



Town of Miami Lakes Memorandum

To: Honorable Mayor & Councilmembers

From: Edward Pidermann, Town Manager

Subject: Ordinance Approving, Adopting and Ratifying Non-Ad Valorem Special Roll and Special Assessment District Rates for Security Guard and Lake Maintenance Special Taxing Districts

Date: September 10, 2019

Recommendation:

It is recommended that the Town Council approve the Non-Ad Valorem Special Roll, listed in Exhibit A and the Proposed FY 2019-20 assessment rates for the active Security Guard and Multipurpose Maintenance areas listed in Exhibit B. Non-ad-valorem assessments for special taxing districts represent a cost share assigned to a group of properties to pay all or part of the cost associated with a specific public service or improvement primarily benefiting those properties. All lots and parcels within the districts are unique due to their geographical boundaries, affected property owners, and level of service.

The attached Ordinance relates to the rates for each Special Taxing District. The Town of Miami Lakes has determined that the services provided by these Special Taxing Districts will offer special benefits to properties within each district not exceeding amounts of special assessments to be levied. Therefore, it is hereby recommended that the proposed rates being assessed in Exhibit B, be approved and adopted. The final assessments will have to be approved prior to September 15, 2019.

Background:

In 2014, residents who were living within the six (6) special taxing districts in Town expressed interest in transferring these services from Miami-Dade County with the goal of receiving services provided directly by the Town. The Town Council approved the request to transfer the six (6) special taxing districts by resolution on September 5, 2017 and subsequently on January 21, 2018 a vote was conducted via mail-in ballot sent to those within the district boundaries. All six (6) districts received a majority vote ratifying the transfer to the Town effective October 1, 2018.

After the transfer, the Town began identifying contracts that can be piggy-backed and services that can be provided by current Town contractors to prevent gaps in services. The Town executed Change Orders with

current Town Vendors for Janitorial and Landscape Maintenance for four (4) special taxing districts as these services were being provided “in-house” by Miami-Dade County. Furthermore, the Town piggy-backed a Lake Maintenance Services contract issued by Miami-Dade County that was issued in 2017 due to the competitive rates that were negotiated with the two (2) Lake Maintenance Special Taxing Districts.

In March 2019, the Town issued an RFP (Request for Proposals) to access more cost-effective contracts to present the residents of each district with alternative options for security guard services. Four of these special taxing districts (Miami Lakes Loch Lomond, Miami Lakes Section 1, Royal Oaks East, and Royal Oaks Section 1) were organized for the purpose of providing security guard services to the residents living within the district. The Town performed its Due Diligence review and put together an Evaluation Committee to rank the proposals. At the June 19, 2019 Council Meeting, the Town Council approved the Manager’s recommendation of awarding contracts to SFM Security Services, Inc, the highest ranked proposer, Kent Security Services, Inc. (“Kent”), the second highest ranked proposer, and FPI Security Services, Inc. (“FPI”), the third highest ranked proposer.

In April 2019, the Town began meeting with each district to review current and proposed budgets for next fiscal year along with obtaining recommendations for levels of service.

The specific relevant information for each of the districts is outlined below:

Loch Lomond – Guard Gate District

On August 8th, the Town of Miami Lakes met with the residents of the Loch Lomond district and presented the proposed budget impact scenarios with the three (3) short-listed security guard firms at Level 1 and Level 2 experience rates. The advisory board voted unanimously to retain Kent Security Services at a Level 2 rate in order to maintain continuity as their guards have been working in this district for a long period of time. The advisory board also approved a motion recommending the Town to consider reducing the indirect cost to a Level 1 rate instead of applying it to the Level 2 rate. The current indirect overhead rate for all Special Taxing Districts is at eight and a half percent (8.5%) and is essentially applied to all operating expenses within each budget. The board stated this was not fair as they are only requesting a more experienced guard which should have no impact on the Town’s overhead expenses.

The board also made a recommendation to approve a golf cart as their rover vehicle in order to reduce the vehicle hourly rate. Unfortunately, the Town currently does not approve golf carts on public roadways, but the board was able to successfully negotiate down the vehicle hourly rate by one dollar (\$1). Other budget changes to note, the board added seven thousand dollars (\$7,000) to the gate equipment & repairs line item in order to purchase new barrier arm security gates. The board also reduced the repair & maintenance line item by thirty-two thousand dollars (\$32,000) as these funds were used for the entrance feature improvements in FY 2019. The contingency reserve was also reduced to five percent (5%) of the total budget exclusive of any carryforward funds.

Due to the advisory board recommendations listed above, the district was able to reduce their FY 20 special assessment rate by \$190 for a new assessment rate of \$2,536.40.

Royal Oaks East – Guard Gate District

On June 20th, the Town of Miami Lakes met with the residents of the Royal Oaks East district and presented the proposed budget impact scenarios with three (3) short-listed security guard firms at Level 1 and Level 2 experience rates. The advisory board voted unanimously to approve the highest-ranking security guard proposer, SFM Security Services, at a Level 2 rate which is approximately seventy-thousand dollars (\$70,000) lower than their current security guard contract. The board did not make any other significant budgetary changes as they recommended to meet again after the first quarter in January 2020 to evaluate the proposed service levels.

The district’s FY 20 proposed special assessment did not change (\$