respect to creditable service rendered on or after October 1, 2005

through September 30, 2006, shall be equal to three percent of the monthly average final compensation multiplied by the number of years of creditable service rendered on or after October 1, 2005 through September 30, 2006, and in no event shall the total annuity for any police officer member exceed 75 percent of the police officer's monthly average final compensation. Effective October 1, 2006, for police officers the monthly retirement annuity with respect to creditable service rendered on or after October 1, 2006, shall be equal to three and one-half percent of the monthly average final compensation multiplied by the number of years of creditable service rendered on or after October 1, 2006, and in no event shall the total annuity for any police officer member exceed 90 percent of the police officer's monthly average final compensation. Effective October 1, 2017, the normal form of benefit for police officers shall be a ten (10) year certain and life annuity. The normal form will apply to service retirement, disability and delayed retirement, and terminated vested retirement commencing on or after October 1, 2017.

Section 4. SECTION 2-177(c), Optional Forms of Benefit Payments, is hereby amended and to be read as follows:

Sec. 2-177. - Optional Forms of Benefit Payments.

(c) ~~*Option 2, ten years certain and life thereafter.* The member may elect to receive a reduced benefit with 120 monthly payments guaranteed. If, after payments commence, the member should die before such 120 monthly payments are made, payments are then continued to his designated beneficiary until 120 payments in all have been made, at which time benefits cease. After expiration of the 120 guaranteed monthly payments, should the retired member be then alive, payments shall be continued during his remaining lifetime.~~

Option 2(a), ten years certain and life thereafter. Members who are not police officers may elect to receive a reduced benefit with 120 monthly payments guaranteed. If, after payments commence, the member should die before such 120 monthly payments are made, payments are then continued to his designated beneficiary until 120 payments in all have been made, at which time benefits cease. After expiration of the 120 guaranteed monthly payments, should the retired member be then alive, payments shall be continued during his remaining lifetime.

Option 2(b), life annuity. Effective October 1, 2017, police officers may elect to receive an actuarially adjusted straight life annuity, in lieu of the ten year certain and life annuity normal form of payment.

Section 5. SECTION 2-178(a), Death Benefits, is hereby amended and to be read as follows:

Sec. 2-178. - Death benefits.

- (a) Upon death of a member prior to retirement ~~his~~ their executor or administrator or such person as he shall have nominated by written direction duly acknowledged and filed with the board shall receive the accumulated contributions of the member. Effective October 1, 2017, the death benefit payable for police officers with ten (10) or more years of creditable service shall be the greater of (1) the value of all accumulated member contributions, or (2) the member's accrued benefit payable for ten (10) years certain only, commencing at normal retirement, or reduced for early retirement for police officers with ten (10) or more years of creditable service at the option of the designated beneficiary.

Section 6. SECTION 2-189(e)(2)a. and (e)(4), Disability Retirement and Retirement Income, is hereby amended and to be read as follows:

Sec. 2-189. – Disability Retirement and Retirement Income.

- (e) *Disability retirement income amounts.*
- (2) *Service-connected long-term benefits for police officer members.*
- a. In the case of a police officer member who becomes totally and permanently disabled, and such disability is the direct result of their performance of service to the town, then such member shall be entitled to long-term monthly benefits payable hereunder in the amount of (i) 75 percent of ~~his~~ their rate of monthly compensation in effect on their date of disability provided such disability was a direct result of physical injury or (ii) 45 percent of ~~his~~ their rate of monthly compensation in effect on ~~his~~ their date of disability provided such disability was not as a direct result of physical injury. If the amount payable under subsection (e)(2) of this section is less than the amount payable under subsection (e)(4) of this section, then such member's disability shall be treated, for all purposes hereunder, as not having occurred as the direct result of ~~his~~ their performance to the town. Anything herein to the contrary notwithstanding, the provisions of F.S. §§ 185.161 and 185.341(2), as amended from time to time, shall apply. Effective October 1, 2017, the service connected long-term benefit for police officers shall be the greater of (i) the benefit set forth in this paragraph, (ii) forty-two percent (42%) of average final

compensation as of the date of disability, or (iii) the accrued benefit as of the date of disability.

- (4) *Nonservice-connected long-term benefits.* In the case of a member who becomes totally and permanently disabled, as defined in subsection (b)(2) of this section relating to two out of three physicians, and such disability is not the direct result of his performance of service to the town, then such member shall be entitled to long-term monthly benefits payable hereunder in the amount as computed pursuant to subsection 2-176(c) based on his average final compensation and creditable service as of his date of disability. Effective October 1, 2017, the nonservice-connected long-term benefit for police officers with ten (10) or more years of creditable service shall be the greater of (i) the accrued benefit as of the date of disability or (2) twenty-five percent (25%) of average final compensation as of the date of disability.

Section 7. All sections or parts of sections of the Town Code, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in conflict herewith, be and the same, are hereby repealed to the extent of such conflict.

Section 8. Should this ordinance or any part thereof be declared invalid by a Court of competent jurisdiction, the invalidity of any part of this ordinance shall not otherwise affect the validity of the remaining provisions of this ordinance, which shall be deemed to have been enacted without the invalid provision.

Section 9. It is the intention of the Commission of the Town of Surfside that the provisions of this ordinance shall become and be made a part of the Code of the Town of Surfside, and that the word “ordinance” may be changed to “section,” “article,” or such other appropriate word or phrase in order to accomplish such intentions.

Section 10. This ordinance shall become effective upon final passage.

PASSED AND ADOPTED ON FIRST READING, this ____ day of _____, 2017.

PASSED AND ADOPTED ON SECOND READING, this ____ day of _____, 2017.

On Final Reading Moved by: _____

On Final Reading Second by: _____

FINAL VOTE ON ADOPTION:

Commissioner Daniel Gielchinsky _____
Commissioner Michael Karukin _____
Commissioner Tina Paul _____
Vice Mayor Barry Cohen _____
Mayor Daniel Dietch _____

Daniel Dietch, Mayor

ATTEST:

Sandra Novoa, MMC, Town Clerk

**APPROVED AS TO FORM AND LEGALITY FOR THE USE
AND BENEFIT OF THE TOWN OF SURFSIDE ONLY:**

Robert D. Klausner, Esq.
General Counsel
The Retirement Plan for Employees of the Town of Surfside



Town of Surfside Commission Communication

Agenda Date: September 12, 2017 / October 10, 2017

Subject: Crossovers of the dune

From: Sarah Sinatra Gould, AICP, Town Planner

The Sustainability Committee has indicated a desire to prohibit additional crossovers of the dune, which have the potential to compromise the ecological integrity of the dune. The request is to modify the code to establish a limitation.

Pursuant to Section 161.053, Florida Statutes, the Florida Department of Environmental Protection (FDEP) regulates activities seaward of the Coastal Construction Control Line.

Pursuant to Section 161.053(3), Florida Statutes,

“A coastal county or coastal municipality may establish coastal construction zoning and building codes in lieu of the provisions of this section if such zones and codes are approved by the department as being adequate to preserve and protect the beaches and coastal barrier dunes adjacent to such beaches, which are under the jurisdiction of the department, from imprudent construction that will jeopardize the stability of the beach-dune system, accelerate erosion, provide inadequate protection to upland structures, endanger adjacent properties, or interfere with public beach access. Exceptions to locally established coastal construction zoning and building codes may not be granted unless previously approved by the department. The intent of this subsection is to provide for the local administration of established coastal construction control lines through approved zoning and building codes if desired by local interests and where such local interests have, in the judgment of the department, sufficient funds and personnel to adequately administer the program. Should the department determine at any time that the program is inadequately administered, the department may revoke the authority granted to the county or municipality.”

Below is proposed language limiting the crossovers of the dune. Town Administration has been in contact with FDEP who has stated that the Town may proceed codifying this language.



The Sustainability Committee has made a motion to request the Planning and Zoning Board to review. Planning and Zoning directed staff to prepare an ordinance to the Town Commission.

Staff is proposing to allow a crossover of the dune only if approved by a Special Exception, which is required to be granted by the Town Commission. The proposed ordinance also includes language describing the criteria for applying for a Special Exception specific to crossovers.

Budget Impact: N/A. If an applicant requests a Special Exception application, the application would be processed under a cost recovery system.

Growth Impact: Limiting intrusion of the dune without Town Commission approval.

Staff Impact: N/A. If an applicant requests a Special Exception application, the application would be processed under a cost recovery system.

Staff Recommendation: Approval

Sarah Sinatra Gould, AICP, Town Planner

Guillermo Olmedillo, Town Manager

ORDINANCE NO. 17-_____

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AMENDING CHAPTER 90 “ZONING”, SECTION 90-37 “SPECIAL EXCEPTIONS,” TO PROVIDE A SPECIAL EXCEPTION APPROVAL PROCESS AND RELATED CRITERIA FOR DUNE CROSSOVERS; AND BY AMENDING SECTION 90-60 “CONSTRUCTION ADJACENT TO BULKHEAD LINES” TO PERMIT DUNE CROSSOVERS ONLY IF APPROVED BY SPECIAL EXCEPTION; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Surfside ("Town") recognizes that changes to the adopted Code of Ordinances are periodically necessary in order to ensure that the Town’s regulations are current and consistent with the Town’s planning and regulatory needs; and

WHEREAS, the Sustainability Committee has evaluated the impacts of dune crossovers on the environment and recommends prohibiting such crossovers except under limited, controlled circumstances; and

WHEREAS, Section 161.053(3), Florida Statutes identifies conditions under which a coastal municipality may establish zoning codes in order to “preserve and protect the beaches and coastal barrier dunes adjacent to such beaches, which are under the jurisdiction of the department, from imprudent construction that will jeopardize the stability of the beach-dune system, accelerate erosion, provide inadequate protection to upland structures, endanger adjacent properties, or interfere with public beach access.”; and

WHEREAS, Town staff has contacted the Florida Department of Environmental Protection and was informed the Town’s proposed ordinance is outside their jurisdiction for review and we could proceed without further consultation with them regarding this proposal; and

WHEREAS, the recommendation of the Sustainability Committee was reviewed by the Planning and Zoning Board who requested that staff prepare the instant code amendment; and

WHEREAS, the Town Commission held its first public hearing on September 18, 2017 having complied with the notice requirements required by Florida Statutes; and

WHEREAS, the Planning and Zoning Board, as the local planning agency for the Town, held its hearing on the proposed amendment on _____, 2017 with due public notice and input; and

WHEREAS, the Town Commission conducted a second duly noticed public hearing on these regulations as required by law on _____, 2017; and

WHEREAS, the Town Commission hereby finds and declares that adoption of this Ordinance is in the best interest of the Town.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AS FOLLOWS:

Section 1. Recitals. The foregoing "WHEREAS" clauses are ratified and confirmed as being true and correct and are made a specific part of this Ordinance.

Section 2. Code Amendment. Section 90-37 "Special exceptions," of the code of the Town of Surfside, Florida is hereby amended as follows:

Sec. 90-37. - Special exceptions.

(1) The following are special exceptions which may be granted by resolution of the town commission receiving at least three affirmative votes:

(a) Nonconforming uses as follows:

- i. A nonconforming use now existing in any part of a building to be extended vertically or laterally to other portions of the building.
- ii. To determine the existence of a nonconforming use.

(b) Dune crossovers, pursuant to 90-60.1(6), provided the town commission finds that:

- i. alternative beach access is not otherwise available within a reasonable distance;
and
- ii. the proposed crossover will create only minimal disturbance to the dune system and appropriate mitigation measures will be provided by the applicant.

(2) Other special use exceptions as follows:

- (a) i- To determine, in cases of uncertainty, the classification of any use not specifically named in these regulations; provided, however, such use shall be in keeping with uses specifically listed in the district.

(3) The town manager or designee shall review the application and shall compile a written staff report summarizing the facts regarding the application and the complete staff report shall be transmitted to the planning and zoning board. The town manager shall schedule the application for a meeting of the planning and zoning board. The planning and zoning board shall conduct one public hearing and shall make a recommendation to the town commission for final action.

* * *

Section 3. Code Amendment. Section 90-60 “Construction adjacent to bulkhead lines,” of the code of the Town of Surfside, Florida is hereby amended as follows:

Sec. 90-60. – Construction adjacent to bulkhead lines.

90-60.1 Ocean bulkhead lines are established in section 14-86 and the following regulations shall control construction adjacent thereto:

* * *

(6) No dune crossovers from east to west, west to east, or in any way through a dune, shall be permitted without Special Exception approval pursuant to Section 90-37. Crossovers existing as of January 1, 2017, as documented by the Town, shall be considered legal.

* * *

Section 4. Severability. If any section, sentence, clause or phrase of this ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction, then said holding shall in no way affect the validity of the remaining portions of this ordinance.

Section 5. Inclusion in the Code. It is the intention of the Town Commission, and it is hereby ordained that the provisions of this Ordinance shall become and made a part of the Town of Surfside Code of Ordinances, that the sections of this Ordinance may be renumbered or re-lettered to accomplish such intentions; and the word “Ordinance” may be changed to “Section” or other appropriate word.

Section 6. Conflicts. Any and all Ordinances and Resolutions or parts of Ordinances or Resolutions in conflict herewith are hereby repealed.

Section 7. Effective Date. This ordinance shall become effective upon adoption.

PASSED AND ADOPTED on first reading this 12th day of September, 2017.

PASSED AND ADOPTED on second reading this ___ day of _____, 2017.

On Final Reading Moved by: _____

On Final Reading Second by: _____

FINAL VOTE ON ADOPTION:

Commissioner Daniel Gielchinsky	_____
Commissioner Michael Karukin	_____
Commissioner Tina Paul	_____
Vice Mayor Barry Cohen	_____
Mayor Daniel Dietch	_____

Daniel Dietch, Mayor

ATTEST:

Sandra Novoa, MMC, Town Clerk

**APPROVED AS TO FORM AND LEGALITY FOR THE USE
AND BENEFIT OF THE TOWN OF SURFSIDE ONLY:**

Weiss Serota Helfman Cole & Bierman, P.L.,
Town Attorney



Town of Surfside Commission Communication

Agenda Item # 4A3

Agenda Date: October 10, 2017

From: Guillermo Olmedillo, Town Manager
Sandra Novoa, Town Clerk
Lillian Arango, Town Attorney

Subject: Amending Article VI. – “Rules of Procedure for Town Meetings”
Second Reading

Background: The attached ordinance revises the Town Commission rules of procedure adopted on December 13, 2016, and codified in Chapter 2 of the Town Code of Ordinances. The draft changes clarify a number of sections and also resolve inconsistencies within the procedures themselves and with other sections of the Code and propose revisions to more accurately reflect the Town Commission’s actual practices and promote a smooth and transparent process and work flow.

CHANGES FROM FIRST READING

The attached changes were reviewed at first reading on September 18, 2017. The following changes have been recommended in the attached ordinance for second reading and are shown in the attached ordinance in ~~double-strike through~~ and double underline.

- **Lines 34 and 46.** The Ordinance proposes to adopt Robert’s Rules of Order as opposed to Mason’s Manual of Legislative Procedure. In 2006 the Town switched from Robert’s Rules to Mason’s. The minutes of the meeting provide no background explaining the switch at that time. Staff recommends returning to Robert’s Rules which are much more user-friendly, more readily available and accessible to the general lay person, and more commonly accepted and practiced.
- **Lines 267-282.** The *Order of Business* was amended for formatting and to provide for public comment on agenda items. Florida Statutes Section 286.0114

was amended in 2013 to require a reasonable opportunity for the public to be heard prior to official action by the governing board. This can be addressed by providing a public comment period prior to taking action, including action on the consent agenda. The Commission has been providing this opportunity procedurally, however, we recommend including a formal process in the procedures which provides additional protection under the statute. Staff recommends incorporating a new item in the order of business called “Public Comments on Agenda Items”. This item is specifically limited to comments on agenda items and only those agenda items which are not already scheduled for public hearing. Providing this opportunity will permit comments on all agenda items, including consent items, prior to Commission action, consistent with the requirements of State law. Non-agenda items will still be addressed under Good and Welfare.

- **Lines 285-289.** The proposed agenda category “Public Comment on Agenda Items” is set out in detail, limiting discussion to agenda items and setting the standard speaker limits of three minutes per speaker (not per item). The standard process for extension of the time limit is also included.
- **Lines 305, 308, 310.** Pursuant to the Commission’s direction at first reading, the section addressing the process for placing items on the agenda was modified so that general matters, *including resolutions*, can be drafted and placed on the agenda at the direction of any member of the Commission, without prior Commission discussion.
- **Lines 378-380.** Language was clarified to provide that speakers are permitted to speak on non-public hearing items during the Public Comment on Agenda Items portion of the meeting and acknowledging that the chair can open any item for additional public comment.

An updated summary of the proposed changes is provided below (exclusive of minor typos or grammatical corrections). In addition, a sequential alpha/numeric outline system has been instituted throughout the draft code. Original recommended changes are shown in the attached ordinance in ~~strikethrough~~ and underline. The areas changed prior to second reading have been highlighted in bold.

Section/Rule	Change	Line Number
Sec. 2-201 Rule 2.01 and Sec. 2-202 Rule 3.01	Revises to establish Robert’s Rules of Order as the standard governing rules of procedure not covered by the ordinance, as opposed to Mason’s Rules	34, 46
Sec. 2-201	Revises the threshold voting requirement to amend the procedural rules	36
Sec. 2-204 Rule 5.01	Applies committee rules to Boards, to the extent any specific Board rules or procedures do not address or conflict with the committee rules	115 119
Sec.2-204 Rule 5.01(c)(3)	Clarifies procedure/staff assistance for committee agenda	145

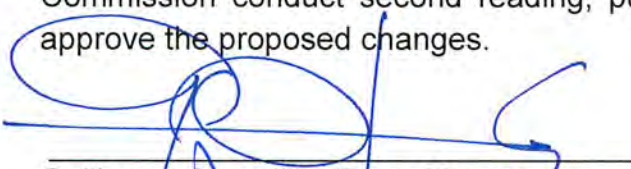
	preparation	
Sec.2-204 Rule 5.01(c)(5)	Modifies the definition of "Quorum" for committees, consistent with standard practices	152
Sec.2-204 Rule 5.01(c)(6)	Provides a uniform meeting cancellation procedure for committees	156
Sec.2-204 Rule 5.01(c)(7)	Provides a codified reminder regarding conflict form completion for committee members abstaining from voting	166
Sec.2-204 Rule 5.01(c)(9)b.	Revises the committee member appointment process to reflect current practice, consistent with appointment responsibility, removes the letter of interest requirement which is often not received	179-192
Sec.2-204 Rule 5.01(c)(15)	Deletes requirement for every committee to have a secretary	218
Sec.2-204 Rule 5.01(c)(16)	Clarifies the procedure and timing for submittal of committee reports	224
Sec.2-205 Rule 6.06(a)(1)	Reformats order of business language and adds provision for public comment on agenda items	267-282
Sec.2-205 Rule 6.06(a)(3)	Provides detail for the public comment on agenda items	285-289
Sec.2-205 Rule 6.06(a)	Deletes an inapplicable cross-reference. Time limits are already provided in subsection (2) itself.	296
Sec.2-205 Rule 6.06(b)	Permits general matters, including resolutions, can be drafted and placed on the agenda at the direction of any member of the Commission, without prior Commission discussion. Provides a more detailed outline of the procedures for placing items on the agenda. There have been numerous questions on this process since the rules were adopted. We believe the proposed revision more clearly reflects the Commission's original intention. The revision also provides more concrete deadlines in order to ensure timely agenda preparation and distribution in addition to ensuring notice and transparency similar to Miami Dade County procedures.	305-318
Sec.2-205 Rule 6.07(b)	Clarifies procedure and timing of town attorney document approval	329
Sec.2-205 Rule 6.07(f)	Deleted as unnecessary and not utilized	343
Sec.2-206 Rule 7.02(a)	Revises section to eliminate internal inconsistency	369
Sec.2-206 Rule 7.02(c)	Clarifies public discussion consistent with state law requirements and standard meeting practices, including provision for public comment on agenda items.	378-382
Sec.2-206 Rule 7.03(a)	Clarifies speaker registration requirements	388
Sec.2-206 Rule 7.04 intro/ Rule 7.04 (c)	Clarifies speaking protocols	388 405
Sec.2-207 Rule 8.01(e)	Clarifies consent agenda procedures. There should not be debate or discussion on consent agenda items. Any Commissioner can pull an item for discussion, presentation and	447

	consideration on the regular agenda.	
Sec.2-207 Rule 8.01(g)	Clarifies actual voting order, to reflect current practice	461
Sec.2-207 Rule 8.01(h)	Provides a codified reminder regarding conflict form completion when Commission members abstaining from voting	477
Sec.2-207 Rule 8.01(l)	Deletes language for reconsideration which conflicts with all standard parliamentary practices including Mason's Rules	498
Sec.2-207 Rule 8.01(o)	Revises the threshold voting requirement to suspend the rules	511
Sec.2-208 Rule 9.01	Clarifies the procedure for designating a representative to act on behalf of, or represent, the Town Commission	514

Budget Impact: N/A

Staff Impact: The proposed changes provide clarification for staff function and responsibility and improve efficiency.

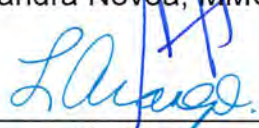
Recommendation: The Town Manager, Town Attorney and Town Clerk recommend Commission conduct second reading, public hearing, discuss the draft changes and approve the proposed changes.



Guillermo Omedillo, Town Manager



Sandra Novda, MMC, Town Clerk



Town Attorney

ORDINANCE NO. 17 - _____

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA AMENDING ARTICLE VI. - “RULES OF PROCEDURE FOR TOWN MEETINGS”; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR CONFLICTS AND PROVIDING FOR AN EFFECTIVE DATE.

1 **WHEREAS**, Section 20 of the Town of Surfside Charter provides that the Town
2 Commission of the Town of Surfside shall fix its rules of procedure; and

3 **WHEREAS**, the Town Commission adopted rules of procedure which have been
4 incorporated into Article, VI, Chapter 2 of the Town Code of Ordinances; and

5 **WHEREAS**, the Town Commission desires to amend Article VI. – “Rules of Procedure for
6 Town Meetings;” and

7 **WHEREAS**, the amendments to the ordinance do not conflict with the provisions in
8 Section 2-151 Personnel Appeals Board Section, 2-185 Pension Board, Section 70-124 Resort
9 Tax Board or Sections 90-15, 90-16, 90-17, 90-18 of the Zoning Code for Planning and Zoning
10 and Design Review Board members; and

11 **WHEREAS**, the Town Commission held its first public reading on September 18, 2017 and
12 recommended approval of the proposed amendments to the Code of Ordinances having complied
13 with the notice requirements by the Florida Statutes; and

14
15 **WHEREAS**, the Town Commission has conducted a second duly noticed public hearing on
16 these regulations as required by law on October 10, 2017 and further finds the proposed change to
17 the Code necessary and in the best interest of the community.

18
19 **NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COMMISSION OF**
20 **THE TOWN OF SURFSIDE, FLORIDA:**

21
22 **Section 1. Recitals.** The above Recitals are true and correct and are incorporated herein by
23 this reference:

24
25 **Section 2. Town Code Amended.** Article VI. – “Rules of Procedure for Town Meetings”
26 of the Surfside Town Code of Ordinances are hereby amended and shall read as follows¹:

27 **ARTICLE VI. - RULES OF PROCEDURE FOR TOWN MEETINGS**
28

¹Additions to the text are shown in underline. Deletions are shown in ~~striketrough~~. Additions made after first reading are shown in double underline. Deletions made after first reading are shown in ~~double striketrough~~.

29 Sec. 2-201. - Rules of procedure for the town commission and town boards and committees.

30 *Rule 2.01 Governing rules; amendment.* Except as may be provided in the Charter, the
31 Town of Surfside Code, Florida laws or by these rules as set forth in this Article^{ordinance},
32 questions of order, the methods of organization and the conduct of business of the town
33 commission and town boards and committees and to the extent there is no conflict, the town
34 commission, and town boards and committees shall be governed by Robert's Rules of Order
35 ~~Mason's Manual of Legislative Procedure (2010 Edition)~~. Once enacted, and except as already
36 amended by the provisions contained herein, these rules may be amended by ~~two-thirds~~
37 majority vote of the entire town commission.

38 Sec. 2-202. - Officers.

39 *Rule 3.01 Presiding officer.* The mayor shall preside at all meetings of the town
40 commission at which he or she is present. In the absence of the mayor, the vice mayor shall act
41 as mayor. In the absence of both the mayor and vice mayor, the town commission shall select
42 one of its members as a temporary presiding officer. The presiding officer shall preserve strict
43 order and decorum at all meetings of the commission. A majority vote of the members present
44 shall govern and conclusively determine all questions of order not otherwise covered. The
45 presiding officer has the power, among other things, to recognize a speaker, secure and retain
46 the floor for the speaker and keep order during the time the floor is taken subject to Robert's
47 ~~Mason's~~ Rules and to the rules contained in this article.

48 *Rule 3.02 Clerk.* The town clerk shall act as clerk of the commission. The clerk of the
49 commission shall call the roll, prepare the minutes and shall be custodian of the records and
50 shall certify all ordinances and resolutions adopted by the commission, and perform such other
51 duties as required by the Town Charter.

52 *Rule 3.03 Town attorney.* The town attorney, or such member of the office of the town
53 attorney as may be designated, shall be available to the commission at all meetings: the town
54 attorney shall act as parliamentarian, and shall advise and assist the presiding officer in matters
55 of parliamentary law.

56 *Rule 3.04 Sergeant-at-arms.* The town police chief, or such other town official or
57 employee as the chief may designate, shall be the sergeant-at-arms of the town commission
58 meeting, at the request of the presiding officer or the town manager. The sergeant-at-arms shall
59 carry out all orders and instructions given by the presiding officer or the town manager for the
60 purpose of maintaining order and decorum at the meetings.

61 Sec. 2-203. - Meetings.

62 *Rule 4.01 Regular Meetings.*

63 (a) The commission shall hold regular meetings in accordance with its Charter or, if the Charter
64 provision is amended, in accordance with an ordinance duly adopted by the commission, as
65 may be amended from time to time.

66 (1) All regular and zoning meetings shall be held irrespective of whether or not any
67 particular commission member (including the Mayor) may be able to attend unless

68 otherwise agreed by a majority of the commission. Such meetings shall be held in the
69 commission chambers at 9293 Harding Avenue, Surfside, Florida 33154, or such
70 location as may be approved by a majority of the commission members present and shall
71 be open to the public and all news media.

72 (2) Regular meetings may be otherwise postponed or canceled by resolution or motion
73 adopted at a regular meeting by a majority of the commission members present.

74 (3) No meeting shall continue beyond 11:00 p.m. unless by a vote of the majority of the
75 members of the commission present, the commission agrees to extend the meeting
76 beyond this time.

77 (4) Workshops may be scheduled at the request of the town manager, the town attorney or a
78 majority of the commission at any time, provided appropriate notice is given.

79 (b) Zoning matters shall be scheduled as part of regular town commission meetings unless
80 otherwise decided by the commission.

81 (c) The second reading (public hearing) of the annual budget ordinance or resolution shall be
82 considered at a meeting at which the said budget ordinance or resolution and the levy of the
83 millage are the only items on the agenda.

84 *Rule 4.02 Special meetings; emergency meetings.*

85 (1a) Special meetings. A special meeting of the commission may be called by a majority of
86 the members of the town commission or the town manager. The clerk shall forthwith
87 serve either verbal or written notice upon each member of the commission stating the
88 date, hour and place of the meeting and the purpose for which such meeting is called;
89 and no other business shall be transacted at that meeting. At least twenty-four (24) hours
90 notice must elapse between the time the clerk receives notice in writing and the time the
91 meeting is to be held.

92 (2b) Emergency meetings. An emergency meeting of the town commission may be called by
93 the mayor in accordance with prescriptions of the town charter whenever in his or her
94 opinion an emergency exists that requires immediate action by the commission.
95 Whenever such emergency meeting is called, the mayor shall notify the clerk who shall
96 forthwith serve either verbal or written notice upon each member of the commission,
97 stating the date, hour and place of the meeting and the purpose for which it is called, and
98 no other business shall be transacted at that meeting. At least 24 hours shall elapse
99 between the time the clerk receives notice of the meeting and the time the meeting is to
100 be held.

101 (3e) If after reasonable diligence, it is impossible to give notice to each commissioner, such
102 failure shall not affect the legality of the meeting if a quorum is present. The minutes of
103 each special or emergency meeting shall show the manner and method by which notice
104 of such special or emergency meeting was given to each member of the commission, or
105 shall show a waiver of notice. All special or emergency meetings shall be open to the
106 public and shall be held and conducted in the Commission Chambers, Town Hall, 9293
107 Harding Avenue, Surfside, Florida 33154, or other suitable location within the Town of
108 Surfside, Florida. Minutes thereof shall be kept by the town clerk.

109 (4d) No special or emergency meeting shall be held unless notice thereof is given in
110 compliance with the provisions of this rule, or notice thereof is waived by a majority of
111 the entire membership of the commission and in accordance with the town charter.

112 *Rule 4.03 Electronic files presented at public meetings.* Electronic files to be presented at
113 public meetings in the Town of Surfside must be provided to the town clerk by noon on the
114 business day prior to the scheduled meeting.

115 Sec. 2-204. – Boards, cCommittees, sub-committees and ad hoc committees.

116 *Rule 5.01 Boards, ccontinuing committees, sub-committees and ad hoc committees.* There
117 may be continuing committees, sub-committees and ad hoc committees of the town commission
118 created by resolution as the town commission deems necessary to conduct the business of the
119 town appropriately and in accordance with the town charter. Such committees and all Town
120 Boards to the extent these provisions do not conflict with other governing procedures or
121 requirements specific to a particular Board, shall be governed by these rules of procedure and
122 shall be subject to the Florida sunshine and public records laws. Each member of the town
123 commission shall appoint one (1) member to each committee. All appointments are at the will
124 of the appointing member of the town commission and may be removed at any time by the
125 appointing member of the town commission. Members of committees shall be appointed to
126 serve until the expiration of the committee or to the end of the appointing member of the town
127 commission's term.

128 (a1) *Continuing committees and sub-committee committees.* Continuing committees and sub-
129 committees shall exist until abolished by the town commission or shall have a sunset
130 provision.

131 (b2) *Ad hoc committees.* The expiration date for each ad hoc committee shall be designated at the
132 time of formation, or the ad hoc committee shall expire when the ad hoc committee reports to
133 the commission that its designated goal or goals have been accomplished.

134 (c3) All continuing committees, sub-committees and ad hoc committees shall abide by the
135 following procedures:

136 (1)a- *Mission statement.* A mission statement shall be developed by the town
137 commission.

138 (2)b- *Public meetings.* All meetings and business of any committee, sub-committee or ad
139 hoc committee shall comply with the Florida Statutes including that all committee
140 meetings shall be open to the public at all times, noticed, and minutes of the meetings
141 shall be taken and retained in the office of the town clerk. All committee members shall
142 be subject to the State of Florida, Miami-Dade County and Town of Surfside Conflict of
143 Interest and Code of Ethics Ordinance.

144 (3)e- *Agenda.* The committee chairperson shall prepare the agenda for the committee
145 meeting with the assistance of the committee staff liaison. ~~In the chairperson's absence,~~
146 ~~the vice chairperson shall prepare the agenda.~~ Any committee member may propose
147 additional agenda items at any time. Items proposed after the agenda is distributed may
148 only be heard under "New Business" and upon an affirmative vote of the majority of the
149 committee. Each agenda shall also include a section for public comment.

- 150 (4)~~d~~. *Public appearances and requests.* Any person may appear before any committee
 151 during the public comment portion of the meeting.
- 152 (5)~~e~~. *Quorum.* A majority of the appointed members of the committee shall constitute a
 153 quorum. ~~shall be 50 percent plus one of the committee members.~~ Provided there is a
 154 quorum, a majority of those present and voting shall be required to adopt any motion or
 155 take any action.
- 156 (6) *Failure to obtain a quorum.*
- 157 a. If, 48 hours prior to a regular meeting, the clerk has not received confirmation of
 158 attendance from a sufficient number of committee members to constitute a quorum,
 159 the meeting shall be canceled for lack of a quorum.
- 160 b. Should no quorum attend any meeting within 15 minutes after the hour appointed for
 161 the meeting, the presiding member or the town clerk may adjourn the meeting. The
 162 names of the members present at such meeting shall be recorded in the minutes.
- 163 (7)~~f~~. *Voting.* Each committee member shall be entitled to one vote. The committee shall act as
 164 a body in making its decisions. No committee member present at a meeting may abstain
 165 from voting unless the committee member possesses a conflict of interest, as provided in
 166 either the Florida Statutes or the Miami-Dade County Code of Ethics and submits the
 167 appropriate form to the town clerk.
- 168 (8)~~g~~. *Attendance.* In the event that a committee member fails to attend three regularly
 169 scheduled meetings in any one calendar year, the committee member may be removed
 170 from the committee and the town commission will be notified of the vacancy.
- 171 (9)~~h~~. *Appointments, vacancies and resignations.* Each person appointed to a committee,
 172 sub-committee or ad hoc committee shall be appointed by the town commission in the
 173 following manner:
- 174 a~~1~~. The mayor and each member of the town commission shall appoint one member to
 175 each committee.
- 176 b~~2~~. Should any appointee resign or be removed during the term of the committee, sub-
 177 committee or ad hoc committee, the appointing commissioner may select another
 178 appointee in accordance with the procedure outlined as follows:
- 179 Upon notification of the vacancy of an at-large member, the town clerk shall notify
 180 the town commission, or in the case of an individual appointment, the town
 181 commissioner responsible for the appointment with a copy to the remainder of the
 182 town commission, in writing. ~~The town commission shall establish a deadline for~~
 183 ~~the submission of letters of interest to serve on the committee at a commission~~
 184 ~~meeting.~~
- 185 1.~~(i)~~ Any person who wishes to serve on a committee and who meets the
 186 qualifications of office as set forth in this code and in the resolution creating or
 187 re-authorizing the committee, shall submit his or her name and committee
 188 application available from the town clerk or on the town website ~~together with a~~
 189 ~~letter of interest to the town clerk by the deadline established by the town~~

190 ~~commission.~~ Thereafter, the town clerk shall provide the appointing town
191 commissioner or the entire town commission, as applicable, with the names and
192 submitted material(s)-letters of interest.

193 ~~2.(ii)~~ Nominations and appointments to fill the vacancy shall be made at a town
194 commission meeting. Appointments to fill a mid-term vacancy shall only be
195 made for the remainder of the term of the committee member being replaced.

196 (10)i- *Reappointment.* Committee, sub-committee or ad hoc committee members shall be
197 eligible for reappointment and shall hold office until their successors have been duly
198 appointed and qualified.

199 (11)j- *Residency requirement.* Committee, sub-committee or ad hoc committee members
200 shall be registered qualified electors of Miami-Dade County, Florida, whose legal
201 residence is in the Town of Surfside.

202 (12)k- *Compensation.* All committee, sub-committee or ad hoc committee members shall
203 serve without compensation and shall not otherwise obtain direct or indirect financial
204 gain from their service on a committee.

205 (13)l- *Oath requirement.* All committee, sub-committee or ad hoc committee members
206 shall be required to subscribe to an oath or affirmation to be administered by and filed
207 with the town clerk, swearing to support, protect and defend the Constitution and laws of
208 the United States and of the State of Florida, the Charter and all ordinances of the Town
209 of Surfside and Miami-Dade County, and in all respects to faithfully discharge their
210 duties.

211 (14)m- *Financial disclosure requirement/standards of conduct.* If required by law,
212 committee members shall file appropriate annual financial disclosure forms. All
213 committee members shall be subject to the standards of conduct for public officers and
214 employees set by federal, state, county or other applicable ethics or conflicts of interest
215 laws.

216 (15)n- *Officers and elections.* Except as provided otherwise in the resolution creating or
217 re-authorizing a committee, each committee shall elect a chairperson, and vice-
218 chairperson ~~and secretary~~ at the first committee meeting.

219 (16)o- *Records.* Minutes of all committee meetings shall be prepared by the town
220 administration and shall be available for public inspection. The minutes shall be
221 forwarded to each committee member for review and shall be approved by the
222 committee at a public meeting. Once approved, the meeting minutes shall be forwarded
223 to the town clerk for filing. ~~Attendance and absences must be recorded and submitted to~~
224 ~~the town clerk along with the minutes.~~ The chairsecretary of a committee, sub-committee
225 or ad hoc committee, working with the staff liaison, shall prepare a final report
226 summarizing the committee's activities, accomplishments, challenges and
227 recommendations during the term. Such report shall be presented for review and
228 approval by the committee no later than the last meeting of the term, and to be submitted
229 to the town clerk for transmittal to the town commission which shall be presented at the
230 first a regular town commission meeting after the election.

231

232 *Rule 5.02 Town commission liaison; appointment and definition.*

233 (a) *Appointment:* The mayor shall designate and appoint one member of the town commission as
234 the liaison to each board, committee and subcommittee of the town commission.

235 (b) *Definition:* The town commission liaison is defined as a nonvoting member of a board,
236 committee or sub-committee who communicates the activities of the board, committee or
237 subcommittee to the town commission. The liaison's role is limited to responding to questions
238 posed by members of the board, committee or subcommittee to which the liaison serves. All
239 remarks from the liaison shall be addressed to the chair who serves as the presiding officer.

240 Sec. 2-205. - Conduct of meetings; agenda.

241 *Rule 6.01 Call to order.* Promptly at the hour set for each meeting, the mayor and the
242 members of the town commission, the town attorney, the town manager and the town clerk shall
243 take their regular stations in the commission chambers. The presiding officer shall take the chair
244 and shall call the town commission to order immediately. In the absence of the presiding
245 officer, the town clerk shall then determine whether a quorum is present and in that event shall
246 call for the election of a temporary presiding officer. Upon the arrival of the presiding officer,
247 the temporary presiding officer shall relinquish the chair upon the conclusion of the business
248 immediately before the commission.

249 *Rule 6.02 Roll call.* The town clerk shall call the roll of the members, and the names of
250 those present shall be entered in the minutes. In the event the roll call reflects the absence of
251 any member on official town business that fact shall be noted in the minutes. Any town
252 commissioner who intends to be absent from town commission meeting shall notify the town
253 clerk of the intended absence as soon as convenient.

254 *Rule 6.03 Participation by physically absent member of the town commission, town board
255 or committee not permitted.* A member of the town commission, town board or committee is not
256 permitted to participate and/or vote telephonically and/or by interactive video.

257 *Rule 6.04 Quorum.* A majority of the members of the town commission then in office shall
258 constitute a quorum. No ordinance, resolution or motion shall be adopted by the town
259 commission without the affirmative vote of the majority of all the members present.

260 *Rule 6.05 Failure to attain a quorum.* Should no quorum attend within 15 minutes after the
261 hour appointed for the meeting of the commission, the presiding officer or the town clerk may
262 adjourn the meeting. The names of the members present ~~and their action~~ at such meeting shall
263 be recorded in the minutes by the town clerk.

264 *Rule 6.06 Agenda.*

265 (a) *Order of business.* There shall be an official agenda for every meeting of the commission
266 which shall determine the order of business conducted at the meeting.

267 (1) The order of business shall be as follows:

- 268 (a1) order of business
- 269 a. call to order,[#]
- 270 b. roll call of members,
- 271 c. pledge of allegiance,
- 272 d. agenda/order of business (additions/deletions),
- 273 e. special presentations,
- 274 (b) public comment on agenda items
- 275 (c2) quasi-judicial hearings
- 276 (d3) consent agenda at the pleasure of the commission, approval of minutes, town
- 277 manager, town attorney reports
- 278 (e4) ordinances,
- 279 (f5) resolutions
- 280 (g6) good and welfare shall be heard at a time certain at 8:15 p.m.
- 281 (h7) unfinished business and new business
- 282 (i8) mayor, town commission and staff communications.
- 283 (21) Items shall be considered in the order in which they are placed on the agenda unless a
- 284 majority of the commissioners determines to deviate from the printed agenda.
- 285 (3) The public comment on agenda items portion of the meeting shall be restricted to
- 286 discussion on agenda items which are not scheduled for public hearing. Each speaker
- 287 shall be given no more than three minutes to address the agenda, unless by vote of a
- 288 majority of the members of the commission present, it is agreed to extend the time
- 289 frames.
- 290 (42) The good and welfare portion of the agenda set for 8:15 p.m. shall be restricted to
- 291 discussion on subjects not already specifically scheduled on the agenda. In no event shall
- 292 this portion of the agenda be allotted more than 45 minutes with each speaker to be given
- 293 no more than three minutes, unless by vote of a majority of the members of the
- 294 commission present, it is agreed to extend the time frames. Likewise, members of the
- 295 town commission shall be restricted to speaking three minutes each unless an extension
- 296 is granted in the same manner as set forth in the prior sentence. ~~The rules of section 2-~~
- 297 ~~207(e) as set forth hereinbelow shall be observed during this portion of the agenda.~~
- 298 (53) The town commission shall not take action upon any matter, proposal, or item of
- 299 business which is not listed upon the official agenda, unless it is approved at the meeting
- 300 by a majority of the entire commission, which shall have first consented to the matter for
- 301 consideration. No ordinance, resolution or other matter listed on the agenda for public
- 302 hearing, or the vote thereon, may be deferred until a later time unless a majority of the
- 303 entire town commission shall vote in favor of such deferral.
- 304 (b) ~~Authority to p~~lacing ~~items on agenda.~~

305 (1) ~~Matters, other than resolutions or ordinances,~~ may be placed on the agenda by any
306 member of the town commission, the town manager, the town attorney and the town
307 clerk. Members of the town commission may, at a town commission meeting, direct the
308 town manager or the town attorney to prepare an resolution or ordinance for placement
309 on the agenda for the following agenda.

310 (2) ~~Resolutions and Ordinances~~ may be prepared and scheduled on the agenda at the
311 direction of the town commission, a town commissioner at a town commission meeting,
312 or by the town manager, town attorney or town clerk.

313 (3) ~~In no event may any town commissioner place an item on an agenda unless all materials~~
314 for the item are provided to the town clerk by 12:00 noon seven working days prior to
315 the meeting date. Any complete item provided after 12:00 noon seven working days
316 prior to the meeting date shall be distributed to the commission with a "7-day cover
317 memo" and shall be added to the agenda only if a majority of the commissioners present
318 consent to the addition of the item to the agenda.

319 (c) *Approval of minutes.* All minutes shall be summary in nature. A copy of such completed
320 minutes shall be placed on a regular agenda and may only be approved by a majority of the
321 members of the town commission, and upon such approval shall become the official minutes.

322 *Rule 6.07 Ordinances, resolutions, motions, contracts.*

323 (a) *Preparation and enactment of ordinances.* The town attorney shall prepare ordinances and
324 resolutions. Ordinances may be introduced, listed by title and shall be read by title only
325 before consideration by the town commission on first reading. At public hearing, each
326 ordinance shall be voted on individually by a call of the roll. Only resolutions and motions
327 may be enacted by voice vote calling for "ayes" or "no" on the question.

328 (b) *Approval by town attorney.* All ordinances, resolutions and contract documents, before
329 presentation to the town commission, shall have been reduced to writing and reviewed for
330 form and legality by the town attorney. Ordinances, resolutions and contract documents, in
331 their final form as approved by the Town Commission shall be have been approved as to
332 form and legality by the town attorney prior to execution.

333 (c) *Introduction and sponsorship.* Ordinances, resolutions and other matters and subjects
334 requiring action by the town commission may be introduced and sponsored by the mayor or
335 any member of the town commission, ~~except that either~~ The town manager, the town
336 attorney or town clerk may present ordinances, resolutions and other matters or subjects to
337 the town commission for consideration, and any commissioner may assume sponsorship
338 thereof by moving that such ordinance, resolution, matter or subject be adopted in accordance
339 with law; otherwise they shall not be considered.

340 (d) *Sunset.* There is no requirement for any ordinance to contain a sunset provision.

341 (e) *Zoning exception.* The provisions of this Rule 6.06 shall not be applicable to zoning
342 resolutions which shall be governed exclusively by the Zoning Code.

343 (f) ~~No commission jurisdiction. Prior to the commission's considering any resolution over which~~
344 ~~the commission does not have substantive jurisdiction, including resolutions expressing the~~

345 ~~commission's intent or opinion, a preliminary vote shall be taken to determine whether it is~~
346 ~~appropriate for the commission to consider such resolution. Unless the commission, by a~~
347 ~~two thirds vote of the members present, agrees to consider the resolution, the resolution shall~~
348 ~~be deemed to have failed. If the commission agrees to consider the resolution, the resolution~~
349 ~~shall be heard after all other resolutions sponsored by commissioners have been addressed by~~
350 ~~the commission. If the commission decides to discuss such resolution, the resolution shall~~
351 ~~require a two thirds affirmative vote of the commissioners present in order to be passed. The~~
352 ~~provisions of this ordinance shall not apply to resolutions relating to state or federal~~
353 ~~legislative priorities.~~

354 *Rule 6.08 Statement of fiscal impact required for ordinances; exceptions.* Prior to the
355 second reading of any ordinance, the town manager shall prepare a written statement setting
356 forth the fiscal impact, if any, of the proposed ordinance. No ordinance shall be considered on
357 second reading if the statement of fiscal impact is not submitted with the ordinance as part of
358 the agenda. The provisions of this rule shall not apply to any emergency ordinance or any
359 budget ordinance or resolution.

360 *Rule 6.09 Limitation on agenda items.* No commissioner shall sponsor or cosponsor a total
361 of more than three ordinances for first reading and three resolutions at any commission meeting.
362 This provision shall not be applied to ordinances or resolutions which are intended to correct
363 scrivener's errors.

364 Sec. 2-206. - Public participation.

365 *Rule 7.01 Persons authorized on the dais.* No person, except town officers or their
366 representatives, shall be permitted on the dais unless authorized by the presiding officer or a
367 majority of the town commission.

368 *Rule 7.02. Citizens presentations; public hearings.*

369 (a) *Citizens' presentations.* Any citizen ~~may request shall be entitled~~ to be placed on the official
370 agenda of a regular meeting of the town commission and be heard concerning any matter
371 within the scope of the jurisdiction of the town commission outside of Good and Welfare.
372 Only members of the town commission and the town manager may place a citizen on the
373 official agenda.

374 (b) *Public hearings.* Any citizen shall be entitled to speak on any matter appearing on the official
375 agenda under the section "public hearings."

376 (c) *Public discussion on agenda items.* No citizen shall be entitled to address the town
377 commission on any matter listed on or added to the official agenda which is not scheduled for
378 public hearing, discussion or debate except during Public Comment on Agenda Items unless
379 the item is opened for public comment and the speaker recognized by the Chair~~Good and~~
380 ~~Welfare.~~ When the town commission considers an agenda item that is open for public
381 hearing, discussion or debate that is not a public hearing and on which the public comment is
382 ~~either unanimously in favor or unanimously against the item's passage,~~ input from members
383 of the public shall be limited to no more than three minutes on any given item, unless an
384 extension is granted by a majority of the members of the town commission.

385 *Rule 7.03 Registration of speakers.*

386 (a) Registration of speakers shall be required. The town clerk shall prepare appropriate
387 registration cards. The cards shall include a place for the speaker to provide his/her name,
388 address, lobbyist registration status which may be verified by the town clerk prior to
389 speaking, and the agenda item on which he or she is speaking ~~if registration is required on a~~
390 ~~particular agenda item.~~

391 (b) For any single agenda item, and except for zoning, no more than one-half hour per side shall
392 be allocated to speakers from the public. The presiding officer shall limit the time of each
393 individual speaker in order to insure compliance with this rule.

394 *Rule 7.04 Addressing commission, manner, time.* Each person, other than ~~salaried~~ members
395 of the town staff, who addresses the town commission shall step up to a podium and shall give
396 the following information in an audible tone of voice for the minutes:

397 (a) Name;

398 (b) Address;

399 (c) Whether the person speaks on his or her own behalf, a group of persons, or a third party; if
400 the person represents an organization, the person shall also indicate the number of members
401 in the organization, the annual dues paid by the members, the date of the most recent meeting
402 of the organization's board or governing council, and whether the view expressed by the
403 speaker represents an established policy of the organization approved by the board or
404 governing council, if requested; if the person is speaking on behalf of a group, s/he shall be
405 required to register as a lobbyist if required by that ordinance ~~and shall state for the record: (i)~~
406 ~~Compensation, if any, (ii) whether the person or any immediate family member has a~~
407 ~~personal financial interest in the pending matter, other than as set forth in (i) if requested.~~

408 Unless further time is granted by the town commission and with the sole exception of zoning
409 items which shall not have a prescribed time limit unless imposed by the chair in accordance with
410 the advice of the town attorney, the statement shall be limited to the times prescribed herein. All
411 remarks shall be addressed to the town commission as a body and not to any member thereof. No
412 person, other than the mayor, members of the town commission and the person having the floor
413 shall be permitted to enter into any discussion, either directly or through a member of the
414 commission, without the permission of the presiding officer. No question shall be asked of any
415 member of the town commission except through the presiding officer.

416 *Rule 7.05 Decorum.* Any person making impertinent or slanderous remarks or who
417 becomes boisterous while addressing the town commission shall be barred from further
418 appearance before the town commission by the presiding officer, unless permission to continue
419 or again address the town commission is granted by the majority vote of the town commission
420 members present. No clapping, applauding, heckling or verbal outbursts in support or
421 opposition to a speaker or his or her remarks shall be permitted. Signs or placards may be
422 disallowed in the town commission chambers by the presiding officer. Persons exiting the town
423 commission chambers shall do so quietly.

424 Sec. 2-207. - Rules of debate.

425 *Rule 8.01 Rules of debate.*

- 426 (a) *Questions under consideration.* When a motion is presented and seconded, it is under
427 consideration and no other motion shall be received thereafter, except to adjourn, to lay on
428 the table, to postpone, or to amend until the question is decided. These motions shall have
429 preference in the order in which they are mentioned. A motion to adjourn and a motion to lay
430 on the table shall be decided without debate. Final action upon a pending motion may be
431 deferred until a date certain by a majority of the members present.
- 432 (b) *As to the presiding officer.* The mayor, as presiding officer, may vote on but shall not move
433 or second an item of debate. The presiding officer, however, upon relinquishing the chair,
434 may move or second an item, ~~vote,~~ subject only to such limitations as are by these rules
435 imposed upon all members.
- 436 (c) *Getting the floor, improper references to be avoided.* Every member desiring to speak for any
437 purpose shall address the presiding officer, and upon recognition, shall be confined to the
438 question under debate avoiding all personalities and indecorous language.
- 439 (d) *Interruption; call to order; appeal a ruling of the chair.* A member once recognized shall not
440 be interrupted when speaking unless it is a call to order or as herein otherwise provided. If a
441 member be called to order, the member shall cease speaking until the question of order is
442 determined by the presiding officer, and if in order, the member shall be permitted to
443 proceed. Any member may appeal to the town commission from the decision of the presiding
444 officer upon a question of order when, without debate, the presiding officer shall submit to
445 the town commission the question, "Shall the decision of the chair be sustained?" and the
446 town commission shall decide by a majority vote.
- 447 (e) ~~Time limit for~~ *Consent agenda debate.* There shall be no dDebate on any motion pertaining to
448 an item on the consent agenda, however, any member of the town commission may pull an
449 item from the consent agenda for consideration shall be limited to three minutes. After three
450 minutes of debate the item shall be removed from the consent agenda, if any, and placed on
451 the regular town commission agenda. The discussion by the town commission on any one
452 item shall not exceed one half hour or unless an extension is granted by a majority of votes of
453 the town commission.
- 454 (f) *Privilege of closing debate.* Any town commission member (including the presiding officer)
455 shall have the privilege of closing the debate by making a motion to that effect and provided
456 it is affirmed by vote of a majority of the town commission present.
- 457 (g) *Method of voting.* After the debate is closed, and/or the motion is restated if necessary, the
458 presiding officer shall call for a vote on the motion. Voting shall be by roll call or voice vote,
459 or paper ballot (at the decision of the majority of the commission in certain circumstances)
460 depending on whether the ballot is on an ordinance or resolution or motion. Ordinances
461 require a roll call vote by calling the names of the members of the town commission in
462 rotating order, provided that the vice-mayor shall vote next to last and alphabetically by
463 surname, except that the names shall be rotated after each roll call vote, if requested, so that
464 the commissioner who voted first on a preceding roll call shall vote last upon the next
465 subsequent matter; provided, however, that the presiding officer, if a member of the town
466 commission, shall always cast the last vote.

467 The town clerk shall call the roll, tabulate the votes, and announce the results. The vote upon
468 any resolution, motion or other matter may be by voice vote as previously noted, provided
469 that the presiding officer or any commissioner may require a roll call to be taken upon any
470 resolution or motion.

471 (h) *Explanation of vote; conflicts of interest.* There shall be no discussion by any town
472 commissioner voting, and the town commissioner shall vote yes or no. Any town
473 commissioner, upon voting, may give a brief statement to explain his or her vote. A town
474 commissioner shall have the privilege of filing with the clerk a written explanation of his or
475 her vote. Any town commissioner with a conflict of interest on a particular matter shall
476 refrain from voting or otherwise participating in the proceedings related to that matter and
477 must leave the commission chambers until the consideration of that matter is concluded and
478 file the proper form with the town clerk.

479 (i) *Tie votes.* Whenever action cannot be taken because the vote of the town commissioners has
480 resulted in a tie, the status quo shall continue in effect and the proposed ordinance, resolution
481 or motion that produced the tie vote shall be removed from the agenda without prejudice to
482 its reintroduction on a de novo basis at a later time; provided that in zoning and other quasi-
483 judicial matters when action ~~on a resolution~~ results in a tie vote, such ~~resolution~~ matter shall
484 be carried over to the next regularly scheduled meeting for the consideration of such quasi-
485 judicial matters unless the town commission designates a different time for such
486 reconsideration.

487 (j) *Vote change.* Any town commissioner may change his or her vote before the next item is
488 called for consideration, or before a recess or adjournment is called, whichever occurs first,
489 but not thereafter. In this case, the town clerk shall call back the vote and verify the outcome
490 for the presiding officer.

491 (k) *No motion or second.* If an agenda item fails to receive a motion or second, it shall be
492 removed from the agenda and shall be reintroduced only in accordance with the renewal
493 provisions of Rule 8.01(m).

494 (l) *Reconsideration.* An action of the town commission may be reconsidered only at the same
495 meeting at which the action was taken, or, if not, at the next meeting thereafter a motion to
496 reconsider may be made only by a town commissioner who voted on the prevailing side of
497 the question and must be concurred in by a majority of those present at the meeting. ~~A~~
498 ~~motion to reconsider shall not be considered unless at least the same number of town~~
499 ~~commissioners is present as participated in the original vote, or upon affirmative vote of two-~~
500 ~~thirds of those commissioners present.~~ Adoption of a motion to reconsider shall rescind the
501 action reconsidered.

502 (m) *Renewal.* Once action is taken on a proposed ordinance or resolution neither the same matter
503 nor its repeal or rescission may be brought before the town commission again for a three-
504 month period following the said action unless application for renewal by three commissioners
505 is first submitted to the presiding officer. Should an ordinance or resolution be proposed that
506 raises the same previously resolved matter, or its repeal or rescission, in different or modified
507 form during the three-month period, the presiding officer may declare the proposal out of
508 order.

- 509 (n) *Adjournment.* A motion to adjourn shall always be in order and decided without debate.
510 (o) *Suspension of the rules.* No rule of procedure adopted by the town commission shall be
511 suspended except by an affirmative vote of a majority two-thirds of the members of the town
512 commission present.

513 Sec. 2-208. - Additional ordinances prescribing town commission procedure.

514 *Rule 9.01 Representation of Town of Surfside.* ~~Whenever t~~The presiding officer town
515 ~~commission may,~~ with the consent of the designee, designate a member(s) of the town
516 commission to represent the town commission at such meetings, conferences or other occasions
517 as deemed ~~deems it necessary or desirable that~~by the town commission, ~~shall be represented at~~
518 ~~meetings, conferences or other occasions involving other governmental entities, agencies,~~
519 ~~officials or groups, or non-governmental organizations, or departments, agencies or officials of~~
520 ~~the town government, the presiding officer may designate members of the town commission to~~
521 ~~represent the town commission at such meetings, conferences or other occasions, with the~~
522 ~~consent of the designee.~~ A designation must be ratified by a majority of the members of the
523 town commission then present ~~may disapprove any such appointment.~~ Such representative(s)
524 shall have no power to act for or on behalf of the town commission, or to make any
525 commitment or binding obligation on behalf of the town commission or the town. Such
526 representatives shall report to the town commission with regard to such meeting, conference or
527 other occasion.

528 *Rule 9.02 Noncompliance with procedural rules.* If a procedural rule pursuant to this
529 Article VI. — "Rules of Procedure for Town Meetings" is not complied with as a result of
530 either mistake, inadvertence or excusable neglect, as those terms are defined by law, by either
531 the presiding officer or the parliamentarian, then the validity of the underlying substantive
532 ordinance, resolution, motion or other action shall in no way be affected thereby, and the failure
533 of compliance with said procedural rule shall not be the basis for any person or party to
534 challenge any ordinance, resolution or other action.

535 Sec. 2-209. - Amendment to rules of procedure for town meetings.

536 Once adopted, changes to these rules may be made as changes to any other ordinance are
537 made by a majority vote and after two readings of the amendatory ordinance.

538 Secs. 2-210—2-225. - Reserved.

539 **Section 3. Severability.** If any section, sentence, clause or phrase of this ordinance is
540 held to be invalid or unconstitutional by any court of competent jurisdiction, then said holding
541 shall in no way affect the validity of the remaining portions of this ordinance.

542 **Section 4. Inclusion in the Code.** It is the intention of the Town Commission, and it is
543 hereby ordained that the provisions of this Ordinance shall become and made a part of the Town of
544 Surfside Code of Ordinances, that the sections of this Ordinance may be renumbered or re-lettered to
545 accomplish such intentions; and the word "Ordinance" may be changed to "Section" or other
546 appropriate word.
547

548 **Section 5. Conflicts.** Any and all Ordinances and Resolutions or parts of Ordinances or
549 Resolutions in conflict herewith are hereby repealed.
550

551 **Section 6. Effective Date.** This ordinance shall become effective upon adoption.

552
553 **PASSED and ADOPTED** on first reading this ____ day of _____, 2017.
554

555 **PASSED and ADOPTED** on second reading this ____ day of _____, 2017.
556

557
558 On Final Reading Moved by: _____
559

560 On Final Reading Second by: _____
561

562
563 **FINAL VOTE ON ADOPTION:**

564 Commissioner Daniel Gielchinsky _____
565 Commissioner Michael Karukin _____
566 Commissioner Tina Paul _____
567 Vice Mayor Barry Cohen _____
568 Mayor Daniel Dietch _____
569

570
571
572 _____
573 Daniel Dietch, Mayor
574

575
576 **ATTEST:**

577
578 _____
579 Sandra Novoa, MMC, Town Clerk
580

581
582 **APPROVED AS TO FORM AND LEGALITY FOR THE USE**
583 **AND BENEFIT OF THE TOWN OF SURFSIDE ONLY:**

584
585 _____
586 Weiss Serota Helfman Cole and Bierman, P.A.
587 Town Attorney
588



Town of Surfside Commission Communication

Agenda Item # 4A4

Agenda Date: September 12, 2017

Subject: Water, Sewer and Stormwater Rates and Service Charges

Background: The Town of Surfside provides utility services of water, sewer and stormwater to 1,373 residential and commercial customers. The Town engaged the services of an independent consultant, Black & Veatch to review and analyze the current water, sewer and stormwater rates and to develop a series of rate adjustments to meet the requirements for each utility over the next five fiscal years. This rate study and five year financial forecast covering the period from fiscal year 2016-2017 through fiscal year 2020-2021 was developed to estimate the revenue adjustments needed for the Town's utilities in order to continue to fund annual operation and maintenance expenses, make required debt service payments of principal and interest on two outstanding loans, meet the debt service coverage ratio requirements of the loans and maintain fund balance reserve requirements.

The Town's last adopted rates for water, sewer and stormwater was in fiscal year 2010. Since the last rate increase seven (7) years ago, the Town has been able to hold off a rate increase as a result of the replacement of a new water, sewer and stormwater utility system. This new system resulted in significant savings from reduced water and sewage flow purchase from Miami-Dade for water and the City of Miami Beach for sewage disposal. The efficient operations of these utilities by the Town resulted in a savings to the utility customers it serves. The Town was able to absorb the annual rate increases for water it purchased from Miami-Dade water and the annual increases in the cost of sanitary sewage flow from the City of Miami Beach for a combined increase of 45% over the past seven years. Also in addition during this seven year period the Consumer Price Index rose 12% for operating cost and capital equipment.

The independent study by Black & Veatch concluded that the water, sewer and stormwater utility revenues from existing rates will not be sufficient to meet anticipated cost over the study period of fiscal year 2017 through 2021. Therefore, revenue adjustments will be needed to meet projected costs.

The Town bills its residential customers for water, sewer and stormwater every two (2) months with an average current bill of \$200.00. The recommended rate adjustments to water, sewer and stormwater rates would increase the average bill \$40.00 every two months.

The current water and sewer rates were adopted in fiscal year 2010 by Ordinance and the stormwater rates were adopted by Resolution. This new Ordinance will show the strike thru of water and sewer rates with new language that will reference the new water and sewer rates to be adopted by Resolution. The Second Reading of the Ordinance will be on October 10, 2017 followed by a Resolution adopting the new water, sewer and stormwater rates effective October 1, 2017.

Budget Impact: The additional annual revenues that are projected to be generated in fiscal year 2017-2018 from the rate adjustments to the Water and Sewer Fund are \$661,908 and to the Stormwater Fund of \$101,000.

The 2017-2018 Annual Budget includes the new revenue projections based on the utility rate adjustments. The Water and Sewer Fund total annual revenues will change from \$3,015,250 to \$3,677,158 and the Stormwater Fund will change from \$505,000 to \$606,000.

Staff Impact: N/A

Recommendation: It is recommended that the independent study by Black & Veatch be implemented and the new water, sewer and stormwater rates be adopted by Resolution.



Donald Nelson, Finance Director



Guillermo Olmedillo, Town Manager

DN/drh

ORDINANCE NO. 2017-_____

AN ORDINANCE OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AMENDING CHAPTER 78 “UTILITIES” OF THE TOWN CODE; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; PROVIDING FOR INCORPORATION OF RECITALS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Section 11 of the Town of Surfside (the “Town”) Charter authorizes the Town Commission to levy, assess, and collect fees on all property within the Town; and

WHEREAS, on October 12, 2010, the Town Commission adopted Ordinance No. 10-1560 amending Chapter 78 “Utilities” of the Town’s Code of Ordinances (“Code”); and

WHEREAS, on May 10, 2016, the Town Commission adopted Resolution No. 16-2375 approving Black & Veatch to review and analyze the Town’s current water, sewer, and stormwater rates and to develop a series of revenues of adjustments to meet the requirement for each utility for the next five fiscal years; and

WHEREAS, the Town Commission wishes to amend Chapter 78 of the Town’s Code based upon the rate study and establish amended service charges for the Town’s utilities for the fiscal year beginning October 1, 2017; and

WHEREAS, the Town Commission finds that amending Chapter 78 of the Town’s Code and revising the Town’s utility charges is in the best interest of the Town, will assist the Town in recovering the cost of providing utility services, will promote equity in utility rates, will assist the Town in establishing reserve policies to avoid future rate hikes, will encourage water conservation throughout the Town, will improve the Town’s water and sewer capital infrastructure (which are mandated by DERM), and will enable the Town to secure funding for capital improvement debt service costs.

NOW, THEREFORE, THE COMMISSION OF THE TOWN OF SURFSIDE HEREBY ORDAINS:¹

Section 1. Recitals Adopted. That the above-stated recitals are hereby adopted and confirmed.

¹ Coding: ~~Strikethrough words~~ are deletions to the existing words. Underlined words are additions to the existing words. Changes between first and second reading are indicated with **highlighted double strikethrough** and **double underline**.

Section 2. Amending Chapter 78 of the Town Code. That Chapter 78 of the Town Code is hereby amended to read as set forth in Exhibit A attached hereto and incorporated herein.

Section 3. Codification. That it is the intent of the Town Council that the provisions of this ordinance shall become and be made a part of the Town’s Code of Ordinances, and that the sections of this Ordinance may be renumbered or relettered and the word “ordinance” may be changed to “section,” “article,” “regulation,” or such other appropriate word or phrase in order to accomplish such intentions.

Section 4. Severability. That the provisions of this Ordinance are declared to be severable and if any section, sentence, clause or phrase of this Ordinance shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses, and phrases of this Ordinance but they shall remain in effect, it being the legislative intent that this Ordinance shall stand notwithstanding the invalidity of any part.

Section 5. Conflicts. All ordinances or parts of ordinances, resolutions or parts of resolutions, in conflict herewith, are repealed to the extent of such conflict.

Section 6. Effective Date. That this Ordinance shall become effective immediately upon adoption on second reading.

PASSED on first reading on the 18th day of September, 2017.

PASSED AND ADOPTED on second reading on the 10th day of October, 2017.

First Reading:

Motion by: _____

Second by: _____

Second Reading:

Motion by: _____

Second by: _____

FINAL VOTE ON ADOPTION

Commissioner Daniel Gielchinsky _____

Commissioner Michael Karukin _____

Commissioner Tina Paul _____

Vice Mayor Barry Cohen _____

Mayor Daniel Dietch _____

[SIGNATURE PAGE FOLLOWS]

Daniel Dietch, Mayor

Attest:

Sandra Novoa, MMC
Town Clerk

Approved as to Form and Legal Sufficiency:

Weiss Serota Helfman Cole & Bierman, P.L.
Town Attorney

EXHIBIT A

CHAPTER 78 - UTILITIES

* * *

ARTICLE II. - WATER SERVICE

* * *

Sec. 78-27. - Amendment of regulations.

The changes and variations in the sections comprising Chapter 110, Miami Beach City Code, as further amended by section 78-26, as made by the town commission are enumerated as follows:

Section 110-166 is amended to read as follows:

1. The consumption rate of nonmunicipal single-family residential, duplex, triplex, and quadraplex consumers for water supply service in the territory shall be established by resolution of the Town Commission. ~~based on an inclining block rate structure as follows:~~

6,000 gallons	\$2.97 per 1,000 gallons
6,001—12,000 gallons	\$3.56 per 1,000 gallons
12,001 and above	\$5.94 per 1,000 gallons

The consumption rate for nonmunicipal consumers, excluding single-family residential, duplex, triplex, and quadraplex consumers for water supply service in the territory shall be ~~a uniform block rate of \$3.67 per 1000 gallons~~ established by resolution of the Town Commission.

110-166. Section 110-166 is amended to read as follows:

2. Any municipality within town limits, which purchases its water supply in whole or in part from the town shall be charged at the rate ~~of \$2.97 per 1,000 gallons~~ established by resolution of the Town Commission. Any municipality outside town limits shall be charged at the rate ~~of \$3.67 per 1000 gallons~~ established by resolution of the Town Commission.

110-166. Subsection (a) of section 110-166 is amended to read as follows:

Every water supply service shall have a monthly service charge on each service installed. The monthly service charge on each service shall vary with and be based upon the size of the service pipe required and installed. This service charge shall be in accordance with the following schedule and shall entitle the consumer, without excess charge, to have supplied through the meter the number of 4 gallons of water set forth in the table.

All bills for water service shall be paid within thirty days from date of bill. If such bills are not paid by the first day of the second month following that in which the service was rendered, such service shall be discontinued.

The monthly service charge shall be established by resolution of the Town Commission. as follows:

Size of Service (in inches)	Monthly Base (Fixed) Service Charge
5/8	\$13.90
1	-20.22
1½	-30.76
2	-43.40
3	-72.90
4	115.03
6	220.37
8	346.78

There shall not be a rental charge on meters.

110-166. Subsection (d) of section 110-166 is amended to read as follows:

Upon the application of the owner or consumer for water service, on premises to which there has not been any previous service for water, or for an additional, enlarged or reduced service, the ~~following~~ tapping charges, as established by resolution of the Town Commission, shall be made to cover the cost of the tap and the installation of the service to the property line of the lot to be supplied with water service.:

Up to 1 inch tap and service	\$350.00*
1½ inch tap and service	\$500.00*
2 inch tap and service	650.00*
Over 2 inch tap and service	Actual cost, plus 15 percent
*Additional charge where a street, sidewalk, curb or gutter is cut	Actual cost of replacement, plus 15 percent

There shall not be a rental charge on meters.

All water meters and meter boxes servicing private property shall be located upon said property, and in no case shall be in the public right-of-way.

110-166. Subsection (e) of section 110-166 is amended to read as follows:

Every owner or consumer making an application for water service shall be required to make a deposit for each meter with the public works department called a guarantee of payment deposit. The amount of such deposit shall be according to the size of the service for each meter ~~in the following schedule~~ as established by resolution of the Town Commission.:

Minimum Guarantee Deposits

Service	Owner, per Meter
5/8"	\$160.00
1"	200.00
1½"	300.00
2"	400.00
3"	600.00
4"	800.00
6"	1,200.00
8"	1,600.00

If no refund has been applied for within one year after water service has been discontinued to the party making the guarantee deposit for water service at the specific location mentioned in the receipt, such deposit shall be forfeited and be transferred to the water revenue account of the town.

110-192. Subsection (a) of section 110-192 is amended to read as follows:

All delinquent accounts, including metered water supply service, may cause the service of the water department to be discontinued and the water supply to be shut off from and to the premises of the owner or consumer from whom such account is in arrears, immediately upon such account becoming delinquent or as soon thereafter as practicable, without notice, and such service will not be resumed and the water turned on to such premises until the amount of the delinquent account and ~~the sum of \$25.00 for the first occurrence then \$50.00 for the second and subsequent occurrence(s) within a rolling 12 month calendar period~~ such sums as may be established by resolution of the Town Commission for turning on the supply to each premises so shut off ~~has~~ have been paid. All accounts shall be settled in person at town hall or by mail.

110-3. Section 110-3 is amended to read as follows:

Any person found guilty of a violation of any of the foregoing rules and regulations in this chapter, or who shall fail to observe any of the foregoing regulations, or who shall take and use water of the town without paying therefor, or who shall connect his premises with any water main of the town without the permission of the water department, shall, upon conviction thereof, be punished as provided in section 1-8 of the Code of the Town of Surfside, Florida.

* * *

ARTICLE III. - SEWERS AND SEWAGE DISPOSAL

* * *

Sec. 78-56. - Sewer service charges.

- (a) There is hereby imposed, upon all premises within the town connected to or using the facilities of the town's sanitary sewer system, a monthly sewer service charge based on effluent flow. Such sanitary sewer service charge shall be ~~in an amount equal to \$5.41 per 1,000 gallons of billed sewer flow per account or dwelling unit delivered to the consumer~~ established by resolution of the Town Commission. In addition to the flow-based charge there shall be a base (fixed) monthly charge ~~in the amount of \$3.44 per account or dwelling unit~~ established by resolution of the Town Commission. The amount of such sanitary sewer system service charges shall be shown as a separate item on such water bills and shall be paid by the owner or occupant in possession of such premises at the same time and in the same manner as is provided in this chapter for the payment of water bills. Further, provided that the provisions of this section shall not be applicable to any water sold and delivered through separate meters measuring water delivered and consumed solely for swimming pools, lawn sprinkler systems or other purposes not requiring the use of the sanitary sewer system facilities of the town.
- (b) In addition to the penalty for violation of this section as set forth in this article, all delinquent accounts may cause the service of the water department to be discontinued and the water supply to be shut off from and to the premises in accordance with this article.

Sec. 78-57. - Review of service rates.

Rates set forth in this article shall be reviewed annually at the time the town's general operating budget is reviewed and adopted. The town commission shall, from time to time, amend this article, so that revenues expected to be generated by the sewer service and other charges shall be sufficient to pay the projected operating, ~~and~~ maintenance, and debt service requirements costs for providing such services as well as providing for desired unrestricted and restricted net asset reserves. The town commission shall also provide the funds necessary in accordance with this article. Sewer system customers of the town shall be notified of rates and other charges applicable to such sewer service.

Secs. 78-58—78-80. - Reserved.

* * *



Town of Surfside Commission Communication

Agenda Item # 5A

Agenda Date: September 12, 2017

Subject: Water, Sewer and Stormwater Rates and Service Charges

Background: The Town of Surfside provides utility services of water, sewer and stormwater to 1,373 residential and commercial customers. The Town engaged the services of an independent consultant, Black & Veatch to review and analyze the current water, sewer and stormwater rates and to develop a series of rate adjustments to meet the requirements for each utility over the next five fiscal years. This rate study and five year financial forecast covering the period from fiscal year 2016-2017 through fiscal year 2020-2021 was developed to estimate the revenue adjustments needed for the Town's utilities in order to continue to fund annual operation and maintenance expenses, make required debt service payments of principal and interest on two outstanding loans, meet the debt service coverage ratio requirements of the loans and maintain fund balance reserve requirements.

The Town's last adopted rates for water, sewer and stormwater was in fiscal year 2010. Since the last rate increase seven (7) years ago, the Town has been able to hold off a rate increase as a result of the replacement of a new water, sewer and stormwater utility system. This new system resulted in significant savings from reduced water and sewage flow purchase from Miami-Dade for water and the City of Miami Beach for sewage disposal. The efficient operations of these utilities by the Town resulted in a savings to the utility customers it serves. The Town was able to absorb the annual rate increases for water it purchased from Miami-Dade water and the annual increases in the cost of sanitary sewage flow from the City of Miami Beach for a combined increase of 45% over the past seven years. Also in addition during this seven year period the Consumer Price Index rose 12% for operating cost and capital equipment.

The independent study by Black & Veatch concluded that the water, sewer and stormwater utility revenues from existing rates will not be sufficient to meet anticipated cost over the study period of fiscal year 2017 through 2021. Therefore, revenue adjustments will be needed to meet projected costs.

The Town bills its residential customers for water, sewer and stormwater every two (2) months with an average current bill of \$200.00. The recommended rate adjustments to water, sewer and stormwater rates would increase the average bill \$40.00 every two months.

The current water and sewer rates were adopted in fiscal year 2010 by Ordinance and the stormwater rates were adopted by Resolution. This new Ordinance will show the strike thru of water and sewer rates with new language that will reference the new water and sewer rates to be adopted by Resolution. The Second Reading of the Ordinance will be on October 10, 2017 followed by a Resolution adopting the new water, sewer and stormwater rates effective October 1, 2017.

Budget Impact: The additional annual revenues that are projected to be generated in fiscal year 2017-2018 from the rate adjustments to the Water and Sewer Fund are \$661,908 and to the Stormwater Fund of \$101,000.

The 2017-2018 Annual Budget includes the new revenue projections based on the utility rate adjustments. The Water and Sewer Fund total annual revenues will change from \$3,015,250 to \$3,677,158 and the Stormwater Fund will change from \$505,000 to \$606,000.

Staff Impact: N/A

Recommendation: It is recommended that the independent study by Black & Veatch be implemented and the new water, sewer and stormwater rates be adopted by Resolution.



Donald Nelson, Finance Director



Guillermo Olmedillo, Town Manager

DN/drh

RESOLUTION NO. 2017-_____

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, APPROVING AND ADOPTING WATER AND SEWER RATES AND SERVICE CHARGES EFFECTIVE OCTOBER 1, 2017; PROVIDING FOR AUTHORIZATION AND IMPLEMENTATION; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on May 10, 2016, the Town Commission of the Town of Surfside (“Town”) adopted Resolution No. 16-2375 approving Black & Veatch to review and analyze the Town’s current water, sewer, and stormwater rates and to develop a series of rate adjustments to meet the requirement for each utility for the next five fiscal years; and

WHEREAS, the Black & Veatch Water/Sewer and Stormwater Rate Study dated July 11, 2017 is attached hereto as Exhibit “A” (“Rate Study”); and

WHEREAS, the Rate Study and five-year financial forecast, covering the period from fiscal years 2016/17 through 2020/21 was developed to estimate the necessary revenue adjustments for the Town’s utilities in order to continue funding annual operations and maintenance expenses, debt service on two outstanding loans, meet the debt service coverage ratio requirements of the loans, and maintain a fund balance for reserve requirements; and

WHEREAS, the Rate Study concluded that the water, sewer and stormwater utility revenues from existing rates will not be sufficient to meet anticipated costs over the five-year study period, thereby necessitating revenue adjustments to meet projected costs; and

WHEREAS, the Town last revised and adopted water and sewer rates and service charges in 2010, and has been able to maintain rates and charges steady without increases to customers for the past seven years as a result of a new utility system that provided significant savings and efficient operations enabling the Town to absorb annual increases in water purchases and sewage disposal costs from the Town’s wholesale providers; and

WHEREAS, the Town amended portions of Chapter 78, Article II (Water Service) and Article III (Sewer and Sewage Disposal) to provide that water and sewer rates and service charges may be established by resolution of the Town Commission; and

WHEREAS, it is necessary for the Town to adjust and increase water rates and service charges as set forth in Exhibit “B” attached hereto, and sewer rates and service charges as set forth in Exhibit “C” attached hereto, in order to meet projected utility costs and expenses for the next five years; and

WHEREAS, the Town has provided notice of the proposed adjustments and increase of water and sewer rates to its customers through the Town’s Utility Department’s billing process pursuant to Section 180.136, Florida Statutes; and

WHEREAS, such water and sewer rates and service charges, as increased, shall be effective October 1, 2017 and shall be reflected on all customer bills beginning with the billing cycle in December, 2017; and

WHEREAS, the Town Commission finds that the adjustment and increase in water and sewer rates and service charges is necessary and in the best interest and welfare of the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AS FOLLOWS:

Section 1. Recitals Adopted. That the above-stated recitals are hereby adopted and confirmed.

Section 2. Water and Sewer Rates and Service Charges Approved and Adopted. Effective October 1, 2017, the rates and service charges for water service shall be as set forth in Exhibit “B” attached hereto and are hereby approved and adopted. Effective October 1, 2017, the rates and service charges for sewer service shall be as set forth in Exhibit “C” attached hereto and are hereby approved and adopted.

Section 3. Authorization; Implementation. The Town Manager and Town Officials are authorized to take any and all action necessary to implement the water and sewer rate and service charge adjustments and the purposes of this Resolution.

Section 4. Repeal of Conflicting Provisions. All resolutions or previous rates or service charges for water and sewer service, or parts thereof, in conflict with this Resolution and the revised rates and service charges approved and adopted herein, are hereby repealed to the extent of any conflict.

Section 5. Effective Date. That this Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED on this 10th day of October, 2017.

Motion By: _____

Second By: _____

FINAL VOTE ON ADOPTION

Commissioner Daniel Gielchinsky _____

Commissioner Michael Karukin _____

Commissioner Tina Paul _____

Vice Mayor Barry Cohen _____
Mayor Daniel Dietch _____

Attest:

Daniel Dietch, Mayor

Sandra Novoa, MMC
Town Clerk

Approved as to Form and Legal Sufficiency:

Weiss Serota Helfman Cole & Bierman, P.L.
Town Attorney

EXHIBIT "A"

RATE STUDY

Town of Surfside, Florida

WATER/SEWER AND STORMWATER RATE STUDY UPDATE

Technical Memo – Financial Impact Review and Analysis

Date: July 11, 2017
To: Guillermo Olmedillo, Town Manager
From: Brian Merritt, Manager, Black & Veatch
CC: Donald Nelson, Finance Director
Robert Chambers, Principal Consultant, Black & Veatch
Subject: Financial Impact Review and Analysis

Purpose: Black & Veatch was engaged by the Town of Surfside to review and analyze the Town's current water, sewer and stormwater rates and to develop a series of revenue adjustments to meet the requirements for each utility over the next five fiscal years. This document is intended to provide an overview of the financial impact review and analysis for the Town's Water and Sewer and Stormwater utilities.

Water, Sewer and Stormwater Rate Study Update

Executive Summary

This technical memo summarizes Black & Veatch's review and analysis of the Town of Surfside, Florida's (the Town's) water and sewer and stormwater utilities. A financial forecast was developed to estimate the revenue adjustments needed for the Town's utilities in order to continue to fund annual operation and maintenance expenses, make required debt service payments, meet obligations including coverage requirements, and achieve fund balance targets over the study period from Fiscal Year (FY) 2016/17 through FY 2020/21 (the study period). Recommendations for proposed rates effective October 1, 2017 are also included for the Town's consideration.

Revenue and Revenue Requirements

The Town last adopted new rates in FY 2010. Based upon discussions with Town staff, minimal customer growth (for each system) is expected during the study period. Therefore, revenues under the existing rates are expected to remain fairly flat. In contrast, water purchases and sewage disposal costs, which represent the largest operating costs for the water and sewer system, are anticipated to increase 6% and 5.5%, respectively in FY 2016/17, based upon proposed rates from the Town's wholesale providers.

Water and sewer revenues, derived from existing rates and charges, are projected to be \$3.013 million in FY 2016/17 increasing to by \$3.025 million in FY 2020/21. Whereas, total revenue requirements, including operation and maintenance (O&M) expenses, debt service obligations, and other expenditures and transfers are projected to be \$3.35 million in FY 2016/17 increasing to \$3.6 million in FY 2021.

Stormwater revenues, derived from stormwater service charges under existing rates, are projected to be \$0.505 million in FY 2016/17 to \$0.506 million in FY 2020/21. While, total stormwater revenue requirements, including O&M expenses, debt service obligations, and other expenditures and transfers for

the stormwater utility are projected to grow from \$0.684 million in FY 2016/17 to \$0.698 million in FY 2020/21.

As evident by these estimates, in the case of both the water and sewer utility and the stormwater utility, revenues from existing rates will not be sufficient to meet anticipated costs over the study period. Therefore, revenue adjustments will be needed to meet projected costs.

Debt Service Coverage Requirements

Debt Service Coverage requirements are another significant factor driving the proposed revenue adjustments. In addition to funding O&M expenses and making annual debt service payments, each utility should maintain sufficient net income after operations to meet bond and loan coverage requirements. In accordance with the methodology used for the latest Town Comprehensive Annual Financial Report (CAFR) for Fiscal Year Ending September 30, 2016, senior and subordinate debt coverage are considered separately with the following targets:

- Senior Debt (Revenue Bonds): 1.10
- Subordinate Debt (SRF): 1.15

In FY 2016/17, it is anticipated that Town will need to rely upon Rate Stabilization Fund balances to achieve coverage requirements. To meet the requirements of the bond covenants, an estimated \$595,000 of the existing \$651,144 Rate Stabilization Fund balance will be utilized. These funds must be replenished over the study period in order to reach the target fund balance. Revenue adjustments are needed starting in FY 2017/18 in order to meet coverage requirements. In addition, the water system is supporting the debt service coverage requirements for both the sewer and stormwater systems.

When considered in total, the overall utility system is currently in compliance with existing bond coverage requirements. The analysis performed for each system aims to achieve financial independence by system in meeting debt service coverage requirements by the end of the study period. This further influences the revenue adjustments contemplated herein.

The performance of the water, sewer and stormwater systems against debt service coverage requirements in summarized in the Table E-1. Note the coverage ratios presented assume the adoption of proposed revenue adjustments as presented in the Proposed Revenue Adjustments sections.

Table E-1. Estimated Debt Service Coverage Ratios with Proposed Revenue Adjustments

	FISCAL YEAR				
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Combined Water/Sewer/Storm Net Operating Income	1,727,988	1,750,138	1,926,291	2,180,949	2,398,719
2011 Utility Bonds - Debt Service Requirement	1,065,249	1,065,249	1,065,249	1,065,249	1,065,249
Senior Debt Coverage Ratio	162%	164%	181%	205%	225%
Requirement	110%	110%	110%	110%	110%
Adjusted Water/Sewer/Storm Operating Income	662,739	684,889	861,042	1,115,700	1,333,471
SRF Loan - Debt Service Requirement	577,901	577,901	577,901	577,901	577,901
Subordinate Debt Coverage Ratio	115%	119%	149%	193%	231%
Requirement	115%	115%	115%	115%	115%

Source: Town of Surfside; Black & Veatch.

Fund Balances and Performance Targets

The Town has established the following reserve fund targets:

- Operation and Maintenance Fund Reserves (Unrestricted) – 25% of current/annual Operation and Maintenance Costs
- Renewal and Replacement Fund Reserves – 1% of Gross Book Value of the Fixed Assets of the System
- Rate Stabilization Fund Reserves – 10% of annual projected rate revenues

Aggregate fund balance totaling \$2.05 million, as stated in the CAFR for Fiscal Year Ending September 30, 2016, was used as the beginning balance for FY 2016/17 and projected over the study period. With the exception of the Renewal, Replacement and Improvement Fund Balance and the Stormwater Rate Stabilization Fund (equity), the Town is currently meeting all fund balance targets.

- As previously noted, meeting debt service coverage requirements in FY 2016/17 will be reliant upon the use of Rate Stabilization Fund balances.
- It was assumed that each system will make a contribution to their Renewal, Replacement and Improvement Fund to achieve the target balances.
- In the case of the sewer and stormwater systems, the systems will be reliant upon existing unrestricted operating reserves in order to cover costs, until such time that the systems generate sufficient revenues to achieve a positive net annual income.

The use of the above fund balances as well as the fund balance targets further influence revenue adjustment needs.

Proposed Revenue Adjustments

Based on the water and sewer and stormwater utilities respective projected revenue requirements and revenues under existing rates, the overall annual revenue increases required for each system to cover their expenses and meet debt service coverage over the Study Period as well as achieve the target fund balances by the end of the Study Period are presented in Table E-2 and E-3 below.

Table E-2. Required Revenue Increases for the Water and Sewer Utility

PROPOSED REVENUE INCREASE			
FISCAL YEAR	WATER SYSTEM	SEWER SYSTEM	COMBINED
2017/18	20.0%	20.0%	20.0%
2018/19	5.0%	10.0%	7.44%
2019/20	5.0%	10.0%	7.49%
2020/21	3.0%	10.0%	6.57%

Table E-3. Required Revenue Increases for the Stormwater Utility

PROPOSED REVENUE INCREASE	
FISCAL YEAR	STORMWATER SYSTEM
2017/18	20.0%
2018/19	10.0%
2019/20	10.0%
2020/21	10.0%

Proposed Rates

Tables E-4 to E-8 present the proposed FY 2017/18 water, sewer and stormwater rates which reflect a 20.00% increase from current levels.

Note: A full cost of service (COS) analysis was not conducted as part of this study. As such, the contemplated revenue adjustments for the water, sewer and stormwater systems are evenly distribute across all customer classes. A COS study would further evaluate the revenue requirements (or costs) of each system, the service demands placed upon the system based upon the utility customer classes' service characteristics, and distribute each utility's costs to the customer classes accordingly. Given the significant changes to the utilities and the length of time that has passed, Black & Veatch would recommend that the Town consider conducting a complete COS study in the immediate future.

Table E-4. Proposed Bi-Monthly Water Base Charges

Meter Size	Current	2017/2018
5/8"	\$ 27.81	\$ 33.37
1"	40.45	\$ 48.54
1 1/2"	61.52	\$ 73.82
2"	86.80	\$ 104.16
3"	145.79	\$ 174.95
4"	230.06	\$ 276.08
6"	440.75	\$ 528.90
8"	693.57	\$ 832.28

Sources: Town of Surfside; Black & Veatch.

Table E-5. Proposed Residential Customers - Water Consumption Charges

Description	Current	2017/2018
	Rate per 1,000 gal	
Block 1 (0 - 12,000 gal)	2.97	3.56
Block 2 (12,001 - 24,000 gal)	3.56	4.28
Block 3 (above 24,000 gal)	5.94	7.13

Sources: Town of Surfside; Black & Veatch.

Table E-6. All Other Customers - Water Consumption Charges

Description	Current	2017/2018
	Rate per 1,000 gal	
Uniform Rate	\$ 3.54	4.25

Sources: Town of Surfside; Black & Veatch.

Table E-7. Proposed Sewer Uniform Flow Rate and Bi-Monthly Fixed Charge

Description	Forecast	
	Current	2017/2018
	Rate per 1,000 gal	
Uniform Flow Rate	\$ 5.41	\$ 6.49
	Rate per 1,000 gal	
Bi-Monthly Fixed Charge	\$ 6.88	\$ 8.26

Sources: Town of Surfside; Black & Veatch.

Table E-8. Proposed Stormwater Utility Rates

Service Type	Current	Forecast 2017/2018
Single Family Residential (1.0 ERU)	\$ 10.70	\$ 12.84
Multi Family Residential (1.0 ERU per dwelling unit)	\$ 10.70	\$ 12.84
Place of Worship (0.5 ERU per 1,300 sq. ft. of impervious area)	\$ 5.35	\$ 6.42
Non Residential Developed Property excluding Places of Worship (1.25 ERU per 1,300 sq. ft. of impervious area)	\$ 13.38	\$ 16.06

Sources: Town of Surfside; Black & Veatch.

Conclusions and Recommendations

The revenue adjustment and rates presented in this memo meet all the forecasted revenue requirements, fulfills the bond coverage requirements, and maintains the appropriate cash balances for the respective utility systems. If water, sewer and stormwater rates are not adjusted during the next 5 years, projected revenues under existing rates will not be sufficient to fund the Utility System’s revenue requirements throughout the Study Period.

A revenue adjustment of 20% is recommended for each system in FY 2017/18 in order to meet anticipated expenses and meet coverage requirements. Additional action will be required in subsequent years to

continue to meet all utility obligations and metrics. Beyond the revenue adjustments and associated rate levels, Black & Veatch would also recommend that the Town consider the following future actions:

- 1) Conduct a full COS study to re-establish the basis for equitable rates and charges across various customer classes;
- 2) Continually monitor expenses and revenues and update financial projections annually; and
- 3) Review rates on an annual basis to help anticipate future revenue requirements, meet debt service obligations and manage rate adjustments on a multi-year horizon.

Study Background

Black & Veatch was engaged by the Town of Surfside to review and analyze the Town's current water, sewer and stormwater rates and to develop a series of recommended revenue adjustments for each of the utilities over the next five fiscal years. The resulting revenue adjustments and proposed rate recommendations are presented herein. Black & Veatch had previously prepared rate studies in 2010 and 2011. The series of recommended rate increases contemplated in the 2011 study were not adopted by the Town and no revenue adjustments have been implemented since that period. This current analysis beginning with Fiscal Year (FY) 2016/17 presents the impact of changes in operating and capital expenses, debt service requirements and the ability of the utility to meet established financial performance metrics over the study period FY 2016/17 through FY 2020/21.

There have been significant changes to the utility since the previous 2011 study was conducted. In that time, the Town has issued a series of bonds and entered into a State Revolving Fund (SRF) Loan agreement in order to fund the renewal and replacement needs of the Town's water, sewer and stormwater systems. The capital improvements associated with these financing mechanisms are largely complete and minimal capital improvements are anticipated over the study period.

Assumptions

Table 1 provides a list of assumptions utilized in this analysis.

- Water Purchase and Sewage Disposal Costs:
 - For FY 2016/17, water purchase costs and sewer disposal purchase costs were held at the current/adopted budget levels.
 - Based on discussions with Town staff, FY 2017/18 rates for water purchases were assumed to be approximately 6 percent higher based upon anticipated wholesale rate increases currently proposed by MDWASD.
 - Sewage disposal costs for FY 17/18 were assumed to be 5 percent higher than the FY 2016/17 based upon anticipated increases in wholesale rate increases proposed by the City of Miami Beach.
 - For FY 2018/19 to FY 2020/21 increases are assumed to be nominal at approximately 3 percent per year.
- Personnel costs are assumed to escalate annually at a rate of 1.50 percent for the study period. All other Operating costs are assumed to escalate annually at a rate of 1.00 percent for the study period.
- Based upon input from Town staff, customer growth is expected to stay relatively flat. In order to account for a minimal level of growth, a 0.10 percent annual escalation rate was applied beginning in FY 2017/18.
- Debt Service Allocations between the Water/Sewer and Stormwater Utilities are based upon discussions with Town staff. The allocation between the water, sewer and stormwater system is based upon the rate base established during the previous rate study.
- Reserve fund targets are assumed as follows:
 - Operation and Maintenance Fund Reserves (Unrestricted) – 25% of current/annual Operation and Maintenance Costs

- Renewal and Replacement Fund Reserves – 1% of Gross Book Value of the Fixed Assets of the System
- Rate Stabilization Fund Reserves – 10% of annual project rate revenues
- The Debt Service Coverage Requirements for both the 2011 Series Utility System Revenue Bonds and the SRF Loan are in accordance with their respective requirements.

Table 1. Analysis Assumptions

Description	Annual Figure	Notes
Escalation Factors		
Customer Growth FY 16/17	0.00%	Annual Rate
Customer Growth FY 17/18 and beyond	0.10%	Annual Rate
Personnel Costs	1.50%	Annual Rate
Water Purchases FY 16/17	0.00%	Annual Rate
Water Purchases FY 17/18	6.00%	Annual Rate
Water Purchases FY 18/19	3.00%	Annual Rate
Water Purchases FY 19/20	3.00%	Annual Rate
Water Purchases FY 20/21	3.00%	Annual Rate
Sewage Disposal Costs FY 16/17	0.00%	Annual Rate
Sewage Disposal Costs FY 17/18	5.00%	Annual Rate
Sewage Disposal Costs FY 18/19	3.00%	Annual Rate
Sewage Disposal Costs FY 19/20	3.00%	Annual Rate
Sewage Disposal Costs FY 20/21	3.00%	Annual Rate
Operating Costs	1.00%	Annual Rate
Capital Outlay (excl. Improvements)	5.00%	Annual Rate
Debt Service Allocations		
Water / Sewer Allocation	75.00%	Annual Total
Water	31.25%	Annual Allocation
Sewer	43.75%	Annual Allocation
Storm	25.00%	Annual Allocation
Fund Equity Targets		
O&M Reserves	25.0%	25% of current year O&M
Renewal & Replacement Reserve	1.0%	1% of Gross Book Value
Operating Reserve	25.0%	25% of annual O&M
Rate Stabilization Reserves	10.0%	10% of annual projected rate revenues
Financial Ratios and Inputs		
Debt Service Coverage Ratio (Revenue Bonds)	110%	1.10x (net operating income/annual debt service)
Debt Service Coverage Ratio (SRF Loan)	115%	1.15x (adjusted net operating income/annual debt service)
Sources: Town of Surfside; Black & Veatch.		

Revenues

Revenue Sources

The Town’s water, sewer and stormwater revenues are principally derived as follows:

- Water system revenues are primarily derived from base fees and consumption charges.
 - Historically additional water revenues have come from tapping fees, penalties, interest income on fund balances, development fees and other miscellaneous revenue.
- Sewer system generates revenue primarily from fixed charges and sewer service charges. ,
 - Historically additional sewer revenues have come from penalties, interest income on fund balances, development fees and other miscellaneous revenue.
- Stormwater system revenues primarily derived from stormwater service charges.
 - The stormwater system does not have any other significant sources of revenue at this time.

Growth

As previously noted, based upon discuss with Town staff customer growth is expected to stay relatively flat over the study period. Overall growth was assumed to be 0.10 percent annually beginning in FY 2017/18 for all systems.

Revenues under Existing Rates

The Town adopted its current rates in FY 2010. The current rates and charges for each system are as follows:

Water System Rates: The Town’s existing water system rates are presented in Tables 2A-2C below.

Table 2A. Current Water System Bi-Monthly Base Charges

Meter Size	Current
5/8"	\$ 27.81
1"	40.45
1 1/2"	61.52
2"	86.80
3"	145.79
4"	230.06
6"	440.75
8"	693.57

Sources: Town of Surfside; Black & Veatch.

Table 2B. Current Residential Customers - Water Consumption Charges

Description	Current
	Rate per 1,000 gal
Block 1 (0 - 12,000 gal)	2.97
Block 2 (12,001 - 24,000 gal)	3.56
Block 3 (above 24,000 gal)	5.94

Sources: Town of Surfside; Black & Veatch.

Table 2C. All Other Customers - Water Consumption Charges

Description	Current
	Rate per 1,000 gal
Uniform Rate	\$ 3.54

Sources: Town of Surfside; Black & Veatch.

Sewer System Rates: The Town’s existing sewer system rates are presented in Table 3.

Table 3. Current Sewer Uniform Flow Rate and Bi-Monthly Fixed Charge

Description	Current
	Rate per 1,000 gal
Uniform Flow Rate	\$ 5.41
	Rate per 1,000 gal
Bi-Monthly Fixed Charge	\$ 6.88

Sources: Town of Surfside; Black & Veatch.

Stormwater System Rates: The Town’s existing stormwater utility rates are presented in Table 4.

Table 4. Stormwater Utility Rates

Service Type	Current
Single Family Residential (1.0 ERU)	\$ 10.70
Multi Family Residential (1.0 ERU per dwelling unit)	\$ 10.70
Place of Worship (0.5 ERU per 1,300 sq. ft. of impervious area)	\$ 5.35
Non Residential Developed Property excluding Places of Worship (1.25 ERU per 1,300 sq. ft. of impervious area)	\$ 13.38

Sources: Town of Surfside; Black & Veatch.

Combined Water and Sewer Revenues

Water and sewer sales revenue, derived from existing rates, are projected to grow from \$3.013 million in FY 2016/17 to \$3.025 million in FY 2020/21.

No other significant sources of revenues are anticipated during the study period.

- **Water Revenues :**
 - Water sales revenue, derived from customer consumption and base charges under existing rates, are projected to grow from \$1.545 million in FY 2016/17 to \$1.551 million in FY 2020/21.
 - Revenues from penalties were assumed to remain flat at the current budget rate of \$1,250 annually for the water system.
 - No other significant sources of revenues are anticipated for the water system during the study period.
- **Sewer Revenues :**
 - Sewer service revenue derived from existing rates is projected to grow from \$1.468 million in FY 2016/17 to \$1.474 million in FY 2020/21.

- Revenues from penalties were assumed to remain flat at the current budget rate of \$1,250 annually for the sewer system.
- No other significant sources of revenues are anticipated for the sewer system during the study period.

Stormwater Revenues

Stormwater revenues, derived from stormwater service charges under existing rates, are projected to grow from \$0.505 million in FY 2016/17 to \$0.506 million in FY 2020/21. No other significant sources of revenues are anticipated for the stormwater system during the study period.

Revenue Requirements

General

The revenue required to provide for the continued operation of the water and sewer and stormwater utilities must be sufficient to meet each utilities requirements associated with the cost of operations.

Revenue requirements typically include:

- 1) O&M expenses;
- 2) Debt service requirements, consisting of principal, interest, and any reserve fund payments; and
- 3) Other expenditures and transfers.

In addition, annual revenues need to be adequate to meet the debt service coverage requirements established by the revenue bond ordinance and State Revolving Fund (SRF) loan agreement. Projections of cash requirements to meet these system expenditures for the Study Period are presented in this section.

O&M Expenses

Water and Sewer Utility

O&M expenses associated with the water and sewer utility include water purchases; water storage and distribution; sewage conveyance and disposal; meter and services; billing, collection, and accounting; and administrative and general services. O&M expenses include the annual salaries and wages of personnel, costs for material and supplies, fuel and electric power costs, and other costs such as employee benefits, insurance, equipment maintenance and contract services.

Personnel costs are expected to increase from \$0.338 million in FY 2016/17 to \$0.358 million in FY 2020/21. All other operational expenses (with the exception of water purchases and sewage disposal) are projected to increase from \$0.306 million in FY 2016/17 to \$0.318 million in FY 2020/21. These expenses are allocated evenly between the water and sewer systems.

- **Water System O&M Expenses:** The largest operational expense for the water system is water purchases from MDWSD.
 - Based upon anticipated wholesale rate increases currently proposed by MDWASD, FY 2017/18 wholesale rates are assumed to be approximately 6 percent higher than FY 2016/17 levels. Additional increases of 3 percent annually are anticipated thereafter.
 - Water purchase costs are projected to increase from \$0.502 million in FY 2016/17 to \$0.582 million in FY 2020/21.
- **Sewer System O&M Expenses:** The largest operational expense for the sewer system is sewage disposal costs purchases from the City of Miami Beach.

- Proposed wholesale rate are estimated to be 5 percent higher in FY 17/18 than FY 2016/17 levels. Annual increases of 3 percent are anticipated thereafter.
- Sewage disposal purchase costs are projected to increase from \$0.968 million in FY 2016/17 to \$1.110 million in FY 2020/21.

Stormwater Utility System

O&M expenses associated with the stormwater utility include costs associated with stormwater management service including stormwater system repairs, maintenance and cleaning, collection, and accounting; and administrative and general services. O&M expenses include the annual salaries and wages of personnel, costs for material and supplies, fuel and electric power costs, and other costs such as employee benefits, insurance, equipment maintenance and contract services.

In total stormwater O&M expenses are expected to increase from \$0.273 million in FY 2016/17 to \$0.287 million in FY 2020/21. The increase consists of the following:

- **Personnel costs:** \$0.127 million in FY 2016/17 to \$0.135 million in FY 2020/21.
- **All other operational expenses:** \$0.146 million in FY 2016/17 to \$0.152 million in FY 2020/21.

Debt Service

Existing Debt Service

The Town’s annual debt service requirements include principal and interest payments as related to the previously issued Utility System Revenue Bonds Series 2011 as well as the State Revolving Fund Loan #WW131710. Debt service costs are attributed to each system based upon their respective portions of the original capital financing costs associated with the previously completed system improvements. Therefore, the allocations factors presented in Table 5 (as provided by Town staff) are based upon the rate base established during the previous rate study.

Table 5. Debt Service Allocation Factors

Water and Sewer Utility Allocation	75.00%	Annual Total
Water System	31.25%	Annual System Allocation
Sewer System	43.75%	Annual System Allocation
Stormwater Utility Allocation	25.00%	Annual Allocation

The tables presented on the following page present the Town’s current debt obligations including principal and interest payments over the life of the bonds and loan respectively.

Table 6 provides the total principal and interest payments for the Water and Sewer and Stormwater Utilities as they relate to the Utility System Revenue Bonds Series 2011 and the State Revolving Fund Loan #WW131710.

Table 6. Water/Sewer and Stormwater – Debt Service Schedule

Year	Utility System Revenue Bonds Series 2011			State Revolving Fund Loan #WW131710			Revenue Pmnt Total
	Principal	Interest	Total	Principal	Interest	Total	
2015/2016	599,571	465,678	1,065,249	419,196	158,706	577,901	1,643,150
2016/2017	627,870	437,379	1,065,249	427,071	150,830	577,901	1,643,150
2017/2018	657,506	407,743	1,065,249	435,095	142,807	577,901	1,643,150
2018/2019	688,540	376,709	1,065,249	443,269	134,632	577,901	1,643,150
2019/2020	721,039	344,210	1,065,249	451,597	126,304	577,901	1,643,150
2020/2021	755,072	310,177	1,065,249	460,081	117,820	577,901	1,643,150
2021/2022	790,711	274,537	1,065,248	468,725	109,176	577,901	1,643,150
2022/2023	828,033	237,216	1,065,249	477,531	100,370	577,901	1,643,150
2023/2024	867,116	198,132	1,065,248	486,503	91,399	577,901	1,643,149
2024/2025	908,044	157,205	1,065,249	495,643	82,258	577,901	1,643,150
2025/2026	2,422,560	114,345	2,536,905	504,955	72,947	577,901	3,114,806
2026/2027	-	-	-	514,442	63,460	577,901	577,901
2027/2028	-	-	-	524,107	53,795	577,901	577,901
2028/2029	-	-	-	533,953	43,948	577,901	577,901
2029/2030	-	-	-	543,985	33,917	577,901	577,901
2030/2031	-	-	-	554,205	23,696	577,901	577,901
2031/2032	-	-	-	564,617	13,284	577,901	577,901
2032/2033	-	-	-	286,274	2,677	288,951	288,951
2033/2034	-	-	-	-	-	-	-
2034/2035	-	-	-	-	-	-	-
2035/2036	-	-	-	-	-	-	-

Table 7 presents the allocated debt service costs for the water, sewer and stormwater systems respectively.

Table 7. Allocated Water, Sewer and Stormwater System – Debt Service Requirements

Year	Allocated Debt Service - Bond			Allocated Debt Service - SRF Loan			Allocated Debt Service		
	Water	Sewer	Storm	Water	Sewer	Storm	Water	Sewer	Storm
2015/2016	332,890	466,046	266,312	180,594	252,832	144,475	513,485	718,878	410,788
2016/2017	332,890	466,046	266,312	180,594	252,832	144,475	513,485	718,878	410,788
2017/2018	332,890	466,046	266,312	180,594	252,832	144,475	513,485	718,878	410,788
2018/2019	332,890	466,046	266,312	180,594	252,832	144,475	513,485	718,878	410,788
2019/2020	332,890	466,046	266,312	180,594	252,832	144,475	513,485	718,878	410,788
2020/2021	332,890	466,046	266,312	180,594	252,832	144,475	513,484	718,878	410,787
2021/2022	332,890	466,046	266,312	180,594	252,832	144,475	513,484	718,878	410,787
2022/2023	332,890	466,046	266,312	180,594	252,832	144,475	513,484	718,878	410,788
2023/2024	332,890	466,046	266,312	180,594	252,832	144,475	513,484	718,878	410,787
2024/2025	332,890	466,046	266,312	180,594	252,832	144,475	513,484	718,878	410,787
2025/2026	792,783	1,109,896	634,226	180,594	252,832	144,475	973,377	1,362,728	778,702
2026/2027	-	-	-	180,594	252,832	144,475	180,594	252,832	144,475
2027/2028	-	-	-	180,594	252,832	144,475	180,594	252,832	144,475
2028/2029	-	-	-	180,594	252,832	144,475	180,594	252,832	144,475
2029/2030	-	-	-	180,594	252,832	144,475	180,594	252,832	144,475
2030/2031	-	-	-	180,594	252,832	144,475	180,594	252,832	144,475
2031/2032	-	-	-	180,594	252,832	144,475	180,594	252,832	144,475
2032/2033	-	-	-	180,594	252,832	144,475	180,594	252,832	144,475
2033/2034	-	-	-	90,297	126,416	72,238	90,297	126,416	72,238
2034/2035	-	-	-	-	-	-	-	-	-
2035/2036	-	-	-	-	-	-	-	-	-

Source: Debt Service Amortization Schedule as provided by Town staff via email on 4/25/2017.

Proposed Debt Service

No additional service is anticipated during the study period.

Debt Service Coverage Requirements

In addition to making debt service payments, the utilities must maintain sufficient net income after operations to meet the bond and loan coverage requirements. Based upon the adopted Bond Ordinance, the Series 2011 Bonds are treated as senior debt while the SRF Loan are considered subordinate. The target annual debt service coverage ratios are as follows:

- Senior Debt (Revenue Bonds): 1.10
- Subordinate Debt (SRF): 1.15

With regard to the debt service and associated coverage requirements, it's important to note the following:

- Previous rate studies considered the debt service coverage requirements in aggregate across all systems.
- The current analysis considers the senior and subordinate debt, respectively. This approach is in alignment with methodology used for the latest Town Comprehensive Annual Financial Report (CAFR) for Fiscal Year Ending September 30, 2016.

Other Expenditures and Transfers

Other expenditures and transfers include costs that are incurred by the respective utilities after the fulfillment of O&M and debt service obligations. These costs are funded by cash generated from system revenues and any other available unrestricted sources of funds. Other expenditures typically include transfers for internal services, capital outlays, capital improvements or operating capital, and transfers from operations to cash fund major capital improvements.

Water and Sewer Utility

Other expenditures and transfers associated with the water and sewer utility are estimated as follows:

- Expenditures associated with capital outlays are assumed total \$35,000 beginning in FY 2017/18 and increase to \$40,517 by FY 2020/21.
- The water system has historically supported the sewer system via a transfer to help fund operating and non-operating expenses. This support is assumed to continue throughout the study period.
- No capital improvements projects are current proposed for the water and sewer system; therefore, cash funding for capital projects is not considered during the current study period.

Stormwater Sewer Utility

No additional expenditures or transfers are projected for the stormwater utility at this time. No capital improvements projects are current proposed for the stormwater and sewer system; therefore, cash funding for capital projects is not considered during the current study period.

Capital Improvements

At the time of this analysis, the Town has decided not to capitalize any projects over the study period. However, the Town may need to consider capital financing of improvements in the near future; thus, this assumptions should be revisited routinely.

Existing Fund Balances

Fund Balances as stated in the CAFR for Fiscal Year Ending September 30, 2016 were used as the beginning balance for FY 2016/17 and projected forward for the study period.

- The unrestricted fund balance, as reported in the CAFR, was adjusted to reflect the Rate Stabilization Fund balance based upon the Town’s most recent budget to actual figures.
- Similar to the allocation of debt service requirements, the aggregate unrestricted fund balances (*for the water and sewer and stormwater utilities*) was reallocated to each of the respective utilities based upon the equity of fund balances as provided by Town staff.
 - The resulting fund balances are presented in Table 8.

Table 8. Existing Fund Balances

FUND	BASIS	TOTAL (\$) @ 9/30/16	TOTAL W&S	WATER 31%	SEWER 44%	STORM 25%
RESTRICTED:						
Renewal/Replacement	Revenue Bond Covenant	240,745	208,560	86,900	121,660	32,185
Loan Reserve	Loan Requirements	324,000	243,000	101,250	141,750	81,000
Rate Stabilization	Per Management Intent		651,144	271,310	379,834	
UNRESTRICTED:						
Operating and Maint.	Per Management Intent	1,485,412	1,114,059	464,191	649,868	371,353
TOTAL		<u>2,050,157</u>	<u>2,216,763</u>	<u>923,651</u>	<u>1,293,112</u>	<u>484,538</u>

Source: Fund Balances as of 9/30/2016 as provided by the Town of Surfside per the FY 2015/2016 CAFR
 Unrestricted balance is the total water, sewer and stormwater Unrestricted Fund Balance less the Rate Stabilization Fund Balance as provided by the Town of Surfside.

Required Fund Balances

Reserve fund targets help to maintain sufficient funds (restricted and unrestricted net assets) in order to (i) address contingencies in the day-to-day operations; (ii) short and long term replacement needs of each utility; (iii) meet debt service obligations; and (iv) provide rate stabilization reserves to smooth revenue adjustments.

- These concepts were first introduced as part of the previous rate analyses is 2010 and 2011.
- The corresponding funds were formalized with the Town’s Utility System Revenue Bonds Series 2011 ordinance (Bond Ordinance), *refer to Town of Surfside, Florida - Ordinance No. 11-1570*, and the Town has adopted target balances as follows:
 - Operation and Maintenance Fund Reserves (Unrestricted) – 25% of current/annual Operation and Maintenance Costs
 - Renewal and Replacement Fund Reserves – 1% of Gross Book Value of the Fixed Assets of the System
 - Rate Stabilization Fund Reserves – 10% of annual project rate revenues

With the exception of the Renewal, Replacement and Improvement Fund Balance and the Stormwater Rate Stabilization Fund (equity), the Town is currently meeting all fund balance targets. Historically, when taken

in aggregate the Town has generally held reserve levels at or approaching these targets. The restricted and unrestricted net assets are proposed to be utilized as part of this analysis to meet operational and capital needs, including debt service needs during the initial years of the study period. This helps to manage both short-term and long-term rate levels.

With regard to the Renewal, Replacement and Improvement Fun, the required target fund balance was estimated based upon 1% of the gross book value for each of the utilities as reported in the CAFR for Fiscal Year Ending September 30, 2016. Additional deposits will be required as noted in Table 9 and are considered as part of the analysis presented in this document. Funds will be transferred from unrestricted operating reserves as well as positive net incomes in FY 2016/17 to reestablish the required fund balance. This is then held constant throughout the forecast period, no further deposits are planned.

Table 9. Renewal, Replacement and Improvement Fund Balance

RESTRICTED	TOTAL	TOTAL W&S	TOTAL WATER	TOTAL SEWER	TOTAL STORM	
Renewal, Replacement and Improvement Fund ¹	240,745	208,560	86,900	121,660	32,185	
Gross Book Value ²	28,029,093	24,446,159	10,185,900	14,260,259	3,582,934	
Required Fund Balance ³	1%	280,291	244,462	101,859	142,603	35,829
Additional Required ⁴	-39,546	-35,902	-14,959	-20,943	-3,644	

Notes:

- 1) Fund Balance is current as of 9/30/2016. 2) Gross Book Value of Capital Assets per Town of Surfside, FL - Water and Sewer Enterprise Fund and Stormwater Utility Enterprise Fund. Includes infrastructure, equipment and construction in progress as of September 30/2015 as stated in the Comprehensive Annual Financial report for Fiscal Year Ended September 30, 2015. 3) Per Master Utility System Bond Ordinance No. 11-1570, required balance is equal to or greater than 1% of the gross book value of the fixed assets of the system. 4) Additional funding required to meet fund balance target of 1% of gross book value.

Proposed Debt Service Retirement Fund

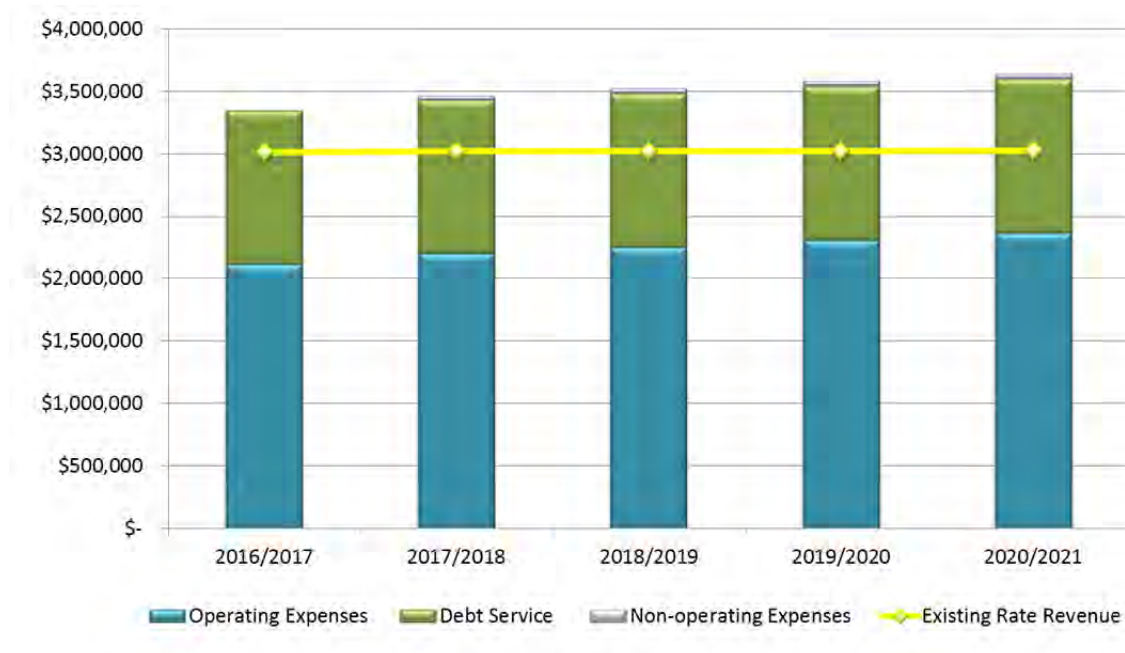
As indicated in Table 6, the Town debt service payments in FY 2025/2026 will be \$3.1 million; this is nearly twice the cost of annual debt service payments in the prior fiscal years. In order to prepare for this uptick in debt service payments and in consultation with Town staff, a separate “Debt Service Retirement Fund” is considered as part of this analysis. The intent of this fund would be to either pay down existing debt and/or begin to build sufficient funds to make the future debt service payments and help to further manage potential future revenue increase. Monies would be deposited to this fund after all other fund balances are at or approaching their target levels. While not a formal revenue requirement at this time, any surplus (after meeting all other requirements) was considered as part of this analysis.

Summary of Revenue and Revenue Requirements

Water and Sewer Utility

Total revenue requirements, including O&M expenses, debt service obligations, and other expenditures and transfers for the water and sewer utility are projected to grow from \$3.35 million in FY 2016/17 to \$3.6 million in FY 2021, as shown in Figure 1. Based on a comparison of the projected revenues under existing rates and the projected revenue requirements, it is evident that the revenues under existing rates will not be adequate to meet the projected requirements without some rate adjustment beginning in FY 2018.

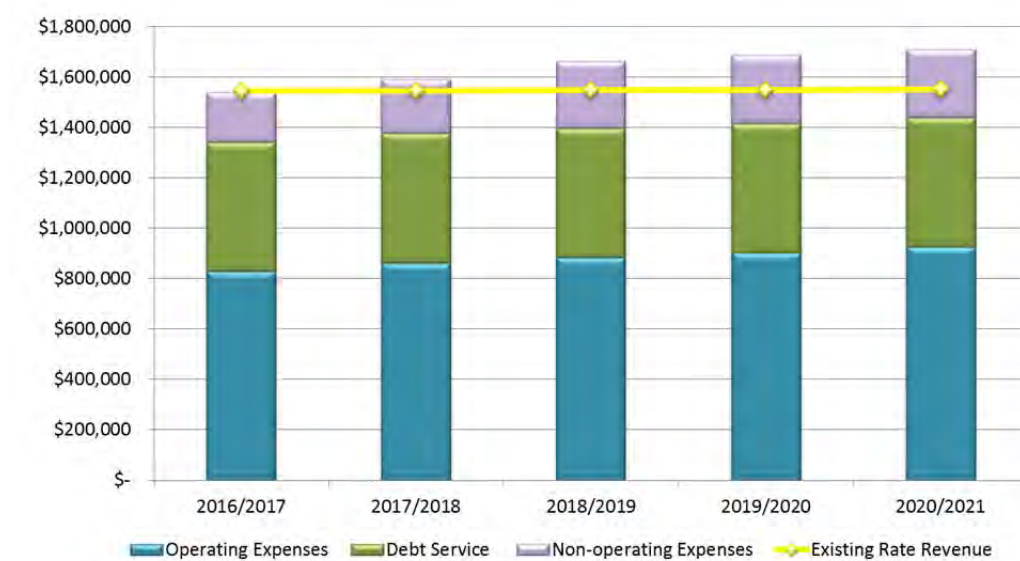
Figure 1. Combined Water and Sewer Utility - Comparison of Revenues and Revenue Requirements



Water System

Total revenue requirements, including O&M expenses, debt service obligations, and other expenditures and transfers for the water system are projected to grow from \$1.54 million in FY 2016/17 to \$1.71 million in FY 2021, as shown in Figure 2. As with the combined utility, projected revenues under existing rates will not be adequate to meet the projected water system revenue requirements without some rate adjustment beginning in FY 2017/18.

Figure 2. Water System - Comparison of Revenues and Revenue Requirements

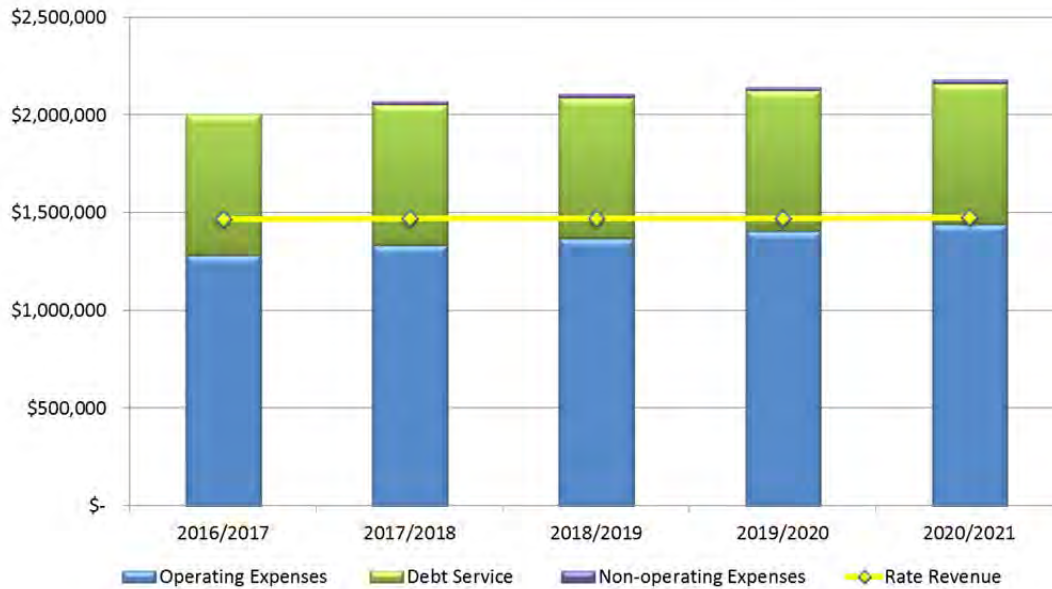


Sewer System

Total revenue requirements, including O&M expenses, debt service obligations, and other expenditures and transfers for the sewer system are projected to grow from \$2.00 million in FY 2016/17 to \$2.18 million in FY 2021.

2021, as shown in Figure 3. Projected revenues under existing rates will not be adequate to meet the projected sewer system revenue requirements without some rate adjustment beginning in FY 2017/18.

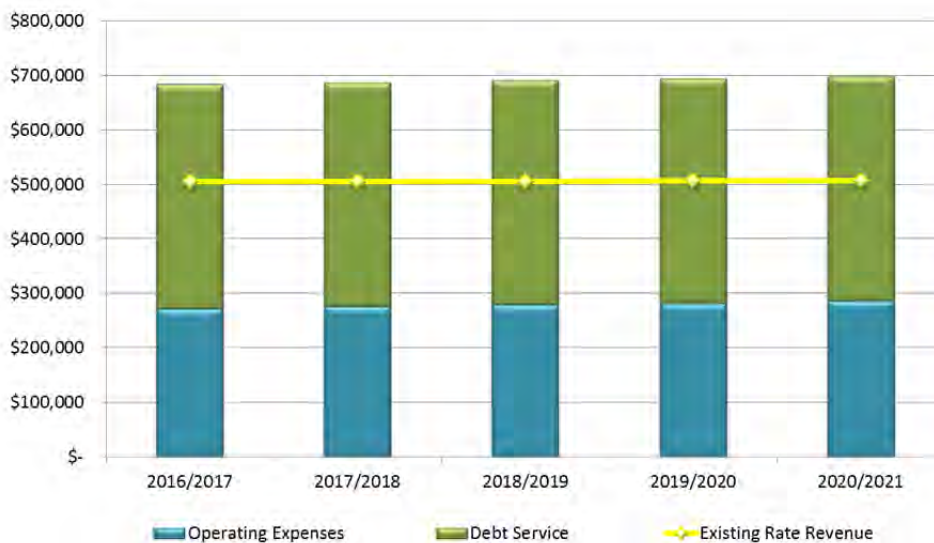
Figure 2. Water System - Comparison of Revenues and Revenue Requirements



Stormwater Utility

Total revenue requirements, including O&M expenses, debt service obligations, and other expenditures and transfers for the stormwater utility are projected to grow from \$0.684 million in FY 2016/17 to \$0.698 million in FY 2021, as shown in Figure 3. Based on a comparison of the projected revenues under existing rates and the projected revenue requirements, it is evident that the revenues under existing rates will not be adequate to meet the projected requirements without some rate adjustment beginning in FY 2018.

Figure 3. Stormwater System - Comparison of Revenues and Revenue Requirements



Summary of Results

The following sections present the results of the financial review and analysis. The presentation of the results is structured as follows:

- 1) The combined water/sewer utility and stormwater utility revenue requirements or pro forma of the respective utilities based on the budgeted and anticipated revenues and expenditures for each of the utilities. Note: For the water and sewer utility, the pro forma is further broken down into each of the respective system components (i.e. water and sewer systems).
- 2) The reserve accumulation and performance against target levels for each identified fund for each system.
- 3) The associated proposed rate adjustments for each system.
- 4) Total Debt Service Coverage Results

Revenue Adjustment Drivers Overview

The following is a brief overview of the factors driving the proposed revenue adjustments for the water and sewer and stormwater Utilities:

- As previously noted, revenue adjustments will be required in order to meet projected costs and debt service payments associated with each system throughout the study period.
- Additionally, Debt Service Coverage requirements are also a significant driver for the proposed revenue adjustments contemplated herein.
 - It is anticipated that in order to meet this requirements in FY 2016/17, the Town will need to rely upon the Rate Stabilization Fund balances to achieve coverage requirements. Note - these funds will need to be replenished over the study period in order to reach the target fund balance.
 - Furthermore, based upon the current budget and the underlying assumptions for each system, the analysis shows that adjustments will be required beginning in FY 2017/18 and throughout the later years of the study period in order to continue to meet coverage.
- In the case of the sewer and stormwater systems, the systems will be reliant upon existing unrestricted operating reserves in order to cover costs, until such time that the systems generate sufficient revenues to achieve a positive net annual income.
- Each system will need to plan for contributions to the Renewal, Replacement and Improvement Fund balances and reestablishing rate stabilization fund reserves.
 - To meet the target Renewal, Replacement and Improvement Fund balances, each system will transfer funds from their respective unrestricted operating reserve funds to achieve the target. Deposits from positive net incomes will be made as applicable.
- In order to begin rebalancing each the financial contribution from each system, revenue adjustments were proposed in order to achieve debt service coverage targets at the system level and to begin to reduce the sewer and stormwater system's reliance upon water system revenues.
 - Currently, the water system is supporting the debt service coverage requirements for both the sewer and stormwater systems. The analysis performed for each system aims to have each system meet debt service coverage requirements by the end of the study period.
 - The water system supports the operation and maintenance and capital costs of the sewer system via an annual transfer of funds. While the proposed revenue adjustments contained herein do not eliminate the water system transfer to sewer, the adjustments begin to set up the sewer system to better meet its own needs at the system level.

Based upon the above factors, a series of suggested multi-year revenue adjustments are recommended and discussed in the following sections along with each system's performance against fund balance targets and the overall debt service coverage achieved.

Note: A full cost of service (COS) study was not conducted as part of this study. As such, the contemplated revenue adjustments for the water, sewer and stormwater systems are evenly distribute across all customer classes. A COS study would further evaluate the revenue requirements (or costs) of each system, the service demands placed upon the system based upon the utility customer classes' service characteristics and distribute each utility's costs to the customer classes accordingly. This helps to establish the basis for equitable rates and charges across various customer classes. Industry best management practice recommends reviewing COS every 3 to 5 years or when significant changes have occurred within the utility. Given the significant changes to the utilities and the length of time that has passed, Black & Veatch would recommend that the Town consider conducting a complete COS study in the immediate future.

Combined Water and Sewer Utility Analysis

Table 10, presented on the following page, illustrates the revenue requirements or pro forma of the combined water and sewer utility based on budgeted and anticipated revenues and expenditures of the utility. As previously noted in the assumptions, minimal customer growth is anticipated beginning in FY 2017/18. Water purchase and sewer disposal costs are assumed to increase 6.0 percent and 5.0 percent, respectively in FY 2017/18 and 3 percent thereafter.

This pro forma analysis reflects system level revenue adjustments for the water and sewer components of the combined utilities beginning in FY 2017/18. These adjustments are needed to meet utility expenses, debt service obligations and achieve target fund balances by the end of the study period.

Meeting debt service coverage requirements for the aggregate of the water and sewer utility and the stormwater utility in FY 2016/2017 is reliant upon use of the Rate Stabilization Fund which at the end of FY 2015/16, consisted of a balance of \$651,444 (as presented in Table 6).

- To meet the requirements of the bond covenants, an estimated \$595,000 of the existing balance will be utilized.
- Additional withdrawals from the Rate Stabilization Fund are avoided via the proposed FY 2017/18 revenue adjustments.
- Replenishing these funds in future years is treated as a revenue adjustment beginning with \$0.100 million in FY 2018/19 and increasing to \$0.161 million by FY 2020/21 to achieve the target fund balance.

With the proposed adjustments, overall operating revenues are forecast to increase from \$3.610 million in FY 2016/17 to \$4.309 million in FY 2020/21. Net income on an annual basis is projected to increase from \$0.264 million in FY 2016/2017 to \$0.667 million by the end of the study period.

Table 10. Combined Water and Sewer Utility Revenue Requirements

Description	Budget		Forecast		
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Operating Revenue					
Water Sales and Sewer Service Revenues	\$ 3,012,750	\$ 3,015,763	\$ 3,018,779	\$ 3,021,797	\$ 3,024,819
Tapping Fees	-	-	-	-	-
Penalties	2,500	2,500	2,500	2,500	2,500
Total Operating Revenue	3,015,250	3,018,263	3,021,279	3,024,297	3,027,319
Additional Rate Revenue Required					
	<i>Year</i>	<i>Revenue Increase</i>	<i>Months Effective</i>		
	2016/2017	0.00%	3	-	-
	2017/2018	20.00%	12	603,153	604,964
	2018/2019	7.44%	12	269,368	269,907
	2019/2020	7.49%	12	291,952	292,244
	2020/2021	6.57%	12	-	275,538
Total Additional Water Sales Revenue				1,165,949	1,442,653
Transfer to/from Rate Stabilization	595,000	-	(100,000)	(131,000)	(161,000)
Total Operating Revenue	3,610,250	3,621,415	3,794,402	4,059,246	4,308,972
O&M Expenses					
Personnel	338,017	343,087	348,234	353,457	358,759
Operations	306,024	309,084	312,175	315,297	318,450
Water Purchases and Sewage Disposal	1,469,868	1,548,384	1,594,835	1,642,680	1,691,960
Total O&M Expenses	2,113,909	2,200,555	2,255,244	2,311,434	2,369,169
Net Operating Income	1,496,341	1,420,860	1,539,158	1,747,812	1,939,802
Debt Service					
Existing Debt Service (Revenue Bonds)	798,937	798,937	798,937	798,937	798,936
Existing Debt Service (SRF)	433,426	433,426	433,426	433,426	433,426
Total Debt Service	1,232,363	1,232,363	1,232,363	1,232,363	1,232,362
Non-Operating Revenue					
Interest Income	-	-	-	-	-
Total Non-Operating Revenue	-	-	-	-	-
Non-Operating Expenses					
Capital Outlay (excl Improvements)	-	35,000	36,750	38,588	40,517
Regions Bank Prepayment Penalty	-	-	-	-	-
Other Transfers	-	-	-	-	-
Rate Funded Capital Project Expenses	-	-	-	-	-
Total Non-Operating Expenses	-	35,000	36,750	38,588	40,517
Net Income (Loss) ¹	\$ 263,978	\$ 153,497	\$ 270,046	\$ 476,862	\$ 666,923

1. Positive net income to be applied to fund balances.

Source: Town of Surfside; Black & Veatch.

Table 11 on the following page presents the combined fund balance information for the water and sewer utility as these systems are part of the same enterprise fund. Based on the assumptions and data provided, all reserve fund targets are projected to be met by FY 2020/2021. Fund performance for the combined water and sewer utility system is forecast as follows:

- **Renewal & Replacement Fund:**
 - The beginning FY 2016/17 balance of \$0.209 million is below the \$0.244 million target level.
 - To achieve the target fund balance by the end of FY 2016/17, transfers of \$10,497 are from unrestricted operating reserves and deposits of \$25,405 from positive net income are planned.
 - The fund balance is held constant for the remainder of the study period as no additional deposits are required.
- **Rate Stabilization Reserve Fund:**
 - To meet the requirements of the bond covenants, an estimated \$0.595 million of the existing \$0.651 million balance are planned to be utilized.
 - Replenishment of these funds begins with \$0.100 million in FY 2018/19 and increasing to \$0.161 million in FY 2020/21 to achieve the target fund balance of \$0.446 million.
 - Note the existing fund balance is in excess of the 10% rate revenue target. Therefore reserves were only brought back to target levels over the study period.
- **Unrestricted Operating Reserve:**
 - The current FY 2016/17 balance of \$1.114 million is in excess of the 25% of current year O&M costs, which is estimated at \$0.528 million based on the current fiscal year budget.
 - Withdrawals are planned
 - To transfer \$10,497 to the Renewal & Replacement Fund in FY 2016/17.
 - To help fund \$0.109 million in negative net income associated with the sewer system in FY 2017/18.
- **Debt Retirement Fund:**
 - As previously noted, this is a new restricted fund, contemplated as part of this analysis.
 - The purpose of the reserve fund is to set aside funds to address increased debt service payments in the future. Monies would be only deposited to this fund when system level fund balances are at or approaching their target levels.
 - As this is a new fund the beginning balance is zero in FY 2016/17. The ending balance is projected to be \$1.915 million by FY 2020/21.
- **Overall Fund Equity:**
 - The overall water and sewer utility systems fund balance is projected to increase from \$1.974 million in FY 2016/17 to \$3.602 million in FY 2020/2021.

Table 11. Combined Water and Sewer Utility Fund Analysis

Description	Budget		Forecast		
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Total Fund Equity - Water and Sewer Utility					
Beginning Balance ¹	\$ 1,973,763	\$ 1,642,741	\$ 1,796,239	\$ 2,166,284	\$ 2,774,146
Restricted Net Assets - Renewal & Replacement Reserves					
Beginning Balance	\$ 208,560	\$ 244,462	\$ 244,462	\$ 244,462	\$ 244,462
Transfer from Unrestricted Net Assets	10,497	-	-	-	-
Deposit from Positive Net Income	25,405	-	-	-	-
Ending Balance	\$ 244,462	\$ 244,462	\$ 244,462	\$ 244,462	\$ 244,462
Target Balance: 1% of Gross Book Value	244,462	244,462	244,462	244,462	244,462
Funds Available for Capital Improvements	0	0	0	0	0
Restricted Net Assets - Rate Stabilization Reserves					
Beginning Balance	\$ 651,144	\$ 56,144	\$ 56,144	\$ 156,144	\$ 287,144
Transfer to/from Revenue Fund	(595,000)	-	100,000	131,000	161,000
Transfer to/from Operating Reserves	-	-	-	-	-
Ending Balance	\$ 56,144	\$ 56,144	\$ 156,144	\$ 287,144	\$ 448,144
Target Balance: Up to 10% of Rate Revenues	301,275	361,892	389,190	418,775	446,747
Unrestricted Net Assets - Operating					
Beginning Balance	\$ 1,114,059	\$ 1,103,562	\$ 994,422	\$ 994,422	\$ 994,422
Unrestricted Net Assets Transfer to/from Renewal & Replacem	(10,497)	-	-	-	-
Unrestricted Net Assets to Fund Negative Net Income	-	(109,140)	-	-	-
Deposit from Positive Net Income	-	-	-	-	-
Ending Balance	\$ 1,103,562	\$ 994,422	\$ 994,422	\$ 994,422	\$ 994,422
Target Balance: Up to 25% of Current Year O&M	528,477	550,139	563,811	577,858	592,292
Restricted Net Assets - Debt Retirement Fund					
Beginning Balance	-	238,573	501,211	771,257	1,248,119
Deposit from Positive Net Income	238,573	262,638	270,046	476,862	666,923
Ending Balance	238,573	501,211	771,257	1,248,119	1,915,042
Total Ending Balance	\$ 1,642,741	\$ 1,796,239	\$ 2,166,284	\$ 2,774,146	\$ 3,602,069

1. The Water and Sewer Utility's share of total fund equity balances. This figure is based upon the CAFR for Fiscal Year Ending 9/30/2016.

Allocations are subject to Town approval.

Source: Town of Surfside; Black & Veatch.

Note that the sewer system is reliant upon transfers from the water system as well as existing unrestricted fund balances throughout the study period. Deposits to the “Debt Service Retirement Fund” are driven by water revenues throughout the study period. This dynamic is illustrated in the water and sewer system analyses presented in the following pages.

Water System Analysis

Table 12, presented on the following page, illustrates the pro forma for the water system based on budgeted and anticipated revenues and expenditures of the water system. As previously noted in the assumptions, minimal customer growth is anticipated beginning in FY 2017/18. Water purchase costs are assumed to increase 6.0 percent in FY 2017/18 and 3 percent thereafter.

Annual revenue adjustments for the water system begin in FY 2017/18 at a recommended level of 20% and decrease to 3% in FY 2020/21. These adjustments are needed to meet utility expenses, debt service obligations and achieve target fund balances by the end of the study period. Note the water system also supports the sewer system via an annual transfer of funds after operating income. In FY 2016/17 this totaled \$0.200 million and is expected to continue for the foreseeable future.

As previously noted, meeting debt service coverage requirements for the aggregate of the water and sewer utility and the stormwater utility in FY 2016/2017 is reliant upon use of the Rate Stabilization Fund. The water systems portion of the Rate Stabilization Fund Balance was \$0.271 million at the end of FY 2015/16.

- To meet the requirements of the bond covenants, an estimated \$0.250 of the water system portion of the existing balance will be utilized.
- Additional withdrawals from the Rate Stabilization Fund are avoided via the proposed FY 2017/18 revenue adjustments.
- Replenishing these funds in future years is treated as a revenue adjustment beginning with \$0.050 million in FY 2018/19 and increasing to \$0.076 million by FY 2020/21 to achieve the target system fund balance of \$0.211 million.

With the proposed adjustments, overall water system operating revenues are forecast to increase from \$1.796 million in FY 2016/17 to \$2.039 million in FY 2020/21. Net income on an annual basis is projected to increase from \$0.253 million in FY 2016/2017 to \$0.329 million by the end of the study period.

Table 12. Water System Revenue Requirements

Description	Budget		Forecast		
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Operating Revenue					
Water Sales (before increase)	\$ 1,545,000	\$ 1,546,545	\$ 1,548,092	\$ 1,549,640	\$ 1,551,189
Tapping Fees	-	-	-	-	-
Penalties	1,250	1,250	1,250	1,250	1,250
Total Operating Revenue	1,546,250	1,547,795	1,549,342	1,550,890	1,552,439
Additional Rate Revenue Required					
	<i>Year</i>	<i>Revenue Increase</i>	<i>Months Effective</i>		
	2016/2017	0.00%	3	-	-
	2017/2018	20.00%	12	309,309	310,238
	2018/2019	5.00%	12	92,885	93,071
	2019/2020	5.00%	12	97,627	97,725
	2020/2021	3.00%	12	-	61,567
Total Additional Water Sales Revenue	-	309,309	402,504	500,534	562,601
Transfer to/from Rate Stabilization	250,000	-	(50,000)	(65,000)	(76,000)
Total Operating Revenue	1,796,250	1,857,104	1,901,845	1,986,423	2,039,040
O&M Expenses					
Personnel	169,009	171,544	174,117	176,729	179,379
Operations	158,012	159,592	161,188	162,800	164,428
Water Purchases (MDWSD)	502,213	532,346	548,316	564,766	581,709
Total O&M Expenses	829,234	863,482	883,621	904,294	925,516
Net Operating Income	967,017	993,622	1,018,224	1,082,129	1,113,524
Debt Service					
Existing Debt Service (Revenue Bonds)	332,890	332,890	332,890	332,890	332,890
Existing Debt Service (SRF)	180,594	180,594	180,594	180,594	180,594
Total Debt Service	513,485	513,485	513,485	513,485	513,484
Non-Operating Revenue					
Interest Income	-	-	-	-	-
Total Non-Operating Revenue	-	-	-	-	-
Non-Operating Expenses					
Capital Outlay (excl Improvements)	-	17,500	18,375	19,294	20,258
Regions Bank Prepayment Penalty	-	-	-	-	-
Transfer to Sewer Revenues	200,000	200,000	250,000	250,000	250,000
Rate Funded Capital Project Expenses	-	-	-	-	-
Total Non-Operating Expenses	200,000	217,500	268,375	269,294	270,258
Net Income (Loss) ¹	\$ 253,532	\$ 262,638	\$ 236,365	\$ 299,351	\$ 329,781

1. Positive net income to be applied to fund balances.

Source: Town of Surfside; Black & Veatch.

On the following page, Table 13 presents the fund balance information for the water system. All reserve fund targets are projected to be met by FY 2020/2021. Fund performance of the water system is forecast as follows:

- **Renewal & Replacement Fund:**
 - The beginning FY 2016/17 balance of \$0.086 million is below the \$0.102 million target level.
 - To achieve the target fund balance by the end of FY 2016/17, a deposit of \$14,959 from positive net income is planned.
 - No additional deposits are required over the study period.
- **Rate Stabilization Reserve Fund:**
 - To meet the requirements of the bond covenants, an estimated \$0.250 million of the existing \$0.271 million balance are planned to be utilized.
 - Replenishment of these funds begins with \$0.050 million in FY 2018/19 and increasing to \$0.076 million in FY 2020/21 to achieve the target fund balance of \$0.211 million.
 - Note the existing fund balance is in excess of the 10% rate revenue target. Therefore reserves were only brought back to target levels by the end of the study period.
- **Unrestricted Operating Reserve:**
 - The current FY 2016/17 balance for the water system is \$0.464 million.
 - This exceeds the target 25% of Current Year O&M target, which is \$0.207 million in FY 16/17.
 - No withdrawals or deposits are planned.
- **Debt Retirement Fund**
 - As previously noted, this is a new restricted fund, contemplated as part of this analysis.
 - The purpose of the reserve fund is to set aside funds do address increased debt service payments in the future. Monies would be only deposited to this fund when system level fund balances are at or approaching their target levels.
 - As this is a new fund the beginning balance is zero in FY 2016/17. The ending balance is projected to be \$1.367 million by FY 2020/21.
- **Overall Fund Equity:**
 - The overall water system fund balance is projected to increase from \$0.822 million in FY 2016/17 to \$2.145 million in FY 2020/2021.

Table 13. Water System Fund Analysis

Description	Budget		Forecast		
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Total Fund Equity - Water Only					
Beginning Balance ¹	\$ 822,401	\$ 825,933	\$ 1,088,571	\$ 1,374,936	\$ 1,739,287
Restricted Net Assets - Renewal & Replacement Reserves					
Beginning Balance	\$ 86,900	\$ 101,859	\$ 101,859	\$ 101,859	\$ 101,859
Transfer from Unrestricted Net Assets	-	-	-	-	-
Surplus from CIP Program (after bond issue)	-	-	-	-	-
Deposit from Positive Net Income	14,959	-	-	-	-
Ending Balance	\$ 101,859	\$ 101,859	\$ 101,859	\$ 101,859	\$ 101,859
Target Balance: 1% of Gross Book Value	101,859	101,859	101,859	101,859	101,859
Funds Available for Capital Improvements	0	0	0	0	0
Restricted Net Assets - Rate Stabilization Reserves					
Beginning Balance	\$ 271,310	\$ 21,310	\$ 21,310	\$ 71,310	\$ 136,310
Transfer to/from Revenue Fund	(250,000)	-	50,000	65,000	76,000
Transfer to/from Operating Reserves	-	-	-	-	-
Ending Balance	\$ 21,310	\$ 21,310	\$ 71,310	\$ 136,310	\$ 212,310
Target Balance: Up to 10% of Rate Revenues	154,500	185,585	195,060	205,017	211,379
Unrestricted Net Assets - Operating					
Beginning Balance	\$ 464,191	\$ 464,191	\$ 464,191	\$ 464,191	\$ 464,191
Unrestricted Net Assets Transfer to/from Renewal & Replacem	-	-	-	-	-
Unrestricted Net Assets to Fund Negative Net Income	-	-	-	-	-
Deposit from Positive Net Income	-	-	-	-	-
Ending Balance	\$ 464,191	\$ 464,191	\$ 464,191	\$ 464,191	\$ 464,191
Target Balance: Up to 25% of Current Year O&M	207,308	215,870	220,905	226,074	231,379
Restricted Net Assets - Debt Retirement Fund					
Beginning Balance	-	238,573	501,211	737,576	1,036,927
Deposit from Positive Net Income	238,573	262,638	236,365	299,351	329,781
Ending Balance	238,573	501,211	737,576	1,036,927	1,366,708
Total Ending Balance	\$ 825,933	\$ 1,088,571	\$ 1,374,936	\$ 1,739,287	\$ 2,145,068

1. The Water Utility's share of total fund equity balance. This figure is based on CAFR for fiscal year ending 9/30/2016.

Allocations are subject to Town approval.

Source: Town of Surfside; Black & Veatch.

To conclude the analysis for the water utility, Tables 14 through 16 illustrate the resulting fixed bi-monthly water charges and the variable-based consumption rates based upon across the board application of the revenue adjustments.

Table 14. Bi-Monthly Water Base Charges

Meter Size	Current	Forecast			
		2017/2018	2018/2019	2019/2020	2020/2021
5/8"	\$ 27.81	\$ 33.37	\$ 35.04	\$ 36.79	\$ 37.89
1"	40.45	48.54	50.97	53.51	55.12
1 1/2"	61.52	73.82	77.51	81.39	83.83
2"	86.80	104.16	109.37	114.84	118.28
3"	145.79	174.95	183.70	192.88	198.67
4"	230.06	276.08	289.88	304.37	313.51
6"	440.75	528.90	555.34	583.11	600.60
8"	693.57	832.28	873.89	917.59	945.12

Sources: Town of Surfside; Black & Veatch.

Table 15. Residential Customers - Water Consumption Charges

Description	Current	Forecast			
		2017/2018	2018/2019	2019/2020	2020/2021
Rate per 1,000 gal					
Block 1 (0 - 12,000 gal)	2.97	3.56	3.74	3.93	4.05
Block 2 (12,001 - 24,000 gal)	3.56	4.28	4.49	4.71	4.86
Block 3 (above 24,000 gal)	5.94	7.13	7.48	7.86	8.09

Sources: Town of Surfside; Black & Veatch.

Table 16. All Other Customers - Water Consumption Charges

Description	Current	Forecast			
		2017/2018	2018/2019	2019/2020	2020/2021
Rate per 1,000 gal					
Uniform Rate	\$ 3.54	4.25	4.46	4.68	4.82

Sources: Town of Surfside; Black & Veatch.

Sewer System Analysis

Table 17 illustrates the pro forma of the sewer system based on budgeted and anticipated revenues and expenditures. The revenue adjustments are required to fund anticipated operating and capital expenses; meet debt service obligations; attain target fund balances; and begin to reduce the sewer system's reliance on the water system. As previously noted in the assumptions, minimal customer growth is anticipated beginning in FY 2017/18. Sewer disposal costs are expected to increase 5.0 percent in FY 2017/18 and 3 percent thereafter.

Annual revenue adjustments for the sewer system begin in FY 2017/18 at a recommended level of 20% and 10% thereafter for the remainder of the study period. These adjustments are needed to meet utility expenses, debt service obligations and achieve target fund balances by the end of the study period. Note the system also supports the sewer system via an annual transfer of funds after operating income. In FY 2016/17 this totaled \$0.200 million and is expected to continue for the foreseeable future.

As previously noted, meeting debt service coverage requirements for the aggregate of the water and sewer utility and the stormwater utility in FY 2016/2017 is reliant upon use of the Rate Stabilization Fund. The sewer systems portion of the Rate Stabilization Fund Balance was \$0.380 million at the end of FY 2015/16.

- To meet the requirements of the bond covenants, an estimated \$0.345 of the sewer system's existing balance will be utilized.
- Additional withdrawals from the Rate Stabilization Fund are avoided via the proposed FY 2017/18 revenue adjustments.
- Replenishing these funds in future years is treated as a revenue adjustment beginning with \$0.050 million in FY 2018/19 and increasing to \$0.085 million by FY 2020/21 to achieve the target system fund balance of \$0.236 million.

With the proposed adjustments, overall sewer system operating revenues are forecast to increase from \$1.814 million in FY 2016/17 to \$2.270 million in FY 2020/21. Net income on an annual basis is projected to increase from \$0.010 million in FY 2016/2017 to \$0.337 million by the end of the study period.

Table 17. Sewer System Revenue Requirements

Description	Budget		Forecast		
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Operating Revenue					
Service Revenues	\$ 1,467,750	\$ 1,469,218	\$ 1,470,687	\$ 1,472,158	\$ 1,473,630
Penalties	1,250	1,250	1,250	1,250	1,250
Total Operating Revenue	1,469,000	1,470,468	1,471,937	1,473,408	1,474,880
Additional Rate Revenue Required					
	<i>Revenue Increase</i>	<i>Months Effective</i>			
Year					
2016/2017	0.00%	3	-	-	-
2017/2018	20.00%	12	-	294,432	294,726
2018/2019	10.00%	12	-	176,659	176,836
2019/2020	10.00%	12	-	194,325	194,519
2020/2021	10.00%	12	-	-	213,971
Total Additional Sewer Charge Revenue	-	293,844	470,620	665,415	880,052
Transfer to/from Rate Stabilization Fund	345,000	-	(50,000)	(66,000)	(85,000)
Total Required Revenue	1,814,000	1,764,311	1,892,557	2,072,823	2,269,932
O&M Expenses					
Personnel	169,009	171,544	174,117	176,729	179,379
Operations	148,012	149,492	150,987	152,497	154,022
Sewage Disposal (City of Miami Beach)	967,655	1,016,038	1,046,519	1,077,914	1,110,252
Total O&M Expenses	1,284,676	1,337,073	1,371,623	1,407,140	1,443,653
Net Operating Income	529,325	427,238	520,934	665,683	826,278
Debt Service					
Existing Debt Service (Revenue Bonds)	466,046	466,046	466,046	466,046	466,046
Existing Debt Service (SRF)	252,832	252,832	252,832	252,832	252,832
Total Debt Service	718,878	718,878	718,878	718,878	718,878
Non-Operating Revenue					
Interest Income	-	-	-	-	-
Total Non-Operating Revenue	-	-	-	-	-
Non-Operating Revenue					
Interest Income	-	-	-	-	-
Transfer from Water Revenues	200,000	200,000	250,000	250,000	250,000
Total Non-Operating Revenue	200,000	200,000	250,000	250,000	250,000
Non-Operating Expenses					
Capital Outlay (excl Improvements)	-	17,500	18,375	19,294	20,258
Regions Bank Prepayment Penalty	-	-	-	-	-
Rate Funded Capital Projects	-	-	-	-	-
Total Non-Operating Expenses	-	17,500	18,375	19,294	20,258
Net Income (Loss) ¹	\$ 10,446	\$ (109,140)	\$ 33,681	\$ 177,511	\$ 337,142

1. Positive net income to be applied to fund balances.

Source: Town of Surfside; Black & Veatch.

Table 18 (on the next page) presents the fund balance information for the sewer system. All reserve fund targets are projected to be met by FY 2020/2021. Fund performance of the sewer system is forecast as follows:

- **Renewal & Replacement Fund:**
 - The beginning FY 2016/17 balance of \$0.121 million is below the \$0.1422 million target level.
 - To achieve the target fund balance by the end of FY 2016/17, transfers of \$10,497 are from unrestricted operating reserves and deposits of \$10,446 from positive net income are planned.
 - No additional deposits are required over the study period.
- **Rate Stabilization Reserve Fund:**
 - To meet the requirements of the bond covenants, an estimated \$0.345 million of the existing \$0.380 million balance are planned to be utilized.
 - Replenishment of these funds begins with \$0.050 million in FY 2018/19 and increasing to \$0.085 million in FY 2020/21 to achieve the target fund balance of \$0.236 million.
 - Note the existing fund balance is in excess of the 10% rate revenue target. Therefore reserves were only brought back to target levels by the end of the study period.
- **Unrestricted Operating Reserve:**
 - The current FY 2016/17 balance for the sewer system is \$0.650 million.
 - This exceeds the target 25% of Current Year O&M target, which is \$0.321 million in FY 16/17.
 - Withdrawals are planned
 - To transfer \$10,497 to the Renewal & Replacement Fund in FY 2016/17.
 - To help fund \$0.109 million in negative net income in FY 2017/18.
 - No further deposits or withdrawals are planned.
 - The ending balance is projected to be \$0.530 million in FY 2020/21.
- **Debt Retirement Fund**
 - As previously noted, this is a new restricted fund, contemplated as part of this analysis.
 - The purpose of the reserve fund is to set aside funds to address increased debt service payments in the future. Monies would be only deposited to this fund when system level fund balances are at or approaching their target levels.
 - As this is a new fund the beginning balance is zero in FY 2016/17. Deposits are anticipated to begin in FY 2018/19. The ending balance is projected to be \$0.548 million by FY 2020/21.
- **Overall Fund Equity:**
 - The overall sewer system fund balance is projected to increase from \$1.51 million in FY 2016/17 to \$1.457 million in FY 2020/2021.

Table 18. Sewer System Fund Analysis

Description	Budget		Forecast		
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Total Fund Equity - Sewer Only					
Beginning Balance ¹	\$ 1,151,362	\$ 816,808	\$ 707,667	\$ 791,348	\$ 1,034,859
Restricted Net Assets - Renewal & Replacement Reserves					
Beginning Balance	\$ 121,660	\$ 142,603	\$ 142,603	\$ 142,603	\$ 142,603
Transfer from Unrestricted Net Assets	10,497	-	-	-	-
Surplus from CIP Program (after bond issue)	-	-	-	-	-
Deposit from Positive Net Income	10,446	-	-	-	-
Ending Balance	\$ 142,603	\$ 142,603	\$ 142,603	\$ 142,603	\$ 142,603
Target Balance: 1% of Gross Book Value	142,603	142,603	142,603	142,603	142,603
Funds Available for Capital Improvements	0	0	0	0	0
Restricted Net Assets - Rate Stabilization Reserves					
Beginning Balance	\$ 379,834	\$ 34,834	\$ 34,834	\$ 84,834	\$ 150,834
Transfer to/from Revenue Fund	\$ (345,000)		\$ 50,000	\$ 66,000	\$ 85,000
Transfer to/from Operating Reserves	-	-	-	-	-
Ending Balance	\$ 34,834	\$ 34,834	\$ 84,834	\$ 150,834	\$ 235,834
Target Balance: Up to 10% of Rate Revenues	146,775	176,306	194,131	213,757	235,368
Unrestricted Net Assets - Operating					
Beginning Balance	\$ 649,868	\$ 639,371	\$ 530,230	\$ 530,230	\$ 530,230
Unrestricted Net Assets Transfer to/from Renewal & Replacement	(10,497)				
Unrestricted Net Assets to Fund Negative Net Income	-	(109,140)	-	-	-
Ending Balance	\$ 639,371	\$ 530,230	\$ 530,230	\$ 530,230	\$ 530,230
Target Balance: Up to 25% of Current Year O&M	321,169	334,268	342,906	351,785	360,913
Restricted Net Assets - Debt Retirement Fund					
Beginning Balance	-	0	0	33,681	211,192
Deposit from Positive Net Income	0	-	33,681	177,511	337,142
Ending Balance	0	0	33,681	211,192	548,334
Total Ending Balance	\$ 816,808	\$ 707,667	\$ 791,348	\$ 1,034,859	\$ 1,457,001

1. The Sewer Utility's share of total fund equity balance. This figure is based on CAFR for fiscal year ending 9/30/2016.

Source: Town of Surfside; Black & Veatch.

To conclude the analysis for the sewer system, the following tables illustrate the resulting uniform flow rate and bi-monthly base charge for all sewer customers based upon across the board application of the revenue adjustments.

Table 19. Sewer Uniform Flow Rate and Bi-Monthly Fixed Charge

Description	Current	Forecast			
		2017/2018	2018/2019	2019/2020	2020/2021
Rate per 1,000 gal					
Uniform Flow Rate	\$ 5.41	\$ 6.49	\$ 7.14	\$ 7.86	\$ 8.64
Rate per 1,000 gal					
Bi-Monthly Fixed Charge	\$ 6.88	\$ 8.26	\$ 9.08	\$ 9.99	\$ 10.99

Sources: Town of Surfside; Black & Veatch.

Stormwater System Analysis

The table on the next page (Table 20) illustrates the pro forma of the stormwater utility based on budgeted and anticipated revenues and expenditures of the utility. This pro forma analysis assumes annual revenue adjustments beginning in FY 2017/18. Meeting debt service coverage requirements for the aggregate of the water and sewer utility and the stormwater utility in FY 2016/2017 is reliant upon use of the Rate Stabilization Fund in FY 2016/17. In the case of the stormwater utility, revenue adjustments higher than those contemplated for the water and sewer utility are need to meet utility expenses, meet debt service obligations at the system level and achieve target fund balances by the end of the study period.

Annual revenue adjustments for the stormwater system begin in FY 2017/18 at a recommended level of 20% and 10% thereafter for the remainder of the study period. These adjustments are needed to meet utility expenses, debt service obligations and achieve target fund balances by the end of the study period.

With the proposed adjustments, overall stormwater system operating revenues are forecast to increase from \$0.505 million in FY 2016/17 to \$0.746 million in FY 2020/21. Net income on an annual basis is projected to increase from \$(0.179) million in FY 2016/2017 to \$0.048 million by the end of the study period.

Table 20. Stormwater Utility Revenue Requirements

Description	Budget		Forecast		
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Operating Revenue					
Stormwater Revenue	\$ 505,000	\$ 505,000	\$ 505,505	\$ 506,011	\$ 506,517
Total Operating Revenue	505,000	505,000	505,505	506,011	506,517
Additional Rate Revenue Required					
	<i>Year</i>	<i>Revenue Increase</i>	<i>Months Effective</i>		
	2016/2017	0.00%	3	-	-
	2017/2018	20.00%	12	101,000	101,202
	2018/2019	10.00%	12	-	60,721
	2019/2020	10.00%	12	-	66,793
	2020/2021	10.00%	12	-	73,546
Total Additional Stormwater Rate Revenue				161,762	228,717
Transfer to/from Rate Stabilization				(18,000)	(63,000)
Total Required Revenue	505,000	606,000	667,267	716,727	746,008
O&M Expenses					
Personnel	127,118	129,025	130,960	132,925	134,918
Operations	146,235	147,697	149,174	150,666	152,173
Total O&M Expenses	273,353	276,722	280,134	283,591	287,091
Net Operating Income	231,647	329,278	387,132	433,137	458,917
Debt Service					
Existing Debt Service (Revenue Bonds)	266,312	266,312	266,312	266,312	266,312
Existing Debt Service (SRF)	144,475	144,475	144,475	144,475	144,475
Total Debt Service	410,788	410,788	410,788	410,788	410,787
Non-Operating Expenses					
Capital Outlay (excl Improvements)	-	-	-	-	-
Regions Bank Prepayment Penalty	-	-	-	-	-
Rate Funded Capital Projects	-	-	-	-	-
Total Non-Operating Expenses	-	-	-	-	-
Net Income (Loss) ¹	\$ (179,141)	\$ (81,510)	\$ (23,655)	\$ 22,349	\$ 48,130

1. Positive net income to be applied to fund balances.

Source: Town of Surfside; Black & Veatch.

Table 21 presents the fund balance information for the stormwater utility system. Note that the stormwater utility is a separate enterprise fund. All reserve fund targets are projected to be met by FY 2020/2021. Fund performance of the stormwater system is forecast as follows:

- **Renewal & Replacement Fund:**
 - The beginning FY 2016/17 balance of \$0.032 million is below the \$0.035 million target level.
 - To achieve the target fund balance by the end of FY 2016/17, a transfer of \$3,644 from unrestricted operating reserves is planned.

- No additional deposits are required over the study period.
- **Rate Stabilization Reserve Fund:**
 - Previously, the stormwater utility had not built up equity associated with the Rate Stabilization Funds.
 - The debt service coverage is met in aggregate with the Water and Sewer Utility and reliant upon use of the Rate Stabilization Fund from the water and sewer utility in FY 16/17 and FY 17/18.
 - Therefore, the stormwater revenue requirements reflect transfers to the Rate Stabilization Fund to meet the established 10% of rate revenue target by FY 2020/21.
 - Establishment of these funds begins with \$0.018 million in FY 2019/20 and increasing to \$0.063 million in FY 2020/21 to achieve the target fund balance of \$0.081 million based upon 10% of rate revenues.
- **Unrestricted Operating Reserve:**
 - The current FY 2016/17 balance for the stormwater system is \$0.371 million.
 - This exceeds the target 25% of Current Year O&M target, which is \$0.063 million in FY 16/17.
 - Withdrawals are planned:
 - To transfer \$3,644 to the Renewal & Replacement Fund in FY 2016/17.
 - To help fund negative net income as follows:
 - FY 2016/17 - \$0.179 million;
 - FY 2017/18 - \$0.082 million; and
 - FY 2018/19 - \$0.024 million.
 - Deposits of \$0.010 million are planned annually in FY 2019/20 and FY 2020/21 to achieve the target fund balance.
 - The ending balance if projected to be \$0.103 million in FY 2020/21.
- **Debt Retirement Fund**
 - As previously noted, this is a new restricted fund, contemplated as part of this analysis.
 - The purpose of the reserve fund is to set aside funds do address increased debt service payments in the future. Monies would be only deposited to this fund when system level fund balances are at or approaching their target levels.
 - As this is a new fund the beginning balance is zero in FY 2016/17. Deposits are anticipated to begin in FY 2019/20. The ending balance is projected to be \$0.050 million by FY 2020/21.
- **Overall Fund Equity:**
 - The overall sewer system fund balance is projected to increase from \$0.404 million in FY 2016/17 to \$0.270 million in FY 2020/2021.

- This reduction in overall fund equity is primarily due to the drawdown of unrestricted operating to cover net negative income from FY 2016/17 to FY 2018/19.
- However, even with this reduction in overall fund balances, the stormwater system meets its target fund balances accordingly by the end of the study period.
- An additional deposit is made to the Renewal & Replacement Fund via transfer from the Stormwater Utility unrestricted operating reserve in FY 2016/2017 to bring the fund level in alignment with the target balance.
- Previously, the stormwater utility had not built up equity associated with the Rate Stabilization Funds. The debt service coverage is met in aggregate with the Water and Sewer Utility and reliant upon use of the Rate Stabilization Fund from the water and sewer utility in FY 16/17 and FY 17/18. Therefore, the stormwater revenue requirements reflect transfers to the Rate Stabilization Fund to meet the established 10% of rate revenue target by FY 2020/21.

Table 21. Stormwater Fund Analysis

Description	Budget		Forecast		
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Total Fund Equity					
Beginning Balance ¹	\$ 403,538	\$ 224,397	\$ 142,888	\$ 119,232	\$ 159,581
Restricted Net Assets - Renewal & Replacement Reserves					
Beginning Balance	\$ 32,185	\$ 35,829	\$ 35,829	\$ 35,829	\$ 35,829
Transfer from Unrestricted Net Assets	3,644	-	-	-	-
Deposit from Positive Net Income	-	-	-	-	-
Ending Balance	\$ 35,829	\$ 35,829	\$ 35,829	\$ 35,829	\$ 35,829
Target Balance: 1% of Gross Book Value	35,829	35,829	35,829	35,829	35,829
Funds Available for Capital Improvements	(0)	(0)	(0)	(0)	(0)
Restricted Net Assets - Rate Stabilization Reserves					
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ 18,000
Transfer to/from Revenue Fund	-	-	-	18,000	63,000
Transfer to/from Operating Reserves	-	-	-	-	-
Ending Balance	\$ -	\$ -	\$ -	\$ 18,000	\$ 81,000
Target Balance: Up to 10% of Rate Revenues	50,500	60,600	66,727	73,473	80,901
Unrestricted Net Assets - Operating					
Beginning Balance	\$ 371,353	\$ 188,568	\$ 107,059	\$ 83,403	\$ 93,403
Unrestricted Net Assets Transfer to/from Renewal & Replacement	(3,644)	-	-	-	-
Unrestricted Net Assets to Fund Negative Net Income	(179,141)	(81,510)	(23,655)	-	-
Deposit from Positive Net Income	-	-	-	10,000	10,000
Ending Balance	\$ 188,568	\$ 107,059	\$ 83,403	\$ 93,403	\$ 103,403
Target Balance: Up to 25% of Current Year O&M	68,338	69,181	70,034	70,898	71,773
Restricted Net Assets - Debt Retirement Fund					
Beginning Balance	-	-	-	-	12,349
Deposit from Positive Net Income	-	-	-	12,349	38,130
Ending Balance	-	-	-	12,349	50,479
Total Ending Balance	\$ 224,397	\$ 142,888	\$ 119,232	\$ 159,581	\$ 270,711

1. The Stormwater Utility's share of total fund equity balance is based upon the utility's enterprise fund balances. This figure is based on the CAFR for 1. Allocations are subject to Town approval.

Source: Town of Surfside; Black & Veatch.

Table 22 presents the monthly stormwater rates as well as projected rates for the remainder of the study period.

Table 22. Stormwater Utility Rates

Service Type	Current	Forecast			
		2017/2018	2018/2019	2019/2020	2020/2021
Single Family Residential (1.0 ERU)	\$ 10.70	\$ 12.84	\$ 14.12	\$ 15.54	\$ 17.09
Multi Family Residential (1.0 ERU per dwelling unit)	\$ 10.70	\$ 12.84	\$ 14.12	\$ 15.54	\$ 17.09
Place of Worship (0.5 ERU per 1,300 sq. ft. of impervious area)	\$ 5.35	\$ 6.42	\$ 7.06	\$ 7.77	\$ 8.55
Non Residential Developed Property excluding Places of Worship (1.25 ERU per 1,300 sq. ft. of impervious area)	\$ 13.38	\$ 16.06	\$ 17.66	\$ 19.43	\$ 21.37

Sources: Town of Surfside; Black & Veatch.

Debt Service Coverage Performance

As previously discussed, debt Service Coverage requirements are also another significant factor driving the proposed revenue adjustments. In accordance with the methodology used for the latest Town Comprehensive Annual Financial Report (CAFR) for Fiscal Year Ending September 30, 2016, senior and subordinate debt coverage are considered separately with the following targets:

- Senior Debt (Revenue Bonds): 1.10
- Subordinate Debt (SRF): 1.15

Based upon the proposed revenue adjustments, the water and sewer and stormwater utilities, will meet both debt service coverage requirements throughout the study period. In addition, with increased sewer and stormwater revenues, each system will be able to meet coverage requirements on an individual system basis. The tables on the following page provide a summary of the estimated debt service coverage for the senior debt and subordinate debt, respectively. The proposed coverage ratios presented in these tables reflect the proposed revenue adjustments and associated rates included in this document.

Table 23 presents the aggregate senior debt service coverage for the water, sewer and stormwater systems.

Table 23. Estimated Debt Service Coverage Ratios – Senior Debt (2011 Utility Bonds)

	FISCAL YEAR				
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Combined Water/Sewer/Storm Net Operating Income	1,727,988	1,750,138	1,926,291	2,180,949	2,398,719
2011 Utility Bonds - Debt Service Requirement	1,065,249	1,065,249	1,065,249	1,065,249	1,065,249
Senior Debt Coverage Ratio	162%	164%	181%	205%	225%
Requirement	110%	110%	110%	110%	110%

Source: Town of Surfside; Black & Veatch.

Table 24 presents the aggregate subordinate debt service coverage for the water, sewer and stormwater systems.

Table 24. Estimated Debt Service Coverage Ratios – Subordinate Debt (SRF Loan)

	FISCAL YEAR				
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Combined Water/Sewer/Storm Net Operating Income	1,727,988	1,750,138	1,926,291	2,180,949	2,398,719
Less Revenue for Primary Debt Service	(1,065,249)	(1,065,249)	(1,065,249)	(1,065,249)	(1,065,249)
Adjusted Water/Sewer/Storm Operating Income	662,739	684,889	861,042	1,115,700	1,333,471
SRF Loan - Debt Service Requirement	577,901	577,901	577,901	577,901	577,901
Subordinate Debt Coverage Ratio	115%	119%	149%	193%	231%
Requirement	115%	115%	115%	115%	115%

Source: Town of Surfside; Black & Veatch.

Conclusions and Recommendations

A revenue adjustment of 20% is recommended for each system in FY 2017/18 in order to meet anticipated expenses and meet coverage requirements. Additional action will be required in subsequent years to continue to meet all utility obligations and metrics. Based on this, the Black & Veatch Team recommends the Town consider the implementation of a series of revenue adjustments to help achieve the following:

- 1) Meet annual revenue requirements;
- 2) Comply with debt service coverage requirements at the system level;
- 3) Achieve target fund balances;
- 4) Begin to reduce the sewer and stormwater system reliance on water system revenues;
- 5) Plan for future debt service payments; and
- 6) Manage the overall magnitude of future revenue adjustments.

Beyond the revenue adjustments and associated rate levels, Black & Veatch would also recommend that the Town consider the following future actions:

- 1) Conduct a full COS study to re-establish the basis for equitable rates and charges across various customer classes;
- 2) Continually monitor expenses and revenues and update financial projections annually; and
- 3) Review rates on an annual basis to help anticipate future revenue requirements, meet debt service obligations and manage rate adjustments on a multi-year horizon.

EXHIBIT “B”

WATER RATES AND SERVICE CHARGES

Bi-Monthly Water Base Charge (Service Charge):

[Per Section 78-27 (110-166(a)) of the Town Code]

Meter Size	Current	2017/2018	2018/2019	2019/2020	2020/2021
5/8”	\$ 27.81	33.37	+ 5.0 %	+ 5.0 %	+ 3.0 %
1”	\$ 40.45	48.54	+ 5.0 %	+ 5.0 %	+ 3.0 %
1 ½”	\$ 61.52	73.82	+ 5.0 %	+ 5.0 %	+ 3.0 %
2”	\$ 86.80	104.16	+ 5.0 %	+ 5.0 %	+ 3.0 %
3”	\$ 145.79	174.95	+ 5.0 %	+ 5.0 %	+ 3.0 %
4”	\$ 230.06	276.08	+ 5.0 %	+ 5.0 %	+ 3.0 %
6”	\$ 440.75	528.90	+ 5.0 %	+ 5.0 %	+ 3.0 %
8”	\$ 693.57	832.28	+ 5.0 %	+ 5.0 %	+ 3.0 %

*** Increases in Base Charges for 2018/2019 and 2019/2020 shall be 5.0 %, and increases in Base Charges for 2020/2021 shall be 3.0 %.

Residential Customers – Water Consumption Charges:

(Per Section 78-27 of the Town Code)

Description	Current	2017/2018	2018/2019	2019/2020	2020/2021
<u>Rate per 1,000 gallons</u>					
Block 1 (0-12,000 gallons)	\$ 2.97	3.56	+ 5.0 %	+ 5.0 %	+ 3.0 %
Block 2 (12,001–24,000 gallons)	\$ 3.56	4.28	+ 5.0 %	+ 5.0 %	+ 3.0 %
Block 3 (above 24,000 gallons)	\$ 5.94	7.13	+ 5.0 %	+ 5.0 %	+ 3.0 %

*** Increases in Water Consumption Charges for 2018/2019 and 2019/2020 shall be 5.0 % annually, and increases in Water Consumption Charges for 2020/2021 shall be 3.0 %.

All Other Non-Residential Customers – Water Consumption Charges:

(Per Section 78-27 of the Town Code)

Description	Current	2017/2018	2018/2019	2019/2020	2020/2021
<u>Rate per 1,000 gallons</u>					
Uniform Rate	\$ 3.54	4.25	+ 5.0 %	+ 5.0 %	+ 3.0 %

*** Increases in Water Consumption Charges for 2018/2019 and 2019/2020 shall be 5.0 % annually, and increases in Water Consumption Charges for 2020/2021 shall be 3.0 %.

Tapping Charges (New Water Service):

[Per Section 78-27 (110-166(d)) of the Town Code].

Up to 1” tap and service	\$ 350.00*
1 ½” tap and service	\$ 500.00*
2” tap and service	\$ 650.00
Over 2” tap and service	Actual cost, plus 15 %

*Additional Charge where a street, sidewalk, curb of gutter is cut

Actual Cost of replacement, plus 15 %

Deposit/Application for Water Service:

[Per Section 78-27 (110-166(e)) of Town Code]

Minimum Guarantee Deposit:

Service	Owner, Per Meter
5/8”	\$ 160.00
1”	\$ 200.00
1 ½”	\$ 300.00
2”	\$ 400.00
3”	\$ 600.00
4”	\$ 800.00
6”	\$ 1,200.00
8”	\$ 1,600.00

Delinquent Accounts:

[Per Section 78-27 (110-192(a)) of Town Code]

\$25.00 for the first occurrence and then \$50.00 for the second and subsequent occurrence(s) within a rolling 12-month calendar period.

EXHIBIT "C"

SEWER RATES AND SERVICE CHARGES

Sewer Uniform Flow Rate (Service Charge) and Bi-Monthly Base (Fixed) Charge:

(Per Section 78-56 of the Town Code)

<u>Description</u>	<u>Current</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
<u>Rate per 1,000 gallons</u>					
Uniform Flow Rate	\$ 5.41	6.49	+ 10.00 %	+ 10.00 %	+ 10.00 %
Bi-Monthly Base (Fixed) Charge	\$ 6.88	8.26	+ 10.00 %	+ 10.00 %	+ 10.00 %

*** Increases in Sewer Uniform Flow Rate (Service Charge) for 2018/2019, 2019/2020 and 2020/2021 shall be 10.0 % annually.



Town of Surfside Commission Communication

Agenda Item # 5B

Agenda Date: September 12, 2017

Subject: Water, Sewer and Stormwater Rates and Service Charges

Background: The Town of Surfside provides utility services of water, sewer and stormwater to 1,373 residential and commercial customers. The Town engaged the services of an independent consultant, Black & Veatch to review and analyze the current water, sewer and stormwater rates and to develop a series of rate adjustments to meet the requirements for each utility over the next five fiscal years. This rate study and five year financial forecast covering the period from fiscal year 2016-2017 through fiscal year 2020-2021 was developed to estimate the revenue adjustments needed for the Town's utilities in order to continue to fund annual operation and maintenance expenses, make required debt service payments of principal and interest on two outstanding loans, meet the debt service coverage ratio requirements of the loans and maintain fund balance reserve requirements.

The Town's last adopted rates for water, sewer and stormwater was in fiscal year 2010. Since the last rate increase seven (7) years ago, the Town has been able to hold off a rate increase as a result of the replacement of a new water, sewer and stormwater utility system. This new system resulted in significant savings from reduced water and sewage flow purchase from Miami-Dade for water and the City of Miami Beach for sewage disposal. The efficient operations of these utilities by the Town resulted in a savings to the utility customers it serves. The Town was able to absorb the annual rate increases for water it purchased from Miami-Dade water and the annual increases in the cost of sanitary sewage flow from the City of Miami Beach for a combined increase of 45% over the past seven years. Also in addition during this seven year period the Consumer Price Index rose 12% for operating cost and capital equipment.

The independent study by Black & Veatch concluded that the water, sewer and stormwater utility revenues from existing rates will not be sufficient to meet anticipated cost over the study period of fiscal year 2017 through 2021. Therefore, revenue adjustments will be needed to meet projected costs.

The Town bills its residential customers for water, sewer and stormwater every two (2) months with an average current bill of \$200.00. The recommended rate adjustments to water, sewer and stormwater rates would increase the average bill \$40.00 every two months.

The current water and sewer rates were adopted in fiscal year 2010 by Ordinance and the stormwater rates were adopted by Resolution. This new Ordinance will show the strike thru of water and sewer rates with new language that will reference the new water and sewer rates to be adopted by Resolution. The Second Reading of the Ordinance will be on October 10, 2017 followed by a Resolution adopting the new water, sewer and stormwater rates effective October 1, 2017.

Budget Impact: The additional annual revenues that are projected to be generated in fiscal year 2017-2018 from the rate adjustments to the Water and Sewer Fund are \$661,908 and to the Stormwater Fund of \$101,000.

The 2017-2018 Annual Budget includes the new revenue projections based on the utility rate adjustments. The Water and Sewer Fund total annual revenues will change from \$3,015,250 to \$3,677,158 and the Stormwater Fund will change from \$505,000 to \$606,000.

Staff Impact: N/A

Recommendation: It is recommended that the independent study by Black & Veatch be implemented and the new water, sewer and stormwater rates be adopted by Resolution.



Donald Nelson, Finance Director



Guillermo Olmedillo, Town Manager

DN/drh

RESOLUTION NO. 2017-_____

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, APPROVING AND ADOPTING STORMWATER UTILITY RATES EFFECTIVE OCTOBER 1, 2017; PROVIDING FOR AUTHORIZATION AND IMPLEMENTATION; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on May 10, 2016, the Town Commission of the Town of Surfside (“Town”) adopted Resolution No. 16-2375 approving Black & Veatch to review and analyze the Town’s current water, sewer, and stormwater rates and to develop a series of rate adjustments to meet the requirement for each utility for the next five fiscal years; and

WHEREAS, the Black & Veatch Water/Sewer and Stormwater Rate Study dated July 11, 2017 is attached hereto as Exhibit “A” (“Rate Study”); and

WHEREAS, the Rate Study and five-year financial forecast, covering the period from fiscal years 2016/17 through 2020/21 was developed to estimate the necessary revenue adjustments for the Town’s utilities in order to continue funding annual operations and maintenance expenses, debt service on two outstanding loans, meet the debt service coverage ratio requirements of the loans, and maintain a fund balance for reserve requirements; and

WHEREAS, the Rate Study concluded that the water, sewer and stormwater utility revenues from existing rates will not be sufficient to meet anticipated costs over the five-year study period, thereby necessitating revenue adjustments to meet projected costs; and

WHEREAS, the Town last revised and adopted stormwater utility rates in 2010 by Resolution No. 10-1954 with rates were effective on September 25, 2017, and has been able to maintain rates steady without increases to customers for the past seven years; and

WHEREAS, Section 34-75 of the Town Code provides that the rate per ERU to be used in calculating stormwater utility fees shall be set by resolution of the Town Commission; and

WHEREAS, it is necessary for the Town to adjust and increase stormwater utility rates as set forth in Exhibit “B” attached hereto, in order to meet projected utility costs and expenses for the next five years; and

WHEREAS, the Town has provided notice of the proposed adjustments and increase of rates to its customers through the Town’s Utility Department’s billing process pursuant to Section 180.136, Florida Statutes; and

WHEREAS, such stormwater utility rates, as increased, shall be effective October 1, 2017 and shall be reflected on all customer bills beginning with the next applicable billing cycle; and

WHEREAS, the Town Commission finds that the adjustment and increase in stormwater utility rates is necessary and in the best interest and welfare of the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AS FOLLOWS:

Section 1. Recitals Adopted. That the above-stated recitals are hereby adopted and confirmed.

Section 2. Stormwater Utility Rates Approved and Adopted. Effective October 1, 2017, the stormwater utility rates shall be as set forth in Exhibit “B” attached hereto and are hereby approved and adopted.

Section 3. Authorization; Implementation. The Town Manager and Town Officials are authorized to take any and all action necessary to implement the stormwater utility rate adjustments and the purposes of this Resolution.

Section 4. Repeal of Conflicting Provisions. Resolution No. 10-1954 and all resolutions or previous rates for stormwater utility, or parts thereof, in conflict with this Resolution and the revised rates approved and adopted herein, are hereby repealed to the extent of any conflict.

Section 5. Effective Date. That this Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED on this 10th day of October, 2017.

Motion By: _____

Second By: _____

FINAL VOTE ON ADOPTION

Commissioner Daniel Gielchinsky _____
Commissioner Michael Karukin _____
Commissioner Tina Paul _____
Vice Mayor Barry Cohen _____
Mayor Daniel Dietch _____

Attest:

Daniel Dietch, Mayor

Sandra Novoa, MMC
Town Clerk

Approved as to Form and Legal Sufficiency:

Weiss Serota Helfman Cole & Bierman, P.L.
Town Attorney

EXHIBIT "A"

RATE STUDY

Town of Surfside, Florida

WATER/SEWER AND STORMWATER RATE STUDY UPDATE

Technical Memo – Financial Impact Review and Analysis

Date: July 11, 2017
To: Guillermo Olmedillo, Town Manager
From: Brian Merritt, Manager, Black & Veatch
CC: Donald Nelson, Finance Director
Robert Chambers, Principal Consultant, Black & Veatch
Subject: Financial Impact Review and Analysis

Purpose: Black & Veatch was engaged by the Town of Surfside to review and analyze the Town's current water, sewer and stormwater rates and to develop a series of revenue adjustments to meet the requirements for each utility over the next five fiscal years. This document is intended to provide an overview of the financial impact review and analysis for the Town's Water and Sewer and Stormwater utilities.

Water, Sewer and Stormwater Rate Study Update

Executive Summary

This technical memo summarizes Black & Veatch's review and analysis of the Town of Surfside, Florida's (the Town's) water and sewer and stormwater utilities. A financial forecast was developed to estimate the revenue adjustments needed for the Town's utilities in order to continue to fund annual operation and maintenance expenses, make required debt service payments, meet obligations including coverage requirements, and achieve fund balance targets over the study period from Fiscal Year (FY) 2016/17 through FY 2020/21 (the study period). Recommendations for proposed rates effective October 1, 2017 are also included for the Town's consideration.

Revenue and Revenue Requirements

The Town last adopted new rates in FY 2010. Based upon discussions with Town staff, minimal customer growth (for each system) is expected during the study period. Therefore, revenues under the existing rates are expected to remain fairly flat. In contrast, water purchases and sewage disposal costs, which represent the largest operating costs for the water and sewer system, are anticipated to increase 6% and 5.5%, respectively in FY 2016/17, based upon proposed rates from the Town's wholesale providers.

Water and sewer revenues, derived from existing rates and charges, are projected to be \$3.013 million in FY 2016/17 increasing to by \$3.025 million in FY 2020/21. Whereas, total revenue requirements, including operation and maintenance (O&M) expenses, debt service obligations, and other expenditures and transfers are projected to be \$3.35 million in FY 2016/17 increasing to \$3.6 million in FY 2021.

Stormwater revenues, derived from stormwater service charges under existing rates, are projected to be \$0.505 million in FY 2016/17 to \$0.506 million in FY 2020/21. While, total stormwater revenue requirements, including O&M expenses, debt service obligations, and other expenditures and transfers for

the stormwater utility are projected to grow from \$0.684 million in FY 2016/17 to \$0.698 million in FY 2020/21.

As evident by these estimates, in the case of both the water and sewer utility and the stormwater utility, revenues from existing rates will not be sufficient to meet anticipated costs over the study period. Therefore, revenue adjustments will be needed to meet projected costs.

Debt Service Coverage Requirements

Debt Service Coverage requirements are another significant factor driving the proposed revenue adjustments. In addition to funding O&M expenses and making annual debt service payments, each utility should maintain sufficient net income after operations to meet bond and loan coverage requirements. In accordance with the methodology used for the latest Town Comprehensive Annual Financial Report (CAFR) for Fiscal Year Ending September 30, 2016, senior and subordinate debt coverage are considered separately with the following targets:

- Senior Debt (Revenue Bonds): 1.10
- Subordinate Debt (SRF): 1.15

In FY 2016/17, it is anticipated that Town will need to rely upon Rate Stabilization Fund balances to achieve coverage requirements. To meet the requirements of the bond covenants, an estimated \$595,000 of the existing \$651,144 Rate Stabilization Fund balance will be utilized. These funds must be replenished over the study period in order to reach the target fund balance. Revenue adjustments are needed starting in FY 2017/18 in order to meet coverage requirements. In addition, the water system is supporting the debt service coverage requirements for both the sewer and stormwater systems.

When considered in total, the overall utility system is currently in compliance with existing bond coverage requirements. The analysis performed for each system aims to achieve financial independence by system in meeting debt service coverage requirements by the end of the study period. This further influences the revenue adjustments contemplated herein.

The performance of the water, sewer and stormwater systems against debt service coverage requirements in summarized in the Table E-1. Note the coverage ratios presented assume the adoption of proposed revenue adjustments as presented in the Proposed Revenue Adjustments sections.

Table E-1. Estimated Debt Service Coverage Ratios with Proposed Revenue Adjustments

	FISCAL YEAR				
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Combined Water/Sewer/Storm Net Operating Income	1,727,988	1,750,138	1,926,291	2,180,949	2,398,719
2011 Utility Bonds - Debt Service Requirement	1,065,249	1,065,249	1,065,249	1,065,249	1,065,249
Senior Debt Coverage Ratio	162%	164%	181%	205%	225%
Requirement	110%	110%	110%	110%	110%
Adjusted Water/Sewer/Storm Operating Income	662,739	684,889	861,042	1,115,700	1,333,471
SRF Loan - Debt Service Requirement	577,901	577,901	577,901	577,901	577,901
Subordinate Debt Coverage Ratio	115%	119%	149%	193%	231%
Requirement	115%	115%	115%	115%	115%

Source: Town of Surfside; Black & Veatch.

Fund Balances and Performance Targets

The Town has established the following reserve fund targets:

- Operation and Maintenance Fund Reserves (Unrestricted) – 25% of current/annual Operation and Maintenance Costs
- Renewal and Replacement Fund Reserves – 1% of Gross Book Value of the Fixed Assets of the System
- Rate Stabilization Fund Reserves – 10% of annual projected rate revenues

Aggregate fund balance totaling \$2.05 million, as stated in the CAFR for Fiscal Year Ending September 30, 2016, was used as the beginning balance for FY 2016/17 and projected over the study period. With the exception of the Renewal, Replacement and Improvement Fund Balance and the Stormwater Rate Stabilization Fund (equity), the Town is currently meeting all fund balance targets.

- As previously noted, meeting debt service coverage requirements in FY 2016/17 will be reliant upon the use of Rate Stabilization Fund balances.
- It was assumed that each system will make a contribution to their Renewal, Replacement and Improvement Fund to achieve the target balances.
- In the case of the sewer and stormwater systems, the systems will be reliant upon existing unrestricted operating reserves in order to cover costs, until such time that the systems generate sufficient revenues to achieve a positive net annual income.

The use of the above fund balances as well as the fund balance targets further influence revenue adjustment needs.

Proposed Revenue Adjustments

Based on the water and sewer and stormwater utilities respective projected revenue requirements and revenues under existing rates, the overall annual revenue increases required for each system to cover their expenses and meet debt service coverage over the Study Period as well as achieve the target fund balances by the end of the Study Period are presented in Table E-2 and E-3 below.

Table E-2. Required Revenue Increases for the Water and Sewer Utility

PROPOSED REVENUE INCREASE			
FISCAL YEAR	WATER SYSTEM	SEWER SYSTEM	COMBINED
2017/18	20.0%	20.0%	20.0%
2018/19	5.0%	10.0%	7.44%
2019/20	5.0%	10.0%	7.49%
2020/21	3.0%	10.0%	6.57%

Table E-3. Required Revenue Increases for the Stormwater Utility

PROPOSED REVENUE INCREASE	
FISCAL YEAR	STORMWATER SYSTEM
2017/18	20.0%
2018/19	10.0%
2019/20	10.0%
2020/21	10.0%

Proposed Rates

Tables E-4 to E-8 present the proposed FY 2017/18 water, sewer and stormwater rates which reflect a 20.00% increase from current levels.

Note: A full cost of service (COS) analysis was not conducted as part of this study. As such, the contemplated revenue adjustments for the water, sewer and stormwater systems are evenly distribute across all customer classes. A COS study would further evaluate the revenue requirements (or costs) of each system, the service demands placed upon the system based upon the utility customer classes' service characteristics, and distribute each utility's costs to the customer classes accordingly. Given the significant changes to the utilities and the length of time that has passed, Black & Veatch would recommend that the Town consider conducting a complete COS study in the immediate future.

Table E-4. Proposed Bi-Monthly Water Base Charges

Meter Size	Current	2017/2018
5/8"	\$ 27.81	\$ 33.37
1"	40.45	48.54
1 1/2"	61.52	73.82
2"	86.80	104.16
3"	145.79	174.95
4"	230.06	276.08
6"	440.75	528.90
8"	693.57	832.28

Sources: Town of Surfside; Black & Veatch.

Table E-5. Proposed Residential Customers - Water Consumption Charges

Description	Current	2017/2018
	Rate per 1,000 gal	
Block 1 (0 - 12,000 gal)	2.97	3.56
Block 2 (12,001 - 24,000 gal)	3.56	4.28
Block 3 (above 24,000 gal)	5.94	7.13

Sources: Town of Surfside; Black & Veatch.

Table E-6. All Other Customers - Water Consumption Charges

Description	Current	2017/2018
	Rate per 1,000 gal	
Uniform Rate	\$ 3.54 ▲	4.25

Sources: Town of Surfside; Black & Veatch.

Table E-7. Proposed Sewer Uniform Flow Rate and Bi-Monthly Fixed Charge

Description	Forecast	
	Current	2017/2018
	Rate per 1,000 gal	
Uniform Flow Rate	\$ 5.41	\$ 6.49
	Rate per 1,000 gal	
Bi-Monthly Fixed Charge	\$ 6.88	\$ 8.26

Sources: Town of Surfside; Black & Veatch.

Table E-8. Proposed Stormwater Utility Rates

Service Type	Current	Forecast 2017/2018
Single Family Residential (1.0 ERU)	\$ 10.70 ▲	\$ 12.84
Multi Family Residential (1.0 ERU per dwelling unit)	\$ 10.70 ▲	\$ 12.84
Place of Worship (0.5 ERU per 1,300 sq. ft. of impervious area)	\$ 5.35 ▲	\$ 6.42
Non Residential Developed Property excluding Places of Worship (1.25 ERU per 1,300 sq. ft. of impervious area)	\$ 13.38 ▲	\$ 16.06

Sources: Town of Surfside; Black & Veatch.

Conclusions and Recommendations

The revenue adjustment and rates presented in this memo meet all the forecasted revenue requirements, fulfills the bond coverage requirements, and maintains the appropriate cash balances for the respective utility systems. If water, sewer and stormwater rates are not adjusted during the next 5 years, projected revenues under existing rates will not be sufficient to fund the Utility System’s revenue requirements throughout the Study Period.

A revenue adjustment of 20% is recommended for each system in FY 2017/18 in order to meet anticipated expenses and meet coverage requirements. Additional action will be required in subsequent years to

continue to meet all utility obligations and metrics. Beyond the revenue adjustments and associated rate levels, Black & Veatch would also recommend that the Town consider the following future actions:

- 1) Conduct a full COS study to re-establish the basis for equitable rates and charges across various customer classes;
- 2) Continually monitor expenses and revenues and update financial projections annually; and
- 3) Review rates on an annual basis to help anticipate future revenue requirements, meet debt service obligations and manage rate adjustments on a multi-year horizon.

Study Background

Black & Veatch was engaged by the Town of Surfside to review and analyze the Town's current water, sewer and stormwater rates and to develop a series of recommended revenue adjustments for each of the utilizes over the next five fiscal years. The resulting revenue adjustments and proposed rate recommendations are presented herein. Black & Veatch had previously prepared rate studies in 2010 and 2011. The series of recommended rate increases contemplated in the 2011 study were not adopted by the Town and no revenue adjustments have been implemented since that period. This current analysis beginning with Fiscal Year (FY) 2016/17 presents the impact of changes in operating and capital expenses, debt service requirements and the ability of the utility to meet established financial performance metrics over the study period FY 2016/17 through FY 2020/21.

There have been significant changes to the utility since the previous 2011 study was conducted. In that time, the Town has issued a series of bonds and entered into a State Revolving Fund (SRF) Loan agreement in order to fund the renewal and replacement needs of the Town's water, sewer and stormwater systems. The capital improvements associated with these financing mechanisms are largely complete and minimal capital improvements are anticipated over the study period.

Assumptions

Table 1 provides a list of assumptions utilized in this analysis.

- Water Purchase and Sewage Disposal Costs:
 - For FY 2016/17, water purchase costs and sewer disposal purchase costs were held at the current/adopted budget levels.
 - Based on discussions with Town staff, FY 2017/18 rates for water purchases were assumed to be approximately 6 percent higher based upon anticipated wholesale rate increases currently proposed by MDWASD.
 - Sewage disposal costs for FY 17/18 were assumed to 5 percent higher than the FY 2016/17 based upon anticipated increases wholesale rate increases proposed by the City of Miami Beach.
 - For FY 2018/19 to FY 2020/21 increases are assumed to be nominal at approximately 3 percent per year.
- Personnel costs are assumed to escalate annually at a rate of 1.50 percent for the study period. All other Operating costs are assumed to escalate annually at a rate of 1.00 percent for the study period.
- Based upon input from Town staff, customer growth is expected to stay relatively flat. In order to account for a minimal level of growth, a 0.10 percent annual escalation rate was applied beginning in FY 2017/18.
- Debt Service Allocations between the Water/Sewer and Stormwater Utilities are based upon discussions with Town staff. The allocation between the water, sewer and stormwater system is based upon the rate base established during the previous rate study.
- Reserve fund targets are assumed as follows:
 - Operation and Maintenance Fund Reserves (Unrestricted) – 25% of current/annual Operation and Maintenance Costs

- Renewal and Replacement Fund Reserves – 1% of Gross Book Value of the Fixed Assets of the System
- Rate Stabilization Fund Reserves – 10% of annual project rate revenues
- The Debt Service Coverage Requirements for both the 2011 Series Utility System Revenue Bonds and the SRF Loan are in accordance with their respective requirements.

Table 1. Analysis Assumptions

Description	Annual Figure	Notes
Escalation Factors		
Customer Growth FY 16/17	0.00%	Annual Rate
Customer Growth FY 17/18 and beyond	0.10%	Annual Rate
Personnel Costs	1.50%	Annual Rate
Water Purchases FY 16/17	0.00%	Annual Rate
Water Purchases FY 17/18	6.00%	Annual Rate
Water Purchases FY 18/19	3.00%	Annual Rate
Water Purchases FY 19/20	3.00%	Annual Rate
Water Purchases FY 20/21	3.00%	Annual Rate
Sewage Disposal Costs FY 16/17	0.00%	Annual Rate
Sewage Disposal Costs FY 17/18	5.00%	Annual Rate
Sewage Disposal Costs FY 18/19	3.00%	Annual Rate
Sewage Disposal Costs FY 19/20	3.00%	Annual Rate
Sewage Disposal Costs FY 20/21	3.00%	Annual Rate
Operating Costs	1.00%	Annual Rate
Capital Outlay (excl. Improvements)	5.00%	Annual Rate
Debt Service Allocations		
Water / Sewer Allocation	75.00%	Annual Total
Water	31.25%	Annual Allocation
Sewer	43.75%	Annual Allocation
Storm	25.00%	Annual Allocation
Fund Equity Targets		
O&M Reserves	25.0%	25% of current year O&M
Renewal & Replacement Reserve	1.0%	1% of Gross Book Value
Operating Reserve	25.0%	25% of annual O&M
Rate Stabilization Reserves	10.0%	10% of annual projected rate revenues
Financial Ratios and Inputs		
Debt Service Coverage Ratio (Revenue Bonds)	110%	1.10x (net operating income/annual debt service)
Debt Service Coverage Ratio (SRF Loan)	115%	1.15x (adjusted net operating income/annual debt service)
Sources: Town of Surfside; Black & Veatch.		

Revenues

Revenue Sources

The Town’s water, sewer and stormwater revenues are principally derived as follows:

- Water system revenues are primarily derived from base fees and consumption charges.
 - Historically additional water revenues have come from tapping fees, penalties, interest income on fund balances, development fees and other miscellaneous revenue.
- Sewer system generates revenue primarily from fixed charges and sewer service charges. ,
 - Historically additional sewer revenues have come from penalties, interest income on fund balances, development fees and other miscellaneous revenue.
- Stormwater system revenues primarily derived from stormwater service charges.
 - The stormwater system does not have any other significant sources of revenue at this time.

Growth

As previously noted, based upon discuss with Town staff customer growth is expected to stay relatively flat over the study period. Overall growth was assumed to be 0.10 percent annually beginning in FY 2017/18 for all systems.

Revenues under Existing Rates

The Town adopted its current rates in FY 2010. The current rates and charges for each system are as follows:

Water System Rates: The Town’s existing water system rates are presented in Tables 2A-2C below.

Table 2A. Current Water System Bi-Monthly Base Charges

Meter Size	Current
5/8"	\$ 27.81
1"	40.45
1 1/2"	61.52
2"	86.80
3"	145.79
4"	230.06
6"	440.75
8"	693.57

Sources: Town of Surfside; Black & Veatch.

Table 2B. Current Residential Customers - Water Consumption Charges

Description	Current
	Rate per 1,000 gal
Block 1 (0 - 12,000 gal)	2.97
Block 2 (12,001 - 24,000 gal)	3.56
Block 3 (above 24,000 gal)	5.94

Sources: Town of Surfside; Black & Veatch.

Table 2C. All Other Customers - Water Consumption Charges

Description	Current
	Rate per 1,000 gal
Uniform Rate	\$ 3.54

Sources: Town of Surfside; Black & Veatch.

Sewer System Rates: The Town’s existing sewer system rates are presented in Table 3.

Table 3. Current Sewer Uniform Flow Rate and Bi-Monthly Fixed Charge

Description	Current
	Rate per 1,000 gal
Uniform Flow Rate	\$ 5.41
	Rate per 1,000 gal
Bi-Monthly Fixed Charge	\$ 6.88

Sources: Town of Surfside; Black & Veatch.

Stormwater System Rates: The Town’s existing stormwater utility rates are presented in Table 4.

Table 4. Stormwater Utility Rates

Service Type	Current
Single Family Residential (1.0 ERU)	\$ 10.70
Multi Family Residential (1.0 ERU per dwelling unit)	\$ 10.70
Place of Worship (0.5 ERU per 1,300 sq. ft. of impervious area)	\$ 5.35
Non Residential Developed Property excluding Places of Worship (1.25 ERU per 1,300 sq. ft. of impervious area)	\$ 13.38

Sources: Town of Surfside; Black & Veatch.

Combined Water and Sewer Revenues

Water and sewer sales revenue, derived from existing rates, are projected to grow from \$3.013 million in FY 2016/17 to \$3.025 million in FY 2020/21.

No other significant sources of revenues are anticipated during the study period.

- **Water Revenues :**
 - Water sales revenue, derived from customer consumption and base charges under existing rates, are projected to grow from \$1.545 million in FY 2016/17 to \$1.551 million in FY 2020/21.
 - Revenues from penalties were assumed to remain flat at the current budget rate of \$1,250 annually for the water system.
 - No other significant sources of revenues are anticipated for the water system during the study period.
- **Sewer Revenues :**
 - Sewer service revenue derived from existing rates is projected to grow from \$1.468 million in FY 2016/17 to \$1.474 million in FY 2020/21.

- Revenues from penalties were assumed to remain flat at the current budget rate of \$1,250 annually for the sewer system.
- No other significant sources of revenues are anticipated for the sewer system during the study period.

Stormwater Revenues

Stormwater revenues, derived from stormwater service charges under existing rates, are projected to grow from \$0.505 million in FY 2016/17 to \$0.506 million in FY 2020/21. No other significant sources of revenues are anticipated for the stormwater system during the study period.

Revenue Requirements

General

The revenue required to provide for the continued operation of the water and sewer and stormwater utilities must be sufficient to meet each utilities requirements associated with the cost of operations.

Revenue requirements typically include:

- 1) O&M expenses;
- 2) Debt service requirements, consisting of principal, interest, and any reserve fund payments; and
- 3) Other expenditures and transfers.

In addition, annual revenues need to be adequate to meet the debt service coverage requirements established by the revenue bond ordinance and State Revolving Fund (SRF) loan agreement. Projections of cash requirements to meet these system expenditures for the Study Period are presented in this section.

O&M Expenses

Water and Sewer Utility

O&M expenses associated with the water and sewer utility include water purchases; water storage and distribution; sewage conveyance and disposal; meter and services; billing, collection, and accounting; and administrative and general services. O&M expenses include the annual salaries and wages of personnel, costs for material and supplies, fuel and electric power costs, and other costs such as employee benefits, insurance, equipment maintenance and contract services.

Personnel costs are expected to increase from \$0.338 million in FY 2016/17 to \$0.358 million in FY 2020/21. All other operational expenses (with the exception of water purchases and sewage disposal) are projected to increase from \$0.306 million in FY 2016/17 to \$0.318 million in FY 2020/21. These expenses are allocated evenly between the water and sewer systems.

- **Water System O&M Expenses:** The largest operational expense for the water system is water purchases from MDWSD.
 - Based upon anticipated wholesale rate increases currently proposed by MDWASD, FY 2017/18 wholesale rates are assumed to be approximately 6 percent higher than FY 2016/17 levels. Additional increases of 3 percent annually are anticipated thereafter.
 - Water purchase costs are projected to increase from \$0.502 million in FY 2016/17 to \$0.582 million in FY 2020/21.
- **Sewer System O&M Expenses:** The largest operational expense for the sewer system is sewage disposal costs purchases from the City of Miami Beach.

- Proposed wholesale rate are estimated to be 5 percent higher in FY 17/18 than FY 2016/17 levels. Annual increases of 3 percent are anticipated thereafter.
- Sewage disposal purchase costs are projected to increase from \$0.968 million in FY 2016/17 to \$1.110 million in FY 2020/21.

Stormwater Utility System

O&M expenses associated with the stormwater utility include costs associated with stormwater management service including stormwater system repairs, maintenance and cleaning, collection, and accounting; and administrative and general services. O&M expenses include the annual salaries and wages of personnel, costs for material and supplies, fuel and electric power costs, and other costs such as employee benefits, insurance, equipment maintenance and contract services.

In total stormwater O&M expenses are expected to increase from \$0.273 million in FY 2016/17 to \$0.287 million in FY 2020/21. The increase consists of the following:

- **Personnel costs:** \$0.127 million in FY 2016/17 to \$0.135 million in FY 2020/21.
- **All other operational expenses:** \$0.146 million in FY 2016/17 to \$0.152 million in FY 2020/21.

Debt Service

Existing Debt Service

The Town’s annual debt service requirements include principal and interest payments as related to the previously issued Utility System Revenue Bonds Series 2011 as well as the State Revolving Fund Loan #WW131710. Debt service costs are attributed to each system based upon their respective portions of the original capital financing costs associated with the previously completed system improvements. Therefore, the allocations factors presented in Table 5 (as provided by Town staff) are based upon the rate base established during the previous rate study.

Table 5. Debt Service Allocation Factors

Water and Sewer Utility Allocation	75.00%	Annual Total
Water System	31.25%	Annual System Allocation
Sewer System	43.75%	Annual System Allocation
Stormwater Utility Allocation	25.00%	Annual Allocation

The tables presented on the following page present the Town’s current debt obligations including principal and interest payments over the life of the bonds and loan respectively.

Table 6 provides the total principal and interest payments for the Water and Sewer and Stormwater Utilities as they relate to the Utility System Revenue Bonds Series 2011 and the State Revolving Fund Loan #WW131710.

Table 6. Water/Sewer and Stormwater – Debt Service Schedule

Year	Utility System Revenue Bonds Series 2011			State Revolving Fund Loan #WW131710			Revenue Pmnt Total
	Principal	Interest	Total	Principal	Interest	Total	
2015/2016	599,571	465,678	1,065,249	419,196	158,706	577,901	1,643,150
2016/2017	627,870	437,379	1,065,249	427,071	150,830	577,901	1,643,150
2017/2018	657,506	407,743	1,065,249	435,095	142,807	577,901	1,643,150
2018/2019	688,540	376,709	1,065,249	443,269	134,632	577,901	1,643,150
2019/2020	721,039	344,210	1,065,249	451,597	126,304	577,901	1,643,150
2020/2021	755,072	310,177	1,065,249	460,081	117,820	577,901	1,643,150
2021/2022	790,711	274,537	1,065,248	468,725	109,176	577,901	1,643,150
2022/2023	828,033	237,216	1,065,249	477,531	100,370	577,901	1,643,150
2023/2024	867,116	198,132	1,065,248	486,503	91,399	577,901	1,643,149
2024/2025	908,044	157,205	1,065,249	495,643	82,258	577,901	1,643,150
2025/2026	2,422,560	114,345	2,536,905	504,955	72,947	577,901	3,114,806
2026/2027	-	-	-	514,442	63,460	577,901	577,901
2027/2028	-	-	-	524,107	53,795	577,901	577,901
2028/2029	-	-	-	533,953	43,948	577,901	577,901
2029/2030	-	-	-	543,985	33,917	577,901	577,901
2030/2031	-	-	-	554,205	23,696	577,901	577,901
2031/2032	-	-	-	564,617	13,284	577,901	577,901
2032/2033	-	-	-	286,274	2,677	288,951	288,951
2033/2034	-	-	-	-	-	-	-
2034/2035	-	-	-	-	-	-	-
2035/2036	-	-	-	-	-	-	-

Table 7 presents the allocated debt service costs for the water, sewer and stormwater systems respectively.

Table 7. Allocated Water, Sewer and Stormwater System – Debt Service Requirements

Year	Allocated Debt Service - Bond			Allocated Debt Service - SRF Loan			Allocated Debt Service		
	Water	Sewer	Storm	Water	Sewer	Storm	Water	Sewer	Storm
2015/2016	332,890	466,046	266,312	180,594	252,832	144,475	513,485	718,878	410,788
2016/2017	332,890	466,046	266,312	180,594	252,832	144,475	513,485	718,878	410,788
2017/2018	332,890	466,046	266,312	180,594	252,832	144,475	513,485	718,878	410,788
2018/2019	332,890	466,046	266,312	180,594	252,832	144,475	513,485	718,878	410,788
2019/2020	332,890	466,046	266,312	180,594	252,832	144,475	513,485	718,878	410,788
2020/2021	332,890	466,046	266,312	180,594	252,832	144,475	513,484	718,878	410,787
2021/2022	332,890	466,046	266,312	180,594	252,832	144,475	513,484	718,878	410,787
2022/2023	332,890	466,046	266,312	180,594	252,832	144,475	513,484	718,878	410,788
2023/2024	332,890	466,046	266,312	180,594	252,832	144,475	513,484	718,878	410,787
2024/2025	332,890	466,046	266,312	180,594	252,832	144,475	513,484	718,878	410,787
2025/2026	792,783	1,109,896	634,226	180,594	252,832	144,475	973,377	1,362,728	778,702
2026/2027	-	-	-	180,594	252,832	144,475	180,594	252,832	144,475
2027/2028	-	-	-	180,594	252,832	144,475	180,594	252,832	144,475
2028/2029	-	-	-	180,594	252,832	144,475	180,594	252,832	144,475
2029/2030	-	-	-	180,594	252,832	144,475	180,594	252,832	144,475
2030/2031	-	-	-	180,594	252,832	144,475	180,594	252,832	144,475
2031/2032	-	-	-	180,594	252,832	144,475	180,594	252,832	144,475
2032/2033	-	-	-	180,594	252,832	144,475	180,594	252,832	144,475
2033/2034	-	-	-	90,297	126,416	72,238	90,297	126,416	72,238
2034/2035	-	-	-	-	-	-	-	-	-
2035/2036	-	-	-	-	-	-	-	-	-

Source: Debt Service Amortization Schedule as provided by Town staff via email on 4/25/2017.

Proposed Debt Service

No additional service is anticipated during the study period.

Debt Service Coverage Requirements

In addition to making debt service payments, the utilities must maintain sufficient net income after operations to meet the bond and loan coverage requirements. Based upon the adopted Bond Ordinance, the Series 2011 Bonds are treated as senior debt while the SRF Loan are considered subordinate. The target annual debt service coverage ratios are as follows:

- Senior Debt (Revenue Bonds): 1.10
- Subordinate Debt (SRF): 1.15

With regard to the debt service and associated coverage requirements, it's important to note the following:

- Previous rate studies considered the debt service coverage requirements in aggregate across all systems.
- The current analysis considers the senior and subordinate debt, respectively. This approach is in alignment with methodology used for the latest Town Comprehensive Annual Financial Report (CAFR) for Fiscal Year Ending September 30, 2016.

Other Expenditures and Transfers

Other expenditures and transfers include costs that are incurred by the respective utilities after the fulfillment of O&M and debt service obligations. These costs are funded by cash generated from system revenues and any other available unrestricted sources of funds. Other expenditures typically include transfers for internal services, capital outlays, capital improvements or operating capital, and transfers from operations to cash fund major capital improvements.

Water and Sewer Utility

Other expenditures and transfers associated with the water and sewer utility are estimated as follows:

- Expenditures associated with capital outlays are assumed total \$35,000 beginning in FY 2017/18 and increase to \$40,517 by FY 2020/21.
- The water system has historically supported the sewer system via a transfer to help fund operating and non-operating expenses. This support is assumed to continue throughout the study period.
- No capital improvements projects are current proposed for the water and sewer system; therefore, cash funding for capital projects is not considered during the current study period.

Stormwater Sewer Utility

No additional expenditures or transfers are projected for the stormwater utility at this time. No capital improvements projects are current proposed for the stormwater and sewer system; therefore, cash funding for capital projects is not considered during the current study period.

Capital Improvements

At the time of this analysis, the Town has decided not to capitalize any projects over the study period. However, the Town may need to consider capital financing of improvements in the near future; thus, this assumptions should be revisited routinely.

Existing Fund Balances

Fund Balances as stated in the CAFR for Fiscal Year Ending September 30, 2016 were used as the beginning balance for FY 2016/17 and projected forward for the study period.

- The unrestricted fund balance, as reported in the CAFR, was adjusted to reflect the Rate Stabilization Fund balance based upon the Town’s most recent budget to actual figures.
- Similar to the allocation of debt service requirements, the aggregate unrestricted fund balances (*for the water and sewer and stormwater utilities*) was reallocated to each of the respective utilities based upon the equity of fund balances as provided by Town staff.
 - The resulting fund balances are presented in Table 8.

Table 8. Existing Fund Balances

FUND	BASIS	TOTAL (\$) @ 9/30/16	TOTAL W&S	WATER 31%	SEWER 44%	STORM 25%
RESTRICTED:						
Renewal/Replacement	Revenue Bond Covenant	240,745	208,560	86,900	121,660	32,185
Loan Reserve	Loan Requirements	324,000	243,000	101,250	141,750	81,000
Rate Stabilization	Per Management Intent		651,144	271,310	379,834	
UNRESTRICTED:						
Operating and Maint.	Per Management Intent	1,485,412	1,114,059	464,191	649,868	371,353
TOTAL		<u>2,050,157</u>	<u>2,216,763</u>	<u>923,651</u>	<u>1,293,112</u>	<u>484,538</u>

Source: Fund Balances as of 9/30/2016 as provided by the Town of Surfside per the FY 2015/2016 CAFR
 Unrestricted balance is the total water, sewer and stormwater Unrestricted Fund Balance less the Rate Stabilization Fund Balance as provided by the Town of Surfside.

Required Fund Balances

Reserve fund targets help to maintain sufficient funds (restricted and unrestricted net assets) in order to (i) address contingencies in the day-to-day operations; (ii) short and long term replacement needs of each utility; (iii) meet debt service obligations; and (iv) provide rate stabilization reserves to smooth revenue adjustments.

- These concepts were first introduced as part of the previous rate analyses is 2010 and 2011.
- The corresponding funds were formalized with the Town’s Utility System Revenue Bonds Series 2011 ordinance (Bond Ordinance), *refer to Town of Surfside, Florida - Ordinance No. 11-1570*, and the Town has adopted target balances as follows:
 - Operation and Maintenance Fund Reserves (Unrestricted) – 25% of current/annual Operation and Maintenance Costs
 - Renewal and Replacement Fund Reserves – 1% of Gross Book Value of the Fixed Assets of the System
 - Rate Stabilization Fund Reserves – 10% of annual project rate revenues

With the exception of the Renewal, Replacement and Improvement Fund Balance and the Stormwater Rate Stabilization Fund (equity), the Town is currently meeting all fund balance targets. Historically, when taken

in aggregate the Town has generally held reserve levels at or approaching these targets. The restricted and unrestricted net assets are proposed to be utilized as part of this analysis to meet operational and capital needs, including debt service needs during the initial years of the study period. This helps to manage both short-term and long-term rate levels.

With regard to the Renewal, Replacement and Improvement Fun, the required target fund balance was estimated based upon 1% of the gross book value for each of the utilities as reported in the CAFR for Fiscal Year Ending September 30, 2016. Additional deposits will be required as noted in Table 9 and are considered as part of the analysis presented in this document. Funds will be transferred from unrestricted operating reserves as well as positive net incomes in FY 2016/17 to reestablish the required fund balance. This is then held constant throughout the forecast period, no further deposits are planned.

Table 9. Renewal, Replacement and Improvement Fund Balance

RESTRICTED	TOTAL	TOTAL W&S	TOTAL WATER	TOTAL SEWER	TOTAL STORM	
Renewal, Replacement and Improvement Fund ¹	240,745	208,560	86,900	121,660	32,185	
Gross Book Value ²	28,029,093	24,446,159	10,185,900	14,260,259	3,582,934	
Required Fund Balance ³	1%	280,291	244,462	101,859	142,603	35,829
Additional Required ⁴	-39,546	-35,902	-14,959	-20,943	-3,644	

Notes:

- 1) Fund Balance is current as of 9/30/2016. 2) Gross Book Value of Capital Assets per Town of Surfside, FL - Water and Sewer Enterprise Fund and Stormwater Utility Enterprise Fund. Includes infrastructure, equipment and construction in progress as of September 30/2015 as stated in the Comprehensive Annual Financial report for Fiscal Year Ended September 30, 2015. 3) Per Master Utility System Bond Ordinance No. 11-1570, required balance is equal to or greater than 1% of the gross book value of the fixed assets of the system. 4) Additional funding required to meet fund balance target of 1% of gross book value.

Proposed Debt Service Retirement Fund

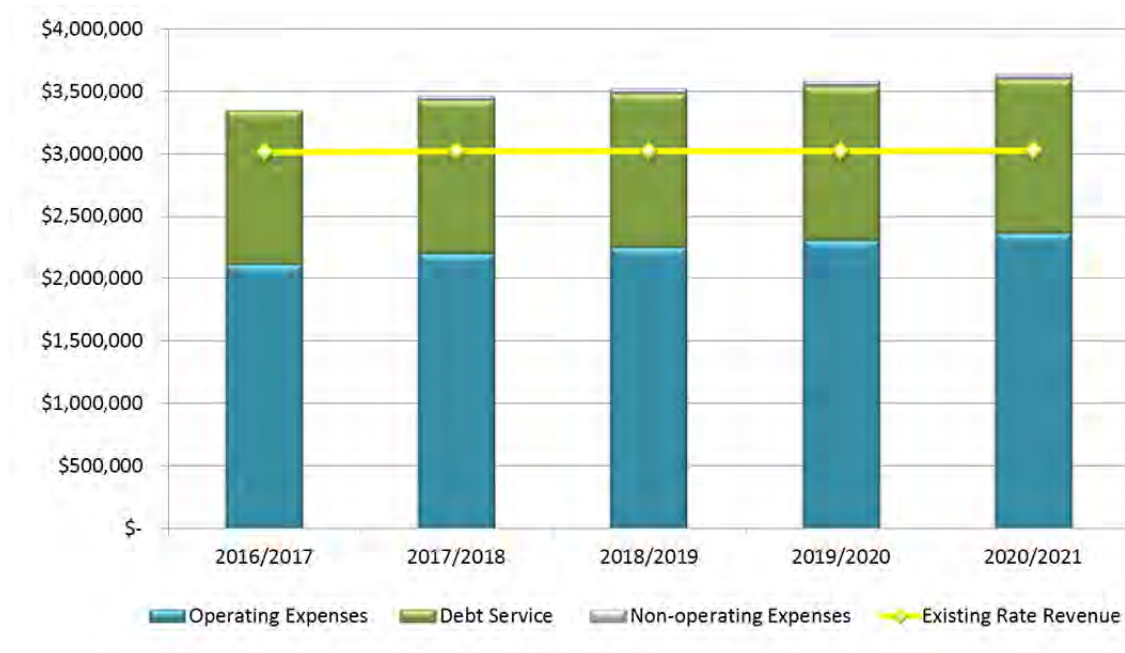
As indicated in Table 6, the Town debt service payments in FY 2025/2026 will be \$3.1 million; this is nearly twice the cost of annual debt service payments in the prior fiscal years. In order to prepare for this uptick in debt service payments and in consultation with Town staff, a separate “Debt Service Retirement Fund” is considered as part of this analysis. The intent of this fund would be to either pay down existing debt and/or begin to build sufficient funds to make the future debt service payments and help to further manage potential future revenue increase. Monies would be deposited to this fund after all other fund balances are at or approaching their target levels. While not a formal revenue requirement at this time, any surplus (after meeting all other requirements) was considered as part of this analysis.

Summary of Revenue and Revenue Requirements

Water and Sewer Utility

Total revenue requirements, including O&M expenses, debt service obligations, and other expenditures and transfers for the water and sewer utility are projected to grow from \$3.35 million in FY 2016/17 to \$3.6 million in FY 2021, as shown in Figure 1. Based on a comparison of the projected revenues under existing rates and the projected revenue requirements, it is evident that the revenues under existing rates will not be adequate to meet the projected requirements without some rate adjustment beginning in FY 2018.

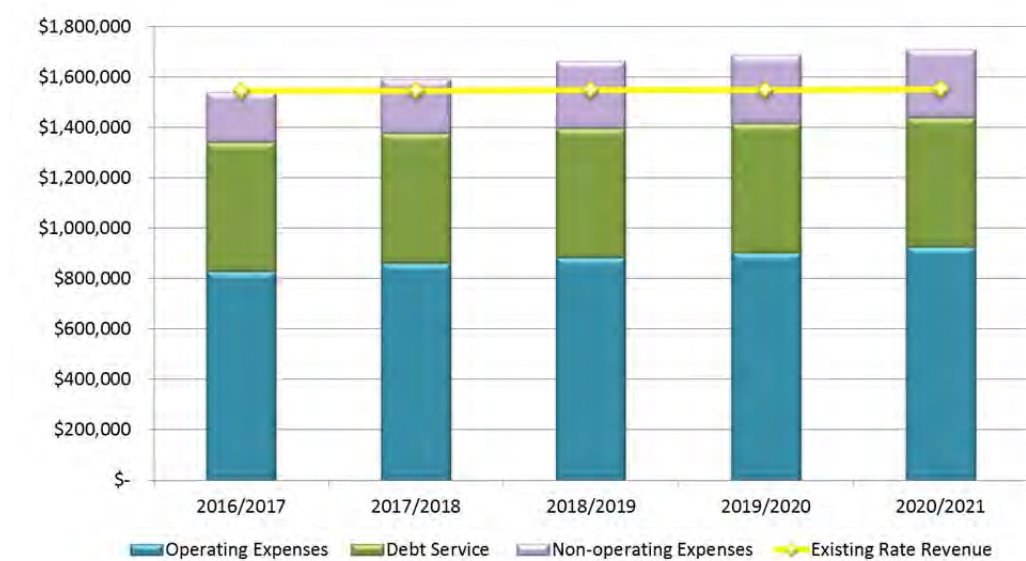
Figure 1. Combined Water and Sewer Utility - Comparison of Revenues and Revenue Requirements



Water System

Total revenue requirements, including O&M expenses, debt service obligations, and other expenditures and transfers for the water system are projected to grow from \$1.54 million in FY 2016/17 to \$1.71 million in FY 2021, as shown in Figure 2. As with the combined utility, projected revenues under existing rates will not be adequate to meet the projected water system revenue requirements without some rate adjustment beginning in FY 2017/18.

Figure 2. Water System - Comparison of Revenues and Revenue Requirements

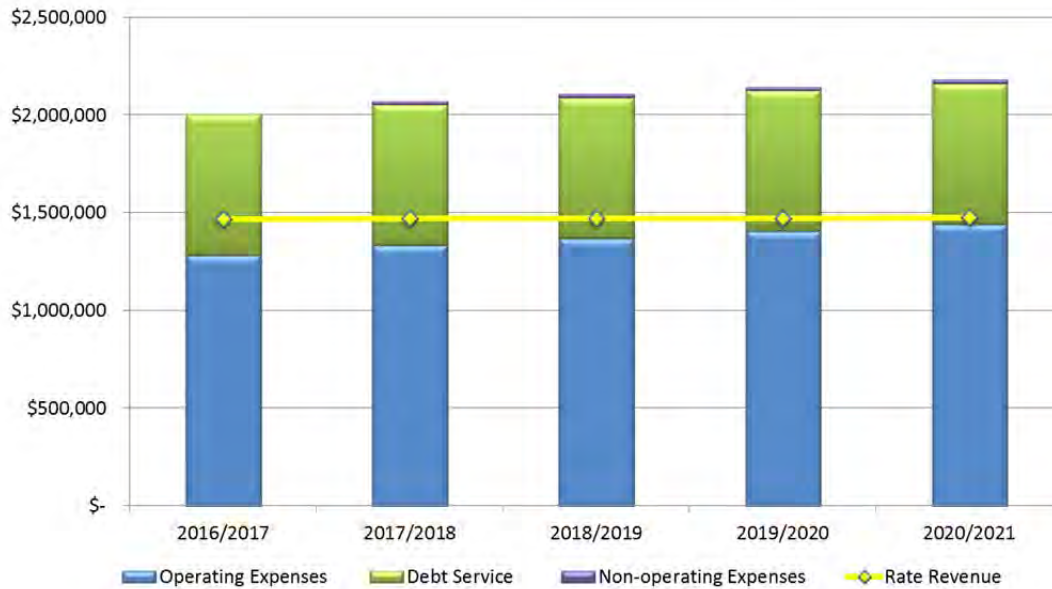


Sewer System

Total revenue requirements, including O&M expenses, debt service obligations, and other expenditures and transfers for the sewer system are projected to grow from \$2.00 million in FY 2016/17 to \$2.18 million in FY

2021, as shown in Figure 3. Projected revenues under existing rates will not be adequate to meet the projected sewer system revenue requirements without some rate adjustment beginning in FY 2017/18.

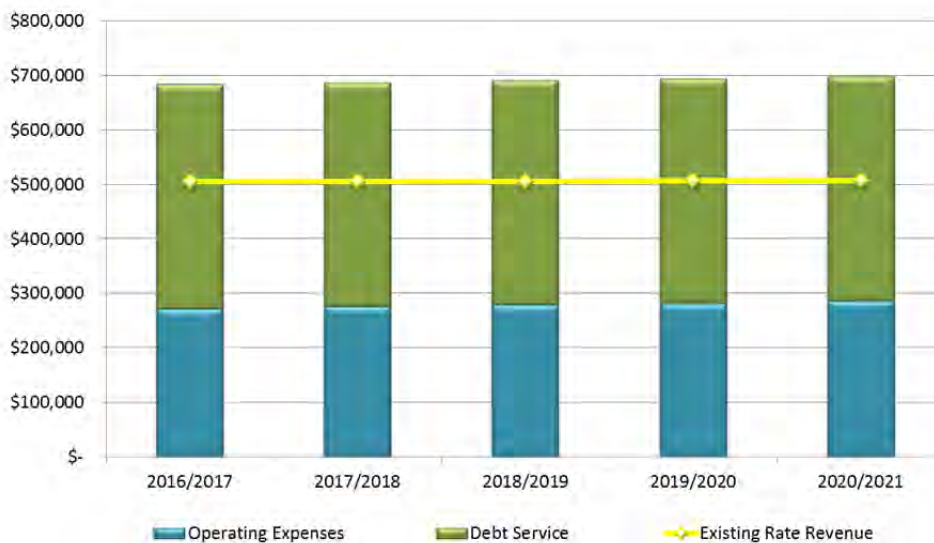
Figure 2. Water System - Comparison of Revenues and Revenue Requirements



Stormwater Utility

Total revenue requirements, including O&M expenses, debt service obligations, and other expenditures and transfers for the stormwater utility are projected to grow from \$0.684 million in FY 2016/17 to \$0.698 million in FY 2021, as shown in Figure 3. Based on a comparison of the projected revenues under existing rates and the projected revenue requirements, it is evident that the revenues under existing rates will not be adequate to meet the projected requirements without some rate adjustment beginning in FY 2018.

Figure 3. Stormwater System - Comparison of Revenues and Revenue Requirements



Summary of Results

The following sections present the results of the financial review and analysis. The presentation of the results is structured as follows:

- 1) The combined water/sewer utility and stormwater utility revenue requirements or pro forma of the respective utilities based on the budgeted and anticipated revenues and expenditures for each of the utilities. Note: For the water and sewer utility, the pro forma is further broken down into each of the respective system components (i.e. water and sewer systems).
- 2) The reserve accumulation and performance against target levels for each identified fund for each system.
- 3) The associated proposed rate adjustments for each system.
- 4) Total Debt Service Coverage Results

Revenue Adjustment Drivers Overview

The following is a brief overview of the factors driving the proposed revenue adjustments for the water and sewer and stormwater Utilities:

- As previously noted, revenue adjustments will be required in order to meet projected costs and debt service payments associated with each system throughout the study period.
- Additionally, Debt Service Coverage requirements are also a significant driver for the proposed revenue adjustments contemplated herein.
 - It is anticipated that in order to meet this requirements in FY 2016/17, the Town will need to rely upon the Rate Stabilization Fund balances to achieve coverage requirements. Note - these funds will need to be replenished over the study period in order to reach the target fund balance.
 - Furthermore, based upon the current budget and the underlying assumptions for each system, the analysis shows that adjustments will be required beginning in FY 2017/18 and throughout the later years of the study period in order to continue to meet coverage.
- In the case of the sewer and stormwater systems, the systems will be reliant upon existing unrestricted operating reserves in order to cover costs, until such time that the systems generate sufficient revenues to achieve a positive net annual income.
- Each system will need to plan for contributions to the Renewal, Replacement and Improvement Fund balances and reestablishing rate stabilization fund reserves.
 - To meet the target Renewal, Replacement and Improvement Fund balances, each system will transfer funds from their respective unrestricted operating reserve funds to achieve the target. Deposits from positive net incomes will be made as applicable.
- In order to begin rebalancing each the financial contribution from each system, revenue adjustments were proposed in order to achieve debt service coverage targets at the system level and to begin to reduce the sewer and stormwater system's reliance upon water system revenues.
 - Currently, the water system is supporting the debt service coverage requirements for both the sewer and stormwater systems. The analysis performed for each system aims to have each system meet debt service coverage requirements by the end of the study period.
 - The water system supports the operation and maintenance and capital costs of the sewer system via an annual transfer of funds. While the proposed revenue adjustments contained herein do not eliminate the water system transfer to sewer, the adjustments begin to set up the sewer system to better meet its own needs at the system level.

Based upon the above factors, a series of suggested multi-year revenue adjustments are recommended and discussed in the following sections along with each system's performance against fund balance targets and the overall debt service coverage achieved.

Note: A full cost of service (COS) study was not conducted as part of this study. As such, the contemplated revenue adjustments for the water, sewer and stormwater systems are evenly distribute across all customer classes. A COS study would further evaluate the revenue requirements (or costs) of each system, the service demands placed upon the system based upon the utility customer classes' service characteristics and distribute each utility's costs to the customer classes accordingly. This helps to establish the basis for equitable rates and charges across various customer classes. Industry best management practice recommends reviewing COS every 3 to 5 years or when significant changes have occurred within the utility. Given the significant changes to the utilities and the length of time that has passed, Black & Veatch would recommend that the Town consider conducting a complete COS study in the immediate future.

Combined Water and Sewer Utility Analysis

Table 10, presented on the following page, illustrates the revenue requirements or pro forma of the combined water and sewer utility based on budgeted and anticipated revenues and expenditures of the utility. As previously noted in the assumptions, minimal customer growth is anticipated beginning in FY 2017/18. Water purchase and sewer disposal costs are assumed to increase 6.0 percent and 5.0 percent, respectively in FY 2017/18 and 3 percent thereafter.

This pro forma analysis reflects system level revenue adjustments for the water and sewer components of the combined utilities beginning in FY 2017/18. These adjustments are needed to meet utility expenses, debt service obligations and achieve target fund balances by the end of the study period.

Meeting debt service coverage requirements for the aggregate of the water and sewer utility and the stormwater utility in FY 2016/2017 is reliant upon use of the Rate Stabilization Fund which at the end of FY 2015/16, consisted of a balance of \$651,444 (as presented in Table 6).

- To meet the requirements of the bond covenants, an estimated \$595,000 of the existing balance will be utilized.
- Additional withdrawals from the Rate Stabilization Fund are avoided via the proposed FY 2017/18 revenue adjustments.
- Replenishing these funds in future years is treated as a revenue adjustment beginning with \$0.100 million in FY 2018/19 and increasing to \$0.161 million by FY 2020/21 to achieve the target fund balance.

With the proposed adjustments, overall operating revenues are forecast to increase from \$3.610 million in FY 2016/17 to \$4.309 million in FY 2020/21. Net income on an annual basis is projected to increase from \$0.264 million in FY 2016/2017 to \$0.667 million by the end of the study period.

Table 10. Combined Water and Sewer Utility Revenue Requirements

Description	Budget		Forecast		
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Operating Revenue					
Water Sales and Sewer Service Revenues	\$ 3,012,750	\$ 3,015,763	\$ 3,018,779	\$ 3,021,797	\$ 3,024,819
Tapping Fees	-	-	-	-	-
Penalties	2,500	2,500	2,500	2,500	2,500
Total Operating Revenue	3,015,250	3,018,263	3,021,279	3,024,297	3,027,319
Additional Rate Revenue Required					
	<i>Year</i>	<i>Revenue Increase</i>	<i>Months Effective</i>		
	2016/2017	0.00%	3	-	-
	2017/2018	20.00%	12	603,153	604,964
	2018/2019	7.44%	12	269,368	269,907
	2019/2020	7.49%	12	291,952	292,244
	2020/2021	6.57%	12	-	275,538
Total Additional Water Sales Revenue				1,165,949	1,442,653
Transfer to/from Rate Stabilization	595,000	-	(100,000)	(131,000)	(161,000)
Total Operating Revenue	3,610,250	3,621,415	3,794,402	4,059,246	4,308,972
O&M Expenses					
Personnel	338,017	343,087	348,234	353,457	358,759
Operations	306,024	309,084	312,175	315,297	318,450
Water Purchases and Sewage Disposal	1,469,868	1,548,384	1,594,835	1,642,680	1,691,960
Total O&M Expenses	2,113,909	2,200,555	2,255,244	2,311,434	2,369,169
Net Operating Income	1,496,341	1,420,860	1,539,158	1,747,812	1,939,802
Debt Service					
Existing Debt Service (Revenue Bonds)	798,937	798,937	798,937	798,937	798,936
Existing Debt Service (SRF)	433,426	433,426	433,426	433,426	433,426
Total Debt Service	1,232,363	1,232,363	1,232,363	1,232,363	1,232,362
Non-Operating Revenue					
Interest Income	-	-	-	-	-
Total Non-Operating Revenue	-	-	-	-	-
Non-Operating Expenses					
Capital Outlay (excl Improvements)	-	35,000	36,750	38,588	40,517
Regions Bank Prepayment Penalty	-	-	-	-	-
Other Transfers	-	-	-	-	-
Rate Funded Capital Project Expenses	-	-	-	-	-
Total Non-Operating Expenses	-	35,000	36,750	38,588	40,517
Net Income (Loss) ¹	\$ 263,978	\$ 153,497	\$ 270,046	\$ 476,862	\$ 666,923

1. Positive net income to be applied to fund balances.

Source: Town of Surfside; Black & Veatch.

Table 11 on the following page presents the combined fund balance information for the water and sewer utility as these systems are part of the same enterprise fund. Based on the assumptions and data provided, all reserve fund targets are projected to be met by FY 2020/2021. Fund performance for the combined water and sewer utility system is forecast as follows:

- **Renewal & Replacement Fund:**
 - The beginning FY 2016/17 balance of \$0.209 million is below the \$0.244 million target level.
 - To achieve the target fund balance by the end of FY 2016/17, transfers of \$10,497 are from unrestricted operating reserves and deposits of \$25,405 from positive net income are planned.
 - The fund balance is held constant for the remainder of the study period as no additional deposits are required.
- **Rate Stabilization Reserve Fund:**
 - To meet the requirements of the bond covenants, an estimated \$0.595 million of the existing \$0.651 million balance are planned to be utilized.
 - Replenishment of these funds begins with \$0.100 million in FY 2018/19 and increasing to \$0.161 million in FY 2020/21 to achieve the target fund balance of \$0.446 million.
 - Note the existing fund balance is in excess of the 10% rate revenue target. Therefore reserves were only brought back to target levels over the study period.
- **Unrestricted Operating Reserve:**
 - The current FY 2016/17 balance of \$1.114 million is in excess of the 25% of current year O&M costs, which is estimated at \$0.528 million based on the current fiscal year budget.
 - Withdrawals are planned
 - To transfer \$10,497 to the Renewal & Replacement Fund in FY 2016/17.
 - To help fund \$0.109 million in negative net income associated with the sewer system in FY 2017/18.
- **Debt Retirement Fund:**
 - As previously noted, this is a new restricted fund, contemplated as part of this analysis.
 - The purpose of the reserve fund is to set aside funds to address increased debt service payments in the future. Monies would be only deposited to this fund when system level fund balances are at or approaching their target levels.
 - As this is a new fund the beginning balance is zero in FY 2016/17. The ending balance is projected to be \$1.915 million by FY 2020/21.
- **Overall Fund Equity:**
 - The overall water and sewer utility systems fund balance is projected to increase from \$1.974 million in FY 2016/17 to \$3.602 million in FY 2020/2021.

Table 11. Combined Water and Sewer Utility Fund Analysis

Description	Budget		Forecast		
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Total Fund Equity - Water and Sewer Utility					
Beginning Balance ¹	\$ 1,973,763	\$ 1,642,741	\$ 1,796,239	\$ 2,166,284	\$ 2,774,146
Restricted Net Assets - Renewal & Replacement Reserves					
Beginning Balance	\$ 208,560	\$ 244,462	\$ 244,462	\$ 244,462	\$ 244,462
Transfer from Unrestricted Net Assets	10,497	-	-	-	-
Deposit from Positive Net Income	25,405	-	-	-	-
Ending Balance	\$ 244,462	\$ 244,462	\$ 244,462	\$ 244,462	\$ 244,462
Target Balance: 1% of Gross Book Value	244,462	244,462	244,462	244,462	244,462
Funds Available for Capital Improvements	0	0	0	0	0
Restricted Net Assets - Rate Stabilization Reserves					
Beginning Balance	\$ 651,144	\$ 56,144	\$ 56,144	\$ 156,144	\$ 287,144
Transfer to/from Revenue Fund	(595,000)	-	100,000	131,000	161,000
Transfer to/from Operating Reserves	-	-	-	-	-
Ending Balance	\$ 56,144	\$ 56,144	\$ 156,144	\$ 287,144	\$ 448,144
Target Balance: Up to 10% of Rate Revenues	301,275	361,892	389,190	418,775	446,747
Unrestricted Net Assets - Operating					
Beginning Balance	\$ 1,114,059	\$ 1,103,562	\$ 994,422	\$ 994,422	\$ 994,422
Unrestricted Net Assets Transfer to/from Renewal & Replacem	(10,497)	-	-	-	-
Unrestricted Net Assets to Fund Negative Net Income	-	(109,140)	-	-	-
Deposit from Positive Net Income	-	-	-	-	-
Ending Balance	\$ 1,103,562	\$ 994,422	\$ 994,422	\$ 994,422	\$ 994,422
Target Balance: Up to 25% of Current Year O&M	528,477	550,139	563,811	577,858	592,292
Restricted Net Assets - Debt Retirement Fund					
Beginning Balance	-	238,573	501,211	771,257	1,248,119
Deposit from Positive Net Income	238,573	262,638	270,046	476,862	666,923
Ending Balance	238,573	501,211	771,257	1,248,119	1,915,042
Total Ending Balance	\$ 1,642,741	\$ 1,796,239	\$ 2,166,284	\$ 2,774,146	\$ 3,602,069

1. The Water and Sewer Utility's share of total fund equity balances. This figure is based upon the CAFR for Fiscal Year Ending 9/30/2016.

Allocations are subject to Town approval.

Source: Town of Surfside; Black & Veatch.

Note that the sewer system is reliant upon transfers from the water system as well as existing unrestricted fund balances throughout the study period. Deposits to the "Debt Service Retirement Fund" are driven by water revenues throughout the study period. This dynamic is illustrated in the water and sewer system analyses presented in the following pages.

Water System Analysis

Table 12, presented on the following page, illustrates the pro forma for the water system based on budgeted and anticipated revenues and expenditures of the water system. As previously noted in the assumptions, minimal customer growth is anticipated beginning in FY 2017/18. Water purchase costs are assumed to increase 6.0 percent in FY 2017/18 and 3 percent thereafter.

Annual revenue adjustments for the water system begin in FY 2017/18 at a recommended level of 20% and decrease to 3% in FY 2020/21. These adjustments are needed to meet utility expenses, debt service obligations and achieve target fund balances by the end of the study period. Note the water system also supports the sewer system via an annual transfer of funds after operating income. In FY 2016/17 this totaled \$0.200 million and is expected to continue for the foreseeable future.

As previously noted, meeting debt service coverage requirements for the aggregate of the water and sewer utility and the stormwater utility in FY 2016/2017 is reliant upon use of the Rate Stabilization Fund. The water systems portion of the Rate Stabilization Fund Balance was \$0.271 million at the end of FY 2015/16.

- To meet the requirements of the bond covenants, an estimated \$0.250 of the water system portion of the existing balance will be utilized.
- Additional withdrawals from the Rate Stabilization Fund are avoided via the proposed FY 2017/18 revenue adjustments.
- Replenishing these funds in future years is treated as a revenue adjustment beginning with \$0.050 million in FY 2018/19 and increasing to \$0.076 million by FY 2020/21 to achieve the target system fund balance of \$0.211 million.

With the proposed adjustments, overall water system operating revenues are forecast to increase from \$1.796 million in FY 2016/17 to \$2.039 million in FY 2020/21. Net income on an annual basis is projected to increase from \$0.253 million in FY 2016/2017 to \$0.329 million by the end of the study period.

Table 12. Water System Revenue Requirements

Description	Budget		Forecast		
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Operating Revenue					
Water Sales (before increase)	\$ 1,545,000	\$ 1,546,545	\$ 1,548,092	\$ 1,549,640	\$ 1,551,189
Tapping Fees	-	-	-	-	-
Penalties	1,250	1,250	1,250	1,250	1,250
Total Operating Revenue	1,546,250	1,547,795	1,549,342	1,550,890	1,552,439
Additional Rate Revenue Required					
	<i>Year</i>	<i>Revenue Increase</i>	<i>Months Effective</i>		
	2016/2017	0.00%	3	-	-
	2017/2018	20.00%	12	309,309	310,238
	2018/2019	5.00%	12	92,885	93,071
	2019/2020	5.00%	12	97,627	97,725
	2020/2021	3.00%	12	-	61,567
Total Additional Water Sales Revenue	-	309,309	402,504	500,534	562,601
Transfer to/from Rate Stabilization	250,000	-	(50,000)	(65,000)	(76,000)
Total Operating Revenue	1,796,250	1,857,104	1,901,845	1,986,423	2,039,040
O&M Expenses					
Personnel	169,009	171,544	174,117	176,729	179,379
Operations	158,012	159,592	161,188	162,800	164,428
Water Purchases (MDWSD)	502,213	532,346	548,316	564,766	581,709
Total O&M Expenses	829,234	863,482	883,621	904,294	925,516
Net Operating Income	967,017	993,622	1,018,224	1,082,129	1,113,524
Debt Service					
Existing Debt Service (Revenue Bonds)	332,890	332,890	332,890	332,890	332,890
Existing Debt Service (SRF)	180,594	180,594	180,594	180,594	180,594
Total Debt Service	513,485	513,485	513,485	513,485	513,484
Non-Operating Revenue					
Interest Income	-	-	-	-	-
Total Non-Operating Revenue	-	-	-	-	-
Non-Operating Expenses					
Capital Outlay (excl Improvements)	-	17,500	18,375	19,294	20,258
Regions Bank Prepayment Penalty	-	-	-	-	-
Transfer to Sewer Revenues	200,000	200,000	250,000	250,000	250,000
Rate Funded Capital Project Expenses	-	-	-	-	-
Total Non-Operating Expenses	200,000	217,500	268,375	269,294	270,258
Net Income (Loss) ¹	\$ 253,532	\$ 262,638	\$ 236,365	\$ 299,351	\$ 329,781

1. Positive net income to be applied to fund balances.

Source: Town of Surfside; Black & Veatch.

On the following page, Table 13 presents the fund balance information for the water system. All reserve fund targets are projected to be met by FY 2020/2021. Fund performance of the water system is forecast as follows:

- **Renewal & Replacement Fund:**
 - The beginning FY 2016/17 balance of \$0.086 million is below the \$0.102 million target level.
 - To achieve the target fund balance by the end of FY 2016/17, a deposit of \$14,959 from positive net income is planned.
 - No additional deposits are required over the study period.
- **Rate Stabilization Reserve Fund:**
 - To meet the requirements of the bond covenants, an estimated \$0.250 million of the existing \$0.271 million balance are planned to be utilized.
 - Replenishment of these funds begins with \$0.050 million in FY 2018/19 and increasing to \$0.076 million in FY 2020/21 to achieve the target fund balance of \$0.211 million.
 - Note the existing fund balance is in excess of the 10% rate revenue target. Therefore reserves were only brought back to target levels by the end of the study period.
- **Unrestricted Operating Reserve:**
 - The current FY 2016/17 balance for the water system is \$0.464 million.
 - This exceeds the target 25% of Current Year O&M target, which is \$0.207 million in FY 16/17.
 - No withdrawals or deposits are planned.
- **Debt Retirement Fund**
 - As previously noted, this is a new restricted fund, contemplated as part of this analysis.
 - The purpose of the reserve fund is to set aside funds do address increased debt service payments in the future. Monies would be only deposited to this fund when system level fund balances are at or approaching their target levels.
 - As this is a new fund the beginning balance is zero in FY 2016/17. The ending balance is projected to be \$1.367 million by FY 2020/21.
- **Overall Fund Equity:**
 - The overall water system fund balance is projected to increase from \$0.822 million in FY 2016/17 to \$2.145 million in FY 2020/2021.

Table 13. Water System Fund Analysis

Description	Budget		Forecast		
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Total Fund Equity - Water Only					
Beginning Balance ¹	\$ 822,401	\$ 825,933	\$ 1,088,571	\$ 1,374,936	\$ 1,739,287
Restricted Net Assets - Renewal & Replacement Reserves					
Beginning Balance	\$ 86,900	\$ 101,859	\$ 101,859	\$ 101,859	\$ 101,859
Transfer from Unrestricted Net Assets	-	-	-	-	-
Surplus from CIP Program (after bond issue)	-	-	-	-	-
Deposit from Positive Net Income	14,959	-	-	-	-
Ending Balance	\$ 101,859	\$ 101,859	\$ 101,859	\$ 101,859	\$ 101,859
Target Balance: 1% of Gross Book Value	101,859	101,859	101,859	101,859	101,859
Funds Available for Capital Improvements	0	0	0	0	0
Restricted Net Assets - Rate Stabilization Reserves					
Beginning Balance	\$ 271,310	\$ 21,310	\$ 21,310	\$ 71,310	\$ 136,310
Transfer to/from Revenue Fund	(250,000)	-	50,000	65,000	76,000
Transfer to/from Operating Reserves	-	-	-	-	-
Ending Balance	\$ 21,310	\$ 21,310	\$ 71,310	\$ 136,310	\$ 212,310
Target Balance: Up to 10% of Rate Revenues	154,500	185,585	195,060	205,017	211,379
Unrestricted Net Assets - Operating					
Beginning Balance	\$ 464,191	\$ 464,191	\$ 464,191	\$ 464,191	\$ 464,191
Unrestricted Net Assets Transfer to/from Renewal & Replacem	-	-	-	-	-
Unrestricted Net Assets to Fund Negative Net Income	-	-	-	-	-
Deposit from Positive Net Income	-	-	-	-	-
Ending Balance	\$ 464,191	\$ 464,191	\$ 464,191	\$ 464,191	\$ 464,191
Target Balance: Up to 25% of Current Year O&M	207,308	215,870	220,905	226,074	231,379
Restricted Net Assets - Debt Retirement Fund					
Beginning Balance	-	238,573	501,211	737,576	1,036,927
Deposit from Positive Net Income	238,573	262,638	236,365	299,351	329,781
Ending Balance	238,573	501,211	737,576	1,036,927	1,366,708
Total Ending Balance	\$ 825,933	\$ 1,088,571	\$ 1,374,936	\$ 1,739,287	\$ 2,145,068

1. The Water Utility's share of total fund equity balance. This figure is based on CAFR for fiscal year ending 9/30/2016.

Allocations are subject to Town approval.

Source: Town of Surfside; Black & Veatch.

To conclude the analysis for the water utility, Tables 14 through 16 illustrate the resulting fixed bi-monthly water charges and the variable-based consumption rates based upon across the board application of the revenue adjustments.

Table 14. Bi-Monthly Water Base Charges

Meter Size	Current	Forecast			
		2017/2018	2018/2019	2019/2020	2020/2021
5/8"	\$ 27.81	\$ 33.37	\$ 35.04	\$ 36.79	\$ 37.89
1"	40.45	48.54	50.97	53.51	55.12
1 1/2"	61.52	73.82	77.51	81.39	83.83
2"	86.80	104.16	109.37	114.84	118.28
3"	145.79	174.95	183.70	192.88	198.67
4"	230.06	276.08	289.88	304.37	313.51
6"	440.75	528.90	555.34	583.11	600.60
8"	693.57	832.28	873.89	917.59	945.12

Sources: Town of Surfside; Black & Veatch.

Table 15. Residential Customers - Water Consumption Charges

Description	Current	Forecast			
		2017/2018	2018/2019	2019/2020	2020/2021
Rate per 1,000 gal					
Block 1 (0 - 12,000 gal)	2.97	3.56	3.74	3.93	4.05
Block 2 (12,001 - 24,000 gal)	3.56	4.28	4.49	4.71	4.86
Block 3 (above 24,000 gal)	5.94	7.13	7.48	7.86	8.09

Sources: Town of Surfside; Black & Veatch.

Table 16. All Other Customers - Water Consumption Charges

Description	Current	Forecast			
		2017/2018	2018/2019	2019/2020	2020/2021
Rate per 1,000 gal					
Uniform Rate	\$ 3.54	4.25	4.46	4.68	4.82

Sources: Town of Surfside; Black & Veatch.

Sewer System Analysis

Table 17 illustrates the pro forma of the sewer system based on budgeted and anticipated revenues and expenditures. The revenue adjustments are required to fund anticipated operating and capital expenses; meet debt service obligations; attain target fund balances; and begin to reduce the sewer system's reliance on the water system. As previously noted in the assumptions, minimal customer growth is anticipated beginning in FY 2017/18. Sewer disposal costs are expected to increase 5.0 percent in FY 2017/18 and 3 percent thereafter.

Annual revenue adjustments for the sewer system begin in FY 2017/18 at a recommended level of 20% and 10% thereafter for the remainder of the study period. These adjustments are needed to meet utility expenses, debt service obligations and achieve target fund balances by the end of the study period. Note the system also supports the sewer system via an annual transfer of funds after operating income. In FY 2016/17 this totaled \$0.200 million and is expected to continue for the foreseeable future.

As previously noted, meeting debt service coverage requirements for the aggregate of the water and sewer utility and the stormwater utility in FY 2016/2017 is reliant upon use of the Rate Stabilization Fund. The sewer systems portion of the Rate Stabilization Fund Balance was \$0.380 million at the end of FY 2015/16.

- To meet the requirements of the bond covenants, an estimated \$0.345 of the sewer system's existing balance will be utilized.
- Additional withdrawals from the Rate Stabilization Fund are avoided via the proposed FY 2017/18 revenue adjustments.
- Replenishing these funds in future years is treated as a revenue adjustment beginning with \$0.050 million in FY 2018/19 and increasing to \$0.085 million by FY 2020/21 to achieve the target system fund balance of \$0.236 million.

With the proposed adjustments, overall sewer system operating revenues are forecast to increase from \$1.814 million in FY 2016/17 to \$2.270 million in FY 2020/21. Net income on an annual basis is projected to increase from \$0.010 million in FY 2016/2017 to \$0.337 million by the end of the study period.

Table 17. Sewer System Revenue Requirements

Description	Budget		Forecast		
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Operating Revenue					
Service Revenues	\$ 1,467,750	\$ 1,469,218	\$ 1,470,687	\$ 1,472,158	\$ 1,473,630
Penalties	1,250	1,250	1,250	1,250	1,250
Total Operating Revenue	1,469,000	1,470,468	1,471,937	1,473,408	1,474,880
Additional Rate Revenue Required					
	<i>Revenue Increase</i>	<i>Months Effective</i>			
Year					
2016/2017	0.00%	3	-	-	-
2017/2018	20.00%	12	-	294,432	294,726
2018/2019	10.00%	12	-	176,659	176,836
2019/2020	10.00%	12	-	194,325	194,519
2020/2021	10.00%	12	-	-	213,971
Total Additional Sewer Charge Revenue	-	293,844	470,620	665,415	880,052
Transfer to/from Rate Stabilization Fund	345,000	-	(50,000)	(66,000)	(85,000)
Total Required Revenue	1,814,000	1,764,311	1,892,557	2,072,823	2,269,932
O&M Expenses					
Personnel	169,009	171,544	174,117	176,729	179,379
Operations	148,012	149,492	150,987	152,497	154,022
Sewage Disposal (City of Miami Beach)	967,655	1,016,038	1,046,519	1,077,914	1,110,252
Total O&M Expenses	1,284,676	1,337,073	1,371,623	1,407,140	1,443,653
Net Operating Income	529,325	427,238	520,934	665,683	826,278
Debt Service					
Existing Debt Service (Revenue Bonds)	466,046	466,046	466,046	466,046	466,046
Existing Debt Service (SRF)	252,832	252,832	252,832	252,832	252,832
Total Debt Service	718,878	718,878	718,878	718,878	718,878
Non-Operating Revenue					
Interest Income	-	-	-	-	-
Total Non-Operating Revenue	-	-	-	-	-
Non-Operating Revenue					
Interest Income	-	-	-	-	-
Transfer from Water Revenues	200,000	200,000	250,000	250,000	250,000
Total Non-Operating Revenue	200,000	200,000	250,000	250,000	250,000
Non-Operating Expenses					
Capital Outlay (excl Improvements)	-	17,500	18,375	19,294	20,258
Regions Bank Prepayment Penalty	-	-	-	-	-
Rate Funded Capital Projects	-	-	-	-	-
Total Non-Operating Expenses	-	17,500	18,375	19,294	20,258
Net Income (Loss) ¹	\$ 10,446	\$ (109,140)	\$ 33,681	\$ 177,511	\$ 337,142

1. Positive net income to be applied to fund balances.

Source: Town of Surfside; Black & Veatch.

Table 18 (on the next page) presents the fund balance information for the sewer system. All reserve fund targets are projected to be met by FY 2020/2021. Fund performance of the sewer system is forecast as follows:

- **Renewal & Replacement Fund:**
 - The beginning FY 2016/17 balance of \$0.121 million is below the \$0.1422 million target level.
 - To achieve the target fund balance by the end of FY 2016/17, transfers of \$10,497 are from unrestricted operating reserves and deposits of \$10,446 from positive net income are planned.
 - No additional deposits are required over the study period.
- **Rate Stabilization Reserve Fund:**
 - To meet the requirements of the bond covenants, an estimated \$0.345 million of the existing \$0.380 million balance are planned to be utilized.
 - Replenishment of these funds begins with \$0.050 million in FY 2018/19 and increasing to \$0.085 million in FY 2020/21 to achieve the target fund balance of \$0.236 million.
 - Note the existing fund balance is in excess of the 10% rate revenue target. Therefore reserves were only brought back to target levels by the end of the study period.
- **Unrestricted Operating Reserve:**
 - The current FY 2016/17 balance for the sewer system is \$0.650 million.
 - This exceeds the target 25% of Current Year O&M target, which is \$0.321 million in FY 16/17.
 - Withdrawals are planned
 - To transfer \$10,497 to the Renewal & Replacement Fund in FY 2016/17.
 - To help fund \$0.109 million in negative net income in FY 2017/18.
 - No further deposits or withdrawals are planned.
 - The ending balance is projected to be \$0.530 million in FY 2020/21.
- **Debt Retirement Fund**
 - As previously noted, this is a new restricted fund, contemplated as part of this analysis.
 - The purpose of the reserve fund is to set aside funds to address increased debt service payments in the future. Monies would be only deposited to this fund when system level fund balances are at or approaching their target levels.
 - As this is a new fund the beginning balance is zero in FY 2016/17. Deposits are anticipated to begin in FY 2018/19. The ending balance is projected to be \$0.548 million by FY 2020/21.
- **Overall Fund Equity:**
 - The overall sewer system fund balance is projected to increase from \$1.51 million in FY 2016/17 to \$1.457 million in FY 2020/2021.

Table 18. Sewer System Fund Analysis

Description	Budget		Forecast		
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Total Fund Equity - Sewer Only					
Beginning Balance ¹	\$ 1,151,362	\$ 816,808	\$ 707,667	\$ 791,348	\$ 1,034,859
Restricted Net Assets - Renewal & Replacement Reserves					
Beginning Balance	\$ 121,660	\$ 142,603	\$ 142,603	\$ 142,603	\$ 142,603
Transfer from Unrestricted Net Assets	10,497	-	-	-	-
Surplus from CIP Program (after bond issue)	-	-	-	-	-
Deposit from Positive Net Income	10,446	-	-	-	-
Ending Balance	\$ 142,603	\$ 142,603	\$ 142,603	\$ 142,603	\$ 142,603
Target Balance: 1% of Gross Book Value	142,603	142,603	142,603	142,603	142,603
Funds Available for Capital Improvements	0	0	0	0	0
Restricted Net Assets - Rate Stabilization Reserves					
Beginning Balance	\$ 379,834	\$ 34,834	\$ 34,834	\$ 84,834	\$ 150,834
Transfer to/from Revenue Fund	\$ (345,000)		\$ 50,000	\$ 66,000	\$ 85,000
Transfer to/from Operating Reserves	-	-	-	-	-
Ending Balance	\$ 34,834	\$ 34,834	\$ 84,834	\$ 150,834	\$ 235,834
Target Balance: Up to 10% of Rate Revenues	146,775	176,306	194,131	213,757	235,368
Unrestricted Net Assets - Operating					
Beginning Balance	\$ 649,868	\$ 639,371	\$ 530,230	\$ 530,230	\$ 530,230
Unrestricted Net Assets Transfer to/from Renewal & Replacement	(10,497)				
Unrestricted Net Assets to Fund Negative Net Income	-	(109,140)	-	-	-
Ending Balance	\$ 639,371	\$ 530,230	\$ 530,230	\$ 530,230	\$ 530,230
Target Balance: Up to 25% of Current Year O&M	321,169	334,268	342,906	351,785	360,913
Restricted Net Assets - Debt Retirement Fund					
Beginning Balance	-	0	0	33,681	211,192
Deposit from Positive Net Income	0	-	33,681	177,511	337,142
Ending Balance	0	0	33,681	211,192	548,334
Total Ending Balance	\$ 816,808	\$ 707,667	\$ 791,348	\$ 1,034,859	\$ 1,457,001

1. The Sewer Utility's share of total fund equity balance. This figure is based on CAFR for fiscal year ending 9/30/2016.

Source: Town of Surfside; Black & Veatch.

To conclude the analysis for the sewer system, the following tables illustrate the resulting uniform flow rate and bi-monthly base charge for all sewer customers based upon across the board application of the revenue adjustments.

Table 19. Sewer Uniform Flow Rate and Bi-Monthly Fixed Charge

Description	Current	Forecast			
		2017/2018	2018/2019	2019/2020	2020/2021
Rate per 1,000 gal					
Uniform Flow Rate	\$ 5.41	\$ 6.49	\$ 7.14	\$ 7.86	\$ 8.64
Rate per 1,000 gal					
Bi-Monthly Fixed Charge	\$ 6.88	\$ 8.26	\$ 9.08	\$ 9.99	\$ 10.99

Sources: Town of Surfside; Black & Veatch.

Stormwater System Analysis

The table on the next page (Table 20) illustrates the pro forma of the stormwater utility based on budgeted and anticipated revenues and expenditures of the utility. This pro forma analysis assumes annual revenue adjustments beginning in FY 2017/18. Meeting debt service coverage requirements for the aggregate of the water and sewer utility and the stormwater utility in FY 2016/2017 is reliant upon use of the Rate Stabilization Fund in FY 2016/17. In the case of the stormwater utility, revenue adjustments higher than those contemplated for the water and sewer utility are need to meet utility expenses, meet debt service obligations at the system level and achieve target fund balances by the end of the study period.

Annual revenue adjustments for the stormwater system begin in FY 2017/18 at a recommended level of 20% and 10% thereafter for the remainder of the study period. These adjustments are needed to meet utility expenses, debt service obligations and achieve target fund balances by the end of the study period.

With the proposed adjustments, overall stormwater system operating revenues are forecast to increase from \$0.505 million in FY 2016/17 to \$0.746 million in FY 2020/21. Net income on an annual basis is projected to increase from \$(0.179) million in FY 2016/2017 to \$0.048 million by the end of the study period.

Table 20. Stormwater Utility Revenue Requirements

Description	Budget		Forecast		
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Operating Revenue					
Stormwater Revenue	\$ 505,000	\$ 505,000	\$ 505,505	\$ 506,011	\$ 506,517
Total Operating Revenue	505,000	505,000	505,505	506,011	506,517
Additional Rate Revenue Required					
	<i>Year</i>	<i>Revenue Increase</i>	<i>Months Effective</i>		
	2016/2017	0.00%	3	-	-
	2017/2018	20.00%	12	101,000	101,202
	2018/2019	10.00%	12	-	60,721
	2019/2020	10.00%	12	-	66,793
	2020/2021	10.00%	12	-	73,546
Total Additional Stormwater Rate Revenue	-	101,000	161,762	228,717	302,492
Transfer to/from Rate Stabilization	-	-	-	(18,000)	(63,000)
Total Required Revenue	505,000	606,000	667,267	716,727	746,008
O&M Expenses					
Personnel	127,118	129,025	130,960	132,925	134,918
Operations	146,235	147,697	149,174	150,666	152,173
Total O&M Expenses	273,353	276,722	280,134	283,591	287,091
Net Operating Income	231,647	329,278	387,132	433,137	458,917
Debt Service					
Existing Debt Service (Revenue Bonds)	266,312	266,312	266,312	266,312	266,312
Existing Debt Service (SRF)	144,475	144,475	144,475	144,475	144,475
Total Debt Service	410,788	410,788	410,788	410,788	410,787
Non-Operating Expenses					
Capital Outlay (excl Improvements)	-	-	-	-	-
Regions Bank Prepayment Penalty	-	-	-	-	-
Rate Funded Capital Projects	-	-	-	-	-
Total Non-Operating Expenses	-	-	-	-	-
Net Income (Loss) ¹	\$ (179,141)	\$ (81,510)	\$ (23,655)	\$ 22,349	\$ 48,130

1. Positive net income to be applied to fund balances.

Source: Town of Surfside; Black & Veatch.

Table 21 presents the fund balance information for the stormwater utility system. Note that the stormwater utility is a separate enterprise fund. All reserve fund targets are projected to be met by FY 2020/2021. Fund performance of the stormwater system is forecast as follows:

- **Renewal & Replacement Fund:**
 - The beginning FY 2016/17 balance of \$0.032 million is below the \$0.035 million target level.
 - To achieve the target fund balance by the end of FY 2016/17, a transfer of \$3,644 from unrestricted operating reserves is planned.

- No additional deposits are required over the study period.
- **Rate Stabilization Reserve Fund:**
 - Previously, the stormwater utility had not built up equity associated with the Rate Stabilization Funds.
 - The debt service coverage is met in aggregate with the Water and Sewer Utility and reliant upon use of the Rate Stabilization Fund from the water and sewer utility in FY 16/17 and FY 17/18.
 - Therefore, the stormwater revenue requirements reflect transfers to the Rate Stabilization Fund to meet the established 10% of rate revenue target by FY 2020/21.
 - Establishment of these funds begins with \$0.018 million in FY 2019/20 and increasing to \$0.063 million in FY 2020/21 to achieve the target fund balance of \$0.081 million based upon 10% of rate revenues.
- **Unrestricted Operating Reserve:**
 - The current FY 2016/17 balance for the stormwater system is \$0.371 million.
 - This exceeds the target 25% of Current Year O&M target, which is \$0.063 million in FY 16/17.
 - Withdrawals are planned:
 - To transfer \$3,644 to the Renewal & Replacement Fund in FY 2016/17.
 - To help fund negative net income as follows:
 - FY 2016/17 - \$0.179 million;
 - FY 2017/18 - \$0.082 million; and
 - FY 2018/19 - \$0.024 million.
 - Deposits of \$0.010 million are planned annually in FY 2019/20 and FY 2020/21 to achieve the target fund balance.
 - The ending balance if projected to be \$0.103 million in FY 2020/21.
- **Debt Retirement Fund**
 - As previously noted, this is a new restricted fund, contemplated as part of this analysis.
 - The purpose of the reserve fund is to set aside funds do address increased debt service payments in the future. Monies would be only deposited to this fund when system level fund balances are at or approaching their target levels.
 - As this is a new fund the beginning balance is zero in FY 2016/17. Deposits are anticipated to begin in FY 2019/20. The ending balance is projected to be \$0.050 million by FY 2020/21.
- **Overall Fund Equity:**
 - The overall sewer system fund balance is projected to increase from \$0.404 million in FY 2016/17 to \$0.270 million in FY 2020/2021.

- This reduction in overall fund equity is primarily due to the drawdown of unrestricted operating to cover net negative income from FY 2016/17 to FY 2018/19.
- However, even with this reduction in overall fund balances, the stormwater system meets its target fund balances accordingly by the end of the study period.
- An additional deposit is made to the Renewal & Replacement Fund via transfer from the Stormwater Utility unrestricted operating reserve in FY 2016/2017 to bring the fund level in alignment with the target balance.
- Previously, the stormwater utility had not built up equity associated with the Rate Stabilization Funds. The debt service coverage is met in aggregate with the Water and Sewer Utility and reliant upon use of the Rate Stabilization Fund from the water and sewer utility in FY 16/17 and FY 17/18. Therefore, the stormwater revenue requirements reflect transfers to the Rate Stabilization Fund to meet the established 10% of rate revenue target by FY 2020/21.

Table 21. Stormwater Fund Analysis

Description	Budget		Forecast		
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Total Fund Equity					
Beginning Balance ¹	\$ 403,538	\$ 224,397	\$ 142,888	\$ 119,232	\$ 159,581
Restricted Net Assets - Renewal & Replacement Reserves					
Beginning Balance	\$ 32,185	\$ 35,829	\$ 35,829	\$ 35,829	\$ 35,829
Transfer from Unrestricted Net Assets	3,644	-	-	-	-
Deposit from Positive Net Income	-	-	-	-	-
Ending Balance	\$ 35,829	\$ 35,829	\$ 35,829	\$ 35,829	\$ 35,829
Target Balance: 1% of Gross Book Value	35,829	35,829	35,829	35,829	35,829
Funds Available for Capital Improvements	(0)	(0)	(0)	(0)	(0)
Restricted Net Assets - Rate Stabilization Reserves					
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ 18,000
Transfer to/from Revenue Fund	-	-	-	18,000	63,000
Transfer to/from Operating Reserves	-	-	-	-	-
Ending Balance	\$ -	\$ -	\$ -	\$ 18,000	\$ 81,000
Target Balance: Up to 10% of Rate Revenues	50,500	60,600	66,727	73,473	80,901
Unrestricted Net Assets - Operating					
Beginning Balance	\$ 371,353	\$ 188,568	\$ 107,059	\$ 83,403	\$ 93,403
Unrestricted Net Assets Transfer to/from Renewal & Replacement	(3,644)	-	-	-	-
Unrestricted Net Assets to Fund Negative Net Income	(179,141)	(81,510)	(23,655)	-	-
Deposit from Positive Net Income	-	-	-	10,000	10,000
Ending Balance	\$ 188,568	\$ 107,059	\$ 83,403	\$ 93,403	\$ 103,403
Target Balance: Up to 25% of Current Year O&M	68,338	69,181	70,034	70,898	71,773
Restricted Net Assets - Debt Retirement Fund					
Beginning Balance	-	-	-	-	12,349
Deposit from Positive Net Income	-	-	-	12,349	38,130
Ending Balance	-	-	-	12,349	50,479
Total Ending Balance	\$ 224,397	\$ 142,888	\$ 119,232	\$ 159,581	\$ 270,711

1. The Stormwater Utility's share of total fund equity balance is based upon the utility's enterprise fund balances. This figure is based on the CAFR for 1. Allocations are subject to Town approval.

Source: Town of Surfside; Black & Veatch.

Table 22 presents the monthly stormwater rates as well as projected rates for the remainder of the study period.

Table 22. Stormwater Utility Rates

Service Type	Current	Forecast			
		2017/2018	2018/2019	2019/2020	2020/2021
Single Family Residential (1.0 ERU)	\$ 10.70	\$ 12.84	\$ 14.12	\$ 15.54	\$ 17.09
Multi Family Residential (1.0 ERU per dwelling unit)	\$ 10.70	\$ 12.84	\$ 14.12	\$ 15.54	\$ 17.09
Place of Worship (0.5 ERU per 1,300 sq. ft. of impervious area)	\$ 5.35	\$ 6.42	\$ 7.06	\$ 7.77	\$ 8.55
Non Residential Developed Property excluding Places of Worship (1.25 ERU per 1,300 sq. ft. of impervious area)	\$ 13.38	\$ 16.06	\$ 17.66	\$ 19.43	\$ 21.37

Sources: Town of Surfside; Black & Veatch.

Debt Service Coverage Performance

As previously discussed, debt Service Coverage requirements are also another significant factor driving the proposed revenue adjustments. In accordance with the methodology used for the latest Town Comprehensive Annual Financial Report (CAFR) for Fiscal Year Ending September 30, 2016, senior and subordinate debt coverage are considered separately with the following targets:

- Senior Debt (Revenue Bonds): 1.10
- Subordinate Debt (SRF): 1.15

Based upon the proposed revenue adjustments, the water and sewer and stormwater utilities, will meet both debt service coverage requirements throughout the study period. In addition, with increased sewer and stormwater revenues, each system will be able to meet coverage requirements on an individual system basis. The tables on the following page provide a summary of the estimated debt service coverage for the senior debt and subordinate debt, respectively. The proposed coverage ratios presented in these tables reflect the proposed revenue adjustments and associated rates included in this document.

Table 23 presents the aggregate senior debt service coverage for the water, sewer and stormwater systems.

Table 23. Estimated Debt Service Coverage Ratios – Senior Debt (2011 Utility Bonds)

	FISCAL YEAR				
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Combined Water/Sewer/Storm Net Operating Income	1,727,988	1,750,138	1,926,291	2,180,949	2,398,719
2011 Utility Bonds - Debt Service Requirement	1,065,249	1,065,249	1,065,249	1,065,249	1,065,249
Senior Debt Coverage Ratio	162%	164%	181%	205%	225%
Requirement	110%	110%	110%	110%	110%

Source: Town of Surfside; Black & Veatch.

Table 24 presents the aggregate subordinate debt service coverage for the water, sewer and stormwater systems.

Table 24. Estimated Debt Service Coverage Ratios – Subordinate Debt (SRF Loan)

	FISCAL YEAR				
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Combined Water/Sewer/Storm Net Operating Income	1,727,988	1,750,138	1,926,291	2,180,949	2,398,719
Less Revenue for Primary Debt Service	(1,065,249)	(1,065,249)	(1,065,249)	(1,065,249)	(1,065,249)
Adjusted Water/Sewer/Storm Operating Income	662,739	684,889	861,042	1,115,700	1,333,471
SRF Loan - Debt Service Requirement	577,901	577,901	577,901	577,901	577,901
Subordinate Debt Coverage Ratio	115%	119%	149%	193%	231%
Requirement	115%	115%	115%	115%	115%

Source: Town of Surfside; Black & Veatch.

Conclusions and Recommendations

A revenue adjustment of 20% is recommended for each system in FY 2017/18 in order to meet anticipated expenses and meet coverage requirements. Additional action will be required in subsequent years to continue to meet all utility obligations and metrics. Based on this, the Black & Veatch Team recommends the Town consider the implementation of a series of revenue adjustments to help achieve the following:

- 1) Meet annual revenue requirements;
- 2) Comply with debt service coverage requirements at the system level;
- 3) Achieve target fund balances;
- 4) Begin to reduce the sewer and stormwater system reliance on water system revenues;
- 5) Plan for future debt service payments; and
- 6) Manage the overall magnitude of future revenue adjustments.

Beyond the revenue adjustments and associated rate levels, Black & Veatch would also recommend that the Town consider the following future actions:

- 1) Conduct a full COS study to re-establish the basis for equitable rates and charges across various customer classes;
- 2) Continually monitor expenses and revenues and update financial projections annually; and
- 3) Review rates on an annual basis to help anticipate future revenue requirements, meet debt service obligations and manage rate adjustments on a multi-year horizon.

EXHIBIT “B”

STORMWATER UTILITY RATES

Stormwater Utility Rates

Effective October 1, 2017

<u>Service Type</u>	<u>Current</u>	<u>2017/2018</u>	<u>2019/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
Single Family Residential (1.0 ERU)	\$ 10.70	\$ 12.84	+ 10.0 %	+ 10.0 %	+ 10.0 %
Multi-Family Residential (1.0 ERU per dwelling unit)	\$ 10.70	\$ 12.84	+ 10.0 %	+ 10.0 %	+ 10.0 %
Place of Worship (0.5 ERU per 1,300 sq. ft. of Impervious Area)	\$ 5.35	\$ 6.42	+ 10.0 %	+ 10.0 %	+ 10.0 %
Non-Residential Developed Property, excluding Places of Worship (1.25 ERU per 1,300 sq. ft. of Impervious Area)	\$ 13.38	\$ 16.06	+ 10.0 %	+ 10.0 %	+ 10.0 %

* Stormwater Utility Rates for FY 2017/2018 effective October 1, 2017 reflect a 20% increase from existing rates, and annual increases thereafter of 10.0 % for FY 2018/2019, 2019/2020 and 2020/2021.



Town of Surfside Commission Communication

Agenda Item # 5C

Agenda Date: October 10, 2017

Subject: Request to Release Covenant Restricting Property Use for property generally located at 9380, 9372, 9364, 9348, 9340, 9332, 9316 and 9300 Collins Avenue

Background: In 1969, a portion of the property ((Lots 6 and 19, Block 3, of Altos del Mar No. 5, Plat Box 8, Page 92) generally located at 9380, 9372, 9364, 9348, 9340, 9332, 9316 and 9300 Collins Avenue was developed with an apartment building. In order to develop that building, the property owner was required to utilize the neighboring property as parking and to unify the lots and record a covenant, for the Town's benefit, limiting the use of Lot 19 to parking in conjunction with the operation of the apartment building on Lot 6. That covenant was recorded in 1969.

Analysis: The use which required the dedicated parking lot no longer exists and thus the need for the restrictive covenant no longer exists. In addition, in January, 2017, the Commission approved a site plan for the combined parcels. In the approved site plan, Lot 19 will be utilized for green space. The owner is unifying all the parcels, including Lot 19, as required by the site plan approval and, at the same time, asking the Town to release the covenant restricting the use of Lot 19 to parking.

Budget Impact: N/A.

Staff Impact: None.

Recommendation: The Town Manager recommends the attached Resolution be approved authorizing the release of the Covenant on the Property.

Town Manager

Attachments:

Exhibit 1. 1969 Covenant to be released

Exhibit 2. Unity of title and release of 1969 Covenant

RESOLUTION NO. 17 - _____

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, APPROVING THE RELEASE OF A COVENANT BURDENING PROPERTY GENERALLY LOCATED AT 9380, 9372, 9364, 9348, 9340, 9332, 9316 AND 9300 COLLINS AVENUE; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Eden Surfside, LLC is the Owner (“Owner”) of that property legally described in Exhibit "A" (collectively, the "Property") and generally located at 9380, 9372, 9364, 9348, 9340, 9332, 9316 and 9300 Collins Avenue, within the Town of Surfside, Florida (the "Town"), and

WHEREAS, the Property will be developed under a single unified plan of development as approved by Resolution No. 17-Z-2418 of the Town; and

WHEREAS, Owner’s predecessor in title to a portion of the Property (Lots 6 and 19, Block 3, of Altos del Mar No. 5, Plat Box 8, Page 92) executed a Restrictive Covenant in favor of the Town, recorded in Official Records Book 6369, Page 397, of the public records of Miami-Dade County (the “Covenant”), unifying Lots 6 and 19 and requiring that Lot 19 be used for parking purposes in conjunction with the operation of an apartment building on Lot 6, for so long as the apartment building remained on Lot 6, attached hereto as Exhibit 1; and

WHEREAS, the apartment building and the use of the portion of the Property described in the Covenant has been demolished and discontinued and therefore the Owner has requested to release the Property from the Covenant, and seeks the approval of the Town for such release (the “Request”); and

WHEREAS, the use for which the covenant was established no longer exists, a new unified plan of development has been approved and the Town finds the need for the Covenant no longer exists; and

WHEREAS, the site plan approval for the unified development plan requires that Owner record a Unity of Title joining all the lots together; and

WHEREAS, in conjunction with the Unity of Title, Owner has provided a release of the Covenant as provided in Exhibit 2, attached hereto; and

WHEREAS, the Town Commission has reviewed the Request and desires to release the Covenant, making the Property available for redevelopment; and

WHEREAS, the Town Commission finds the release of the Covenant to be in the best interest of the Town.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AS FOLLOWS:

Section 1. Recitals. The above-stated recitals are hereby adopted and confirmed.

Section 2. Approval of Release. The Covenant recorded April 17, 1969 in Official Records Book 6369, Page 397, of the public records of Miami-Dade County is hereby released as provided herein.

Section 3. Implementation. The Town Manager and/or designee are hereby authorized to take execute the release and take any and all action necessary to implement this Resolution.

Section 4. Effective Date. This Resolution shall be effective immediately from adoption hereof.

PASSED AND ADOPTED this 10th day of October, 2017.

Motion by _____,

Second by _____.

FINAL VOTE ON ADOPTION

Commissioner Daniel Gielchinsky	_____
Commissioner Michael Karukin	_____
Commissioner Tina Paul	_____
Vice Mayor Barry Cohen	_____
Mayor Daniel Dietch	_____

Daniel Dietch, Mayor

ATTEST:

Sandra Novoa, MMC, Town Clerk

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY
FOR THE TOWN OF SURFSIDE ONLY:**

Weiss Serota Helfman Cole and Bierman, P.A.
Town Attorney

OFF
REC 6369 PAGE 397RESTRICTIVE COVENANT

THIS AGREEMENT entered into this 11 day of March, 1969,
by and between CHARLES A. BORNMANN, an unmarried man, and BERTHA
BORNMANN, a widow (hereinafter referred to as Owners), JOHN DAVALA
and ISABELLE DAVALA, his wife (hereinafter referred to as
Mortgagees), and the TOWN OF SURFSIDE, a municipal corporation
under the laws of the State of Florida;

WITNESSETH:

WHEREAS, Owners are the fee simple owners of the following
described property situate in the Town of Surfside, County of
Dade, State of Florida:

Lots 6 and 19, in Block 3, of ALTOS DEL
MAR NO. 5, according to the Plat thereof,
recorded in Plat Book 8, at Page 92, of the
Public Records of Dade County, Florida.

and

WHEREAS, Mortgagees are the owners and holder of a
mortgage encumbering the said property dated May 27, 1968, filed
May 27, 1968, and recorded under Clerk's File No. 68R-91444 of
the Public Records of Dade County, Florida, and

WHEREAS, there was heretofore entered into a certain docu-
ment entitled Easement from Max Gottlieb to Wayne P. Mitchell,
as Town Clerk of the Town of Surfside, as Trustee, and his
successors in office, relating to parking of automobiles on the
subject property, which Easement was dated April 6, 1950, filed
August 1, 1956, recorded in Deed Book 4310, Page 398 of the
Public Records of Dade County, Florida, and

WHEREAS, there is presently located on the said property
an apartment type building on Lot 6 of the said property, and

WHEREAS, the Town of Surfside requires by ordinance certain
off street parking to be provided for the apartment type building,
and

WHEREAS, the parties hereto have agreed to cancel and nullify the aforesaid Easement recorded in Deed Book 4310, Page 398 of the Public Records of Dade County, Florida, and to cause a restrictive covenant to be executed and recorded affecting the subject property, as hereinafter more fully set forth.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) in hand paid by each of the parties to the others, and in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

1. All of the recitals heretofore made are hereby incorporated and made a part of this agreement.

2. That the Easement from Max Gottlieb to Wayne P. Mitchell, as Town Clerk of the Town of Surfside, as Trustee, and his successors in office, dated April 6, 1950 and recorded in Deed Book 4310, Page 398, be and it is hereby canceled and nullified and the Town of Surfside does hereby remise, release and quitclaim unto the said Charles A. Bornmann, an unmarried man, and Bertha Bornmann, a widow, and their heirs, executors, administrators and assigns forever, all of the estate, right, title, interest and easement which the Town of Surfside, or any of its officers, agents or employees has or ever has had in and to the real property situate, lying and being in the Town of Surfside, County of Dade, State of Florida, described as follows:

Lots 6 and 19, in Block 3, of ALTOS DEL MAR NO. 5, according to the Plat thereof, recorded in Plat Book 8, at Page 92, of the Public Records of Dade County, Florida.

TO HAVE AND TO HOLD the same to the proper use and benefit of the said Charles A. Bornmann, an unmarried man, and Bertha Bornmann, a widow, their heirs, executors, administrators and assigns forever.

3. The Owners do hereby agree that they will and hereby

2)

do set aside:

Lot 19, Block 3, of ALTOS DEL MAR NO. 5,
according to the Plat thereof, recorded
in Plat Book 8, at Page 92, of the Public
Records of Dade County, Florida,

or such portions thereof as may be required for parking purposes,

for such off-street parking as may be required pursuant to the

ordinances of the Town of Surfside, in conjunction with the

operation of the apartment building erected upon:

Lot 6, in Block 3, of ALTOS DEL MAR NO. 5,
according to the Plat thereof, recorded in
Plat Book 8, at Page 92, of the Public
Records of Dade County, Florida,

and that said

Lot 19, in Block 3, of ALTOS DEL MAR NO. 5,
according to the Plat thereof, recorded
in Plat Book 8, at Page 92, of the Public
Records of Dade County, Florida,

shall be used solely, as may be necessary, for such purpose so

long as the said apartment building remains on the said

Lot 6, in Block 3, of ALTOS DEL MAR NO. 5,
according to the Plat thereof, recorded
in Plat Book 8, at Page 92, of the Public
Records of Dade County, Florida,

and that said

Lot 6, in Block 3, of ALTOS DEL MAR NO. 5,
according to the Plat thereof, recorded in
Plat Book 8, at Page 92, of the Public
Records of Dade County, Florida,

shall not be sold, leased or assigned or the title thereto other-

wise alienated in any manner unless the title to

Lot 19, in Block 3, of ALTOS DEL MAR NO. 5,
according to the Plat thereof, recorded in
Plat Book 8, at Page 92, of the Public
Records of Dade County, Florida,

is transferred in connection therewith.

4. John Davala and Isabelle Davala, his wife, as owners
and holders of the above-described mortgage on the above-
described property are made parties to this agreement and have

executed the same for the purpose of consenting to the various provisions as hereinabove set forth.

IN WITNESS WHEREOF, CHARLES A. BORNMANN, an unmarried man, and BERTHA BORNMANN, a widow, as Owners, and JOHN DAVALA and ISABELLE DAVALA, his wife, as Mortgagees, have executed these presents, and the TOWN OF SURFSIDE, a municipal corporation under the laws of the State of Florida, has caused these presents to be executed by its proper officers, who are duly authorized to do so on behalf of the said Town of Surfside.

Signed, sealed and delivered in the presence of:

G. K. Kemper Charles A. Bornmann (Seal)
Charles A. Bornmann, an unmarried man

Bertha Bornmann Bertha Bornmann (Seal)
Bertha Bornmann, a widow

G. K. Kemper John Davala (Seal)
John Davala

Isabelle Davala Isabelle Davala (Seal)
Isabelle Davala

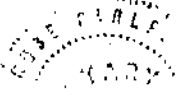
Town of Surfside, a municipal corporation

Betty M. Dowdy BY David G. ...
Jeanette D. ... Attest J. ...

STATE OF FLORIDA)
 : ss
COUNTY OF DADE)

I HEREBY CERTIFY that on this 11th day of March, 1969, personally appeared before me, CHARLES A. BORNMANN, an unmarried man, and BERTHA BORNMANN, a widow, to me personally known, and acknowledged before me that they executed the same freely and voluntarily for the uses and purposes therein expressed.

WITNESS my hand and official seal at Miami, Dade County, Florida, this 11th day of March, 1969.



Rosa Farley
Notary Public, State of Florida

My commission expires:
May 31, 1969

STATE OF FLORIDA)

COUNTY OF DADE)

ss

I HEREBY CERTIFY that on this 11th day of March, 1969, personally appeared before me, JOHN DAVALA and ISABELLE DAVALA, his wife, to me personally known, and acknowledged before me that they executed the same freely and voluntarily for the uses and purposes therein expressed.

WITNESS my hand and official seal at Miami, Dade County, Florida, this 11th day of March, 1969.



Rose Farley
Notary Public, State of Florida

My commission expires:

May 31, 1969

STATE OF FLORIDA)

COUNTY OF DADE)

ss

I HEREBY CERTIFY that on the 18 day of March, 1969, personally appeared before me DAVID DAVIS, and MAYOR AND GERALD BENVIST TOWN ~~and~~ CLERK respectively of TOWN OF SURFSIDE, a municipal corporation under the laws of the State of Florida, to me personally known, and acknowledged that they executed the foregoing instrument as such officers of said corporation, and they affixed thereto the official seal of said corporation, and executed the same freely and voluntarily for the uses and purposes therein expressed.

WITNESS my hand and official seal at SURFSIDE said County and State, this 18 day of March, 1969.

Morton Arno
Notary Public, State of Florida

My commission expires:

NOTARY PUBLIC, STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES JAN. 5, 1973



State of Florida, County of Dade.

This instrument was filed for record the 17th day of Apr 1969 at 4:10 and duly recorded in OFFICIAL RECORDS Book 636 Page 322 File # ESR 78398

E. H. LEATHERMAN
Clerk Circuit Court

[Signature] C.C.

This instrument was prepared by
and is to be returned to:

Name: Neisen O. Kasdin
Address: Akerman, LLP
98 SE 7 Street
Suite 1100
Miami, Florida 33131

Folio Nos:

(Space reserved for Clerk)

**UNITY OF TITLE
AND
RELEASE OF RESTRICTIVE COVENANT**

WHEREAS, the undersigned is the Owner of that property legally described in **Exhibit "A"** (collectively, the "Property") and located at 9380, 9372, 9364, 9348, 9340, 9332, 9316 and 9300 Collins Avenue, within the Town of Surfside, Florida (the "Town"), and

WHEREAS, the Property is contiguous, with no gaps, hiatuses or gores; and

WHEREAS, the Property has been aggregated and will be improved under a single unified plan of development pursuant to Resolution No. 17-Z-2418 of the Town as recorded in Official Records Book 30402, Page 4115, of the public records of Miami-Dade County, as may be amended; and

WHEREAS, in recognition of the Owner's current desire to utilize the Property under a single unified plan of development and for other good and valuable consideration, the Owner desires to restrict the use of the Property through this Unity of Title;

WHEREAS, Owner's predecessor in title to a portion of the Property (Lots 6 and 19, Block 3, of Altos del Mar No. 5, Plat Box 8, Page 92) executed a Restrictive Covenant in favor of the Town, recorded in Official Records Book 6369, Page 397, of the public records of Miami-Dade County (the "Covenant"), unifying Lots 6 and 19 and requiring that Lot 19 be used for parking purposes in conjunction with the operation of an apartment building on Lot 6, for so long as the apartment building remained on Lot 6; and

WHEREAS, the apartment building and the use of the portion of the Property described in the Covenant has been demolished and discontinued and therefore the Owner desires to release the Property from the Covenant, and seeks the approval of the Town for such release; and

NOW THEREFORE, for purposes of being able to develop and maintain the Property in a single unified manner, the Owner hereby agrees to restrict the use of the Property in the following manner:

1. **Unity of Title.** That the Property shall be considered as one plot and parcel of land and that no portion of said plot and parcel of land shall be sold, transferred, devised or assigned separately (except under a condominium form of ownership), except in its entirety as one plot or parcel of land.

2. **Term and Release.** This instrument is to run with the land and shall be binding on all parties and all persons claiming under it for a period of thirty (30) years from the date this instrument is recorded, after which time it shall be extended automatically for successive periods of ten (10) years each, unless released in writing in part or in its entirety by the Town upon approval by the resolution of the Town Commission after public hearing. Said Release shall be granted at the request of the Owner upon demonstration and affirmative finding by the Commission that (1) the Property is made to conform with applicable zoning regulations; or (2) the use or structure is removed from the Property and the Property, without said instrument, is in compliance with the building code, applicable zoning regulations, and the Town's comprehensive plan. Should approval of the release or partial release of the Unity of Title in this instrument be granted by the Town Commission, the Town Manager or designee, shall forthwith execute such written instrument effectuating and acknowledging such release or partial release of the Unity of Title.

3. **Acceptance of Declaration.** Acceptance of this instrument by the Town does not obligate the Town in any manner, other than to recognize that the Property may be developed as a single parcel of land under the Town's comprehensive plan and its land development regulations, nor does it entitle the Owner to a favorable recommendation or approval of any application, zoning or otherwise.

5. **Release of Covenant.** The Covenant is hereby terminated, released and of no further force and effect. The Town hereby joins in this instrument in order to release the Property from the Covenant.

5. **Owner.** The term "Owner" includes Eden Surfside, LLC, a Florida limited liability company, its heirs, successors and assigns.

6. **Recordation.** This instrument shall be filed of record in the public records of Miami-Dade County, Florida, at the cost of the Owner.

IN WITNESS WHEREOF, Eden Surfside, LLC, a Florida limited liability company, has caused these present to be signed in its name on this ____, day of _____, 2017.

WITNESSES:

Eden Surfside, LLC, a Florida limited liability company

Signature

By: _____

Print Name: Menachem Boymelgreen

Title: Manager

Print Name

Address: 1286 President Street
Brooklyn, NY 11213

Signature

Print Name

STATE OF _____)

)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 20__, by Menachem Boymelgreen, as Manager of Eden Surfside, LLC, a Florida limited liability company, on behalf of said company, who is personally known to me or has produced _____ as identification.

My Commission Expires:

Notary Public – State of _____

Printed Name

IN WITNESS WHEREOF, Town of Surfside has caused these present to be signed in its name on this ____, day of _____, 2017 in order to release the Property form the Covenant.

TOWN:

Town of Surfside, a Florida municipal corporation

By: _____
Guillermo Olmedillo, Town Manager

ATTEST:

Sandra Novoa, Town Clerk

Approved as to Form and Legal Sufficiency:

Weiss Serota Helfman Cole & Bierman P.L.
Town Attorney

EXHIBIT A

LEGAL DESCRIPTION

Lots 1 through 12, and Lot 19, inclusive, Block 3 of Altos Del Mar No. 5 according to the plat thereof, as recorded in Plat Book 8, Page 92, of the Public Records of Miami-Dade County Florida.



Town of Surfside Commission Communication

Agenda Item # 5D

Agenda Date: October 10, 2017

Subject: Public Information Representative (Independent Contractor)

Background: The Fiscal Year 2017/2018 adopted budget identifies funding for a Public Information Representative (PIR) in the form of an independent contractor.

The essential, accurate and timely dissemination of Town information requires professional services only a highly qualified public relations specialist can provide.

In light of the recent aftermath of Hurricane Irma, and upon the initial assessment by the Administration on lessons learned, an urgent need for such services has been identified. The ability to provide a unified and cohesive response prior, during and post natural disaster events is an imperative example of the assistance this service would provide. The necessity to fill this independent contractor position is amplified by the fact that the Town remains in "hurricane season" through November 30, 2017. The Town can address the need for such a service with the retention of the PIR as soon as possible.

To this end, the Administration is in receipt of a proposal for PIR services from Pinzur Communications, Inc. (Pinzur) and is recommending the retention of this public relations company per the proposal attached (Exhibit 'A' of accompanying resolution).

Analysis: Pinzur currently provides media and public relations services to the Town's Tourist Board for visitor marketing purposes. Their familiarity with the Town at this juncture is an invaluable asset moving forward with them as the Town's representative for all other stakeholder communications.

Since working with the Tourist Board commencing in April of 2017, Pinzur has secured considerable public relations successes including the following:

- NY Daily News "Here's why your next Miami trip should include a stop in Surfside"
- Conde Nast Traveler "Best Beaches in Miami"
- Miami New Times "The 8 Best Things To Do In Surfside"
- Tasting Table's round up of small coastal towns

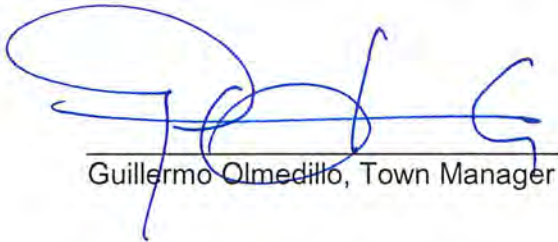
Pinzur has reviewed the Town's new Public Information Program and the Emergency Operations Plan. The firm will be taking both into consideration in formulating the Town's overall approach to the dissemination of information to the public. The firm is committed to meet the following objectives as defined in the proposal:

- Create and execute a strategic communications plan for the Town of Surfside that includes key messages for better transparency, standard operating procedures on handling media inquiries, crises and emergency situations, etc.
- Position the Town of Surfside as a community that cares deeply about issues that impact its residents, visitors, local businesses and employees and that is committed to the community's continued enhancement and future sustainability.
- Secure positive news stories about Surfside that resonate with the press, public and target audiences

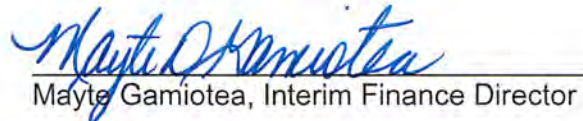
Budget: \$37,000 from General Fund account 001-6600-552-3410 for services through Fiscal Year 2017/2018. This contracted service is identified in the adopted budget for Fiscal Year 2017/2018.

Staff Impact: Existing staff would be utilized to work with the Public Information Representative.

Recommendation: The Administration recommends approval and seeks authorization to negotiate and enter into an agreement with Pinzur as defined above and in the proposal attached.



Guillermo Olmedillo, Town Manager



Mayte Gamiotea, Interim Finance Director

RESOLUTION NO. 2017-_____

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AUTHORIZING AND APPROVING A PROPOSAL AND AGREEMENT WITH PINZUR COMMUNICATIONS, INC TO PROVIDE PUBLIC INFORMATION REPRESENTATIVE SERVICES; PROVIDING FOR WAIVER OF COMPETITIVE BIDDING; AUTHORIZING THE TOWN MANAGER TO NEGOTIATE AND ENTER INTO AN AGREEMENT FOR THE SERVICES; PROVIDING FOR IMPLEMENTATION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Surfside (“Town”) has identified the immediate need for a Public Information Representative and approved such expenditure in its budget for Fiscal Year 2017/2018, including the provision of a Public Information Representative to provide a vital role in the public dissemination of Town information and business and the establishment of a strategic communications plan to ensure the timely and accurate distribution of such important Town information; and

WHEREAS, Pinzur Communications, Inc. (“Pinzur”) currently provides media and public relations services to the Town’s Tourist Board, and has submitted a Proposal to the Town to provide Public Information Representative services and a strategic communications plan and public relations services (the “Services”), a copy of which Proposal is attached hereto as Exhibit “A”; and

WHEREAS, the Town wishes to engage Pinzur to provide the Services as an independent contractor, and Pinzur has agreed to provide the Services in accordance with the Proposal attached hereto as Exhibit “A”; and

WHEREAS, the Town and Pinzur wish to enter into an agreement for the Services, substantially in accordance with the Proposal attached hereto as Exhibit “A”; and

WHEREAS, it is necessary to expeditiously proceed with the procurement and solicitation of the Services, in light of the recent aftermath of Hurricane Irma, the pendency of hurricane season, and the need for the Town to have a dedicated Public Information Representative to gather and disseminate vital information to Town residents and business interests, specifically, in the event of a natural disaster or other exigent circumstances; and

WHEREAS, the Town Commission wishes to authorize the Town Manager to negotiate and execute an agreement with Pinzur for the Services, substantially in accordance with the Proposal; and

WHEREAS, the competitive bidding procedures for the solicitation of the Services may be waived by the Town Commission pursuant to Section 3-12 of the Town Code, upon the recommendation of the Town Manager that such waiver is in the Town’s best interest in light of the

urgent need to obtain the Services expeditiously and provide for the vital dissemination of information to Town residents and interest holders, particularly, during and in the aftermath of a natural disaster and/or hurricane/storm event, and during the current hurricane season; and

WHEREAS, pursuant to the authority provided in Section 3-12 of the Town Code, the Town Commission finds and approves the waiver of competitive bidding in this instance in light of the urgent need to engage a Public Information Representative and provide such information services to Town residents and interests; and

WHEREAS, the Town Commission has determined that it is in the best interests of the Town to engage Pinzur to provide the Services as an independent contractor and authorize the Town Manager to negotiate and enter into an agreement with Pinzur for the Services, substantially in accordance with the terms of the Proposal attached as Exhibit “A”, after conducting good faith efforts to review available sources and negotiate pricing and terms.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AS FOLLOWS:

Section 1. **Recitals Adopted.** That the above-stated recitals are hereby adopted and confirmed.

Section 2. **Authorization and Approval.** The Town Commission hereby authorizes and approves an agreement with Pinzur, substantially in accordance with the Proposal attached hereto as Exhibit “A”, and authorizes the Town Manager to negotiate and execute the agreement with Pinzur on behalf of the Town, subject to approval as to form and legal sufficiency by the Town Attorney, and authorizes the expenditure of budgeted funds as detailed in the attached Proposal.

Section 3. **Waiver of Competitive Bidding.** That pursuant to Section 3-12 of the Town Code, the competitive bidding procedures of the Town’s Purchasing Code are hereby waived for the attainment of the Services.

Section 3. **Implementation.** The Town Manager is hereby authorized to take any and all action necessary to implement the Proposal and this Resolution in accordance with its terms and conditions.

Section 5. **Effective Date.** That this Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED on this 10th day of October, 2017.

Motion By: _____

Second By: _____

FINAL VOTE ON ADOPTION

Commissioner Daniel Gielchinsky _____

Commissioner Michael Karukin _____
Commissioner Tina Paul _____
Vice Mayor Barry Cohen _____
Mayor Daniel Dietch _____

Attest:

Daniel Dietch, Mayor

Sandra Novoa, MMC
Town Clerk

Approved as to Form and Legal Sufficiency:

Weiss Serota Helfman Cole & Bierman, P.L.
Town Attorney



October 1, 2017

Guillermo Olmedillo
Town Manager
Town of Surfside
9293 Harding Avenue
Surfside, FL 33154

Dear Guillermo,

The Town of Surfside deserves a reputable public information representative that understands every aspect of building and enhancing communications through an integrated strategic public relations plan.

That's where *Pinzur Communications* comes in. With nearly 20 years of experience creating transformational results for a number of top South Florida clients, we are confident that our hands-on approach to public relations, valuable media contacts and outstanding knowledge of Surfside would greatly impact the town. By the same token, it would be wonderfully rewarding for us to continue our partnership with Surfside and support the town's efforts to bridge the community together and to promote positive change.

Since beginning work with Surfside in April of this year, our agency has successfully secured a number of stories that shine a spotlight on the town. Several examples include a *NY Daily News* article titled "Here's why your next Miami trip should include a stop in Surfside" that ran online and in the paper's Sunday travel section, *Conde Nast Traveler* "Best beaches in Miami," *Tasting Table* roundup of small coastal towns including Surfside, *Miami News Times* "The 8 best things to do in Surfside," to name a few.

Please find a proposal enclosed that we feel addresses the needs of Surfside. Should you have any questions, feel free to reach out to me directly at 305-725-2875 or email Rachel@pinzurpr.com. Thank you.

Warmest regards,

A handwritten signature in cursive script that reads "Rachel Pinzur".

Rachel Pinzur, President
Pinzur Communications

PUBLIC RELATIONS PROPOSAL

The following proposal has been created by Pinzur Communications in order to successfully devise and execute a public relations strategy for the Town of Surfside.

Executive Summary:

For a small municipality, the Town of Surfside and its city officials have brought radical and noteworthy change to the community. Examples to name a few include: building Surfside's capacity to manage climate change, enhancing public safety, implementing more sustainable initiatives, improving municipal services, lowering property tax mileage rate, and building a community recreation center. Additionally, Surfside is experiencing tremendous growth and redevelopment, transforming this town of 5,800 residents into a desirable place to live, work and play.

Surfside has tremendous opportunities to continue to foster positive change, build transparency between town officials, the public and press, and serve as a role model for other communities by establishing a strong communications program with support from Pinzur Communications, which would serve as an independent contractor. A South Florida-based firm, Pinzur Communications is already very familiar with the Town of Surfside, having worked with Surfside over the last five months.

By engaging with Pinzur Communications, agency would serve as the town's "public information representative" and would craft and execute a comprehensive PR plan that tackles the challenges that Surfside faces, as well as shines a positive spotlight on this beautiful community. In the event of crises or emergency situations, Pinzur Communications also would help guide Surfside's swift responses and actions.

Preliminary Objectives:

- Create and execute a strategic communications plan for the Town of Surfside that includes key messages for better transparency, standard operating procedures on handling media inquiries, crises and emergency situations, etc.
- Position the Town of Surfside as a community that cares deeply about issues that impact its residents, visitors, local businesses and employees and that is committed to the community's continued enhancement and future sustainability.
- Secure positive news stories about Surfside that resonate with the press, public and target audiences

Public Relations Services:

Pinzur Communications would provide the following services to the Town of Surfside.

- Hold fact-finding meeting with Town of Surfside point-person(s) in order to form key messages and set the future direction/ PR strategy for Surfside
- Use public information guide provided to Surfside as framework for shaping Surfside's communications policies and program
- Create standard operating procedures for communications program
- Develop comprehensive crisis communications plan
- Draft strategic PR plan and timeline outlining initiatives and programs
- Draft press materials as needed

- Craft thoughtful media pitches (English and Spanish) and target local (and some select) national online, print and broadcast media through ongoing media relations efforts
- Follow-up with interested press, coordination of interviews, journalist visits to Surfside, exchange of information and images, etc.
- Gather editorial calendars and determine best fit for Surfside
- Secure Surfside in key feature stories and roundup articles
- Draft talking points for media interview opportunities
- Media train spokesperson(s) for press opportunities
- Monitor conversations being held about Surfside including Nextdoor and help manage key messages, as well as correct erroneous information
- Provide strategic PR counsel, as necessary
- Participate in post-commission recap meetings with staff and regularly scheduled calls to discuss progress and next steps
- Monitor media coverage and prepare monthly clip reports

Budget:

Under budget of \$37,000 from October 15, 2017 through September 30, 2018, Pinzur Communications will provide the Town of Surfside with services detailed in the above proposal for up to 50 hours per month. In the event of a crisis or emergency situation, hours from following month can be borrowed for use in current month's services or vice-versa, any unused hours can be transferred to next month's services.

Under this fee, our services include all those listed in the above proposal. However, it does not include any out-of-pocket expenses and program-specific costs, such as laser printing, telephone charges, mailings, photocopying, postage and courier charges, graphics, publications and reprints, shipping, travel/mileage, and applicable taxes. **Any out-of-pocket expenses will be pre-approved by the client.**



Town of Surfside Commission Communication

Agenda Item # 9A

Agenda Date: October 10, 2017

Subject: Regulatory options for Medical Marijuana Dispensaries.

Background: At the September 18, 2017 Commission meeting, we were requested to develop code language which would show what each of two options would look like for the regulation of medical marijuana. The two options we were directed to look at were:

- A. Ban medical marijuana dispensaries; and
- B. Regulate medical marijuana dispensaries in the same manner as drug stores, but revise the treatment of drug stores.

Regardless of the regulatory direction chosen, the following definitions are recommended:

Sec. 90-2. Definitions

Marijuana. Any strain of cannabis or marijuana, in any form, that is authorized by state law to be dispensed or sold in the State of Florida. Also referred to as "Medical Marijuana."

* * *

Medical Marijuana Dispensary. A retail establishment, licensed by the Florida Department of Health as a "medical marijuana treatment facility," "medical marijuana treatment center," "dispensing organization," "dispensing organization facility" or similar use, that sells and dispenses medical marijuana.

* * *

A. Prohibit Medical Marijuana Dispensaries

Should the Commission choose to prohibit medical marijuana dispensaries at this time (a decision which can be revised at any time), the following code revisions are recommended:

Sec. 90-41. Regulated uses.

* * *

(c) Uses Prohibited in All Zoning Districts

(1) Prohibited uses generally. Within any particular zoning district, any use which is not specifically identified as a permitted or conditional use, or is not specifically identified elsewhere in this code as a permitted, conditional, or accessory use shall be prohibited.

(2) Dispensing of marijuana products. In accordance with Section 381.986, Florida Statutes, the location of a medical marijuana dispensary, or the dispensing of marijuana in any form, by any person or business, is prohibited in all zoning districts. Further, all uses, products, or acts prohibited under any state or federal law are prohibited throughout the Town.

(de) Table—Regulated uses.

* * *

B. Regulate Medical Marijuana Dispensaries

The second option permitted under state law is to regulate medical marijuana dispensaries in the same manner as “pharmacies”. The Town Code identifies “pharmacies” as “drug stores”. The Town Commission asked for a recommendation for distance regulations which could reasonably be imposed on drug stores and on medical marijuana dispensaries. Based on the location of existing drug stores and the very limited size of the business district, a distance requirement of 850 feet, measured front door to front door, could be considered. The code revisions below would:

1. separate “drug stores” from “sundries” and regulate them separately, without changing how sundries are regulated in any way
2. add medical marijuana dispensaries as a permitted use
3. require that a drug store be located a minimum of 850 feet from any other drug store; and
4. require that a medical marijuana dispensary be located a minimum of 850 feet from any other medical marijuana dispensary.

Sec. 90-41. Regulated uses.

- (a) *Purpose.* Permitted uses are considered to be fundamentally appropriate within the district in which they are located and are deemed to be consistent with the comprehensive plan. These uses are permitted as of right, subject to the required permits and procedures described in this section. Permitted uses require final site plan review and approval for compliance with the standards applicable to a particular permitted use as provided in this zoning code.
- (b) *Permits required.* Except as explicitly provided herein, no use designated as a permitted use in this chapter shall be established until after the person proposing such use has applied for and received all required development permits.
- (c) Table—Regulated uses.

* * *

<i>Office Uses and Professional Services</i>	<i>SB-B40</i>
Drug stores and sundries	P(30)
* * *	* * *
Medical Marijuana Dispensary	P(30)
* * *	* * *
Sundries	P
* * *	* * *

Key: P: Permitted Blank: Not Permitted (#): Refer to Notes CU: Conditional Use

* * *

(30) The following uses shall be separated from similar existing uses, or similar approved but unbuilt uses, by the minimum distances specified below, measured from front door to front door:

- (a) For purposes of this calculation, front door shall mean the primary public access to the business which shall not include any alley, rear or secondary access point.
- (b) Medical Marijuana Dispensary: Eight hundred fifty (850) feet.
- (c) Drug stores: Eight hundred fifty (850) feet.

The Town's zoning code currently permits "Drug Stores" throughout the SD-B40 zoning district, as shown in orange in the map below.



Budget Impact: N/A at this time. There may be additional budgetary impacts for enforcement if the Commission decides to permit medical marijuana dispensaries.

Staff Impact: The Town Attorney will draft an ordinance implementing the directed revisions to the Town's Land Development Regulations.

Recommendation: The Town Attorney recommends Commission discuss the issue and provide guidance on whether to:

- A. ban medical marijuana dispensaries;
- B. regulate medical marijuana dispensaries in the same manner as drug stores;
- C. impose distance requirements on drug stores and medical marijuana dispensaries.


Town Attorney's Office


Town Manager



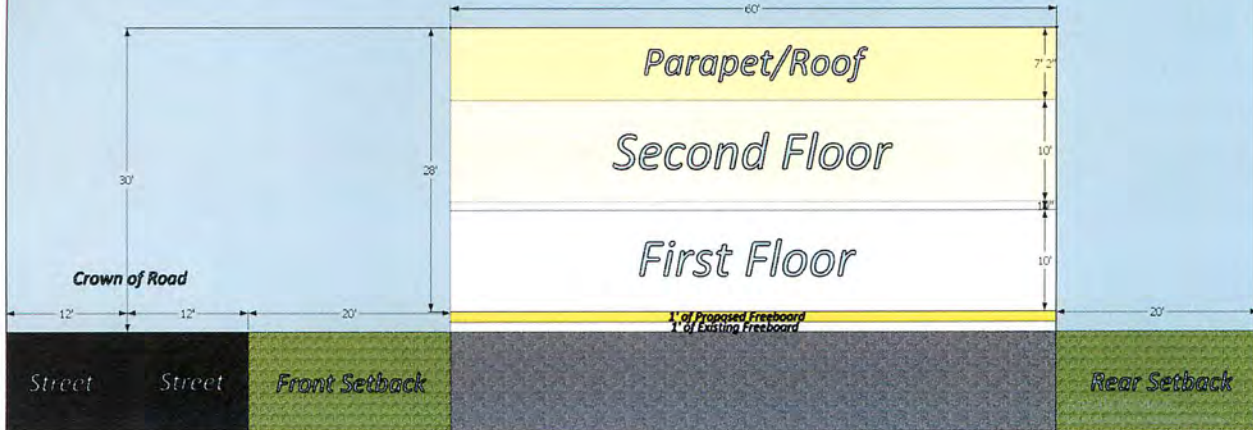
Town of Surfside Commission Communication

Agenda #: 9B
Agenda Date: October 10, 2017
Subject: Freeboard modification
From: Sarah Sinatra Gould, AICP, Town Planner

Background: One of the Planning & Zoning Board's (Board) top priorities is to prepare and plan for sea level rise. The existing code measures height from crown of the road to the top of the structure and in the single family zoning districts, this is a maximum of 30 feet in height. This can accommodate a two story structure. As properties are being redeveloped, the Board has been concerned with structures having the ability to be elevated to accommodate sea level rise. The board has asked staff to analyze utilizing Finished Floor Elevation (FFE), plus an additional one to five feet of built up ground rather than crown of the road as the measurement of height. The additional one to five feet of built up ground is called "freeboard."

This concept was presented at the May and August Commission meetings. The Town Commission requested that staff provide graphics demonstrating if a two story structure could be developed by increasing the freeboard by one foot, but not increasing the height. This change, if adopted, would not result in the need for a referendum. The below graphics demonstrate one additional foot of freeboard.

*H30A & H30B Residential Zoning Districts
Base Flood Elevation: 9*



Base Flood Elevation + 1	9
Existing Freeboard Height	1'
Proposed Freeboard Height	1'
First Floor Height	10'
Support Beam Height	10"
Second Floor Height	10'
Parapet/Roof	7'2"

Budget Impact: Cost of advertising an ordinance.

Growth Impact: N/A

Staff Impact: Preparation of an ordinance.

Staff Recommendation: The Town Commission should provide direction to staff whether or not to prepare an ordinance requiring the additional one foot of freeboard.

Sarah Sinatra Gould, AICP, Town Planner

Guillermo Olmedillo, Town Manager



Town of Surfside Commission Communication

Agenda #: 9C
Agenda Date: October 10, 2017
Subject: Charter amendment to address additional freeboard
From: Sarah Sinatra Gould, AICP, Town Planner

Background: The Town Commission requested staff to analyze alternatives to a charter amendment when addressing sea level rise initiatives. An option is to build at a higher elevation; however the height limitations in the Town restrict this method. The Town Commission has requested staff to provide graphics demonstrating a one foot requirement for built up ground, known as freeboard, which would not require an increase in overall height of a house. While the Planning and Zoning Board is supportive of this one foot increase, they would like the Town Commission to also consider a referendum to increase height by an additional 2-5 feet based on 2-5 feet increases in freeboard.

Budget Impact: Cost of preparing ballot language and preparing informational materials.

Growth Impact: Increased height of structures.

Staff Impact: Potential meetings and workshops to inform the public of the proposed amendment. Preparation of materials and legal language for the ballot.

Staff Recommendation: The Town Commission should provide direction to staff whether or not to prepare ballot language for a referendum.

Sarah Sinatra Gould, AICP, Town Planner

Guillermo Olmedillo, Town Manager



Town of Surfside Commission Communication

Agenda #: 9D
Agenda Date: October 10, 2017
Subject: Artificial Grass
From: Sarah Sinatra Gould, AICP, Town Planner

Background: A member of the public requested the Town Commission to consider allowing artificial grass in lieu of sod. The code, section 90-88(9) states the following: *Any plastic or similar artificial landscape materials shall be prohibited with the exception of seasonal holiday decorative displays of less than 60 days duration.* The code has additional requirements for minimum pervious areas as well as a requirement to provide landscaping as follows: *Section 90-61 Front setbacks in the H30A, H30B, H30C or H40 districts shall not be more than 50 percent paved over with any type of material that is not readily permeable by rainwater and groundwater. Pavers and pervious hard materials, including pervious concrete, shall not be utilized for the calculation of pervious area.*

(1) *Not less than 30 percent of the front yard shall be landscaped.*

(2) *Not less than 20 percent of the rear yard shall be landscaped.*

Request: A member of the public has requested that the Town Commission review this provision and modify the code to permit artificial grass.

Budget Impact: Advertising requirements for an ordinance modification.

Growth Impact: N/A

Staff Impact: Preparing a code modification presented to Planning and Zoning Board and two readings at Town Commission.

Planning and Zoning Board Recommendation: The Town Commission requested that the Planning and Zoning Board analyze this issue. The Board met on August 31, 2017 and was not in favor of amending the code.

Staff Recommendation: There are two options the Town Commission should consider:

1. *Amending the code to permit artificial grass:* Should the Town Commission wish to amend the code to allow artificial grass, it should direct staff to prepare an ordinance modifying code section 90-88 (9) and 90-61 to require a permit for the installation of the artificial grass including the specifications of the proposed materials indicating permeability to confirm that at least 50 percent of the front setback is pervious.
2. *Not amending the code to permit artificial grass:* Should the Town Commission not wish to amend the code, it is suggested that a two year amortization period be adopted for the removal of the artificial grass on existing properties.



Sarah Sinatra Gould, AICP, Town Planner



Guillermo Olmedillo, Town Manager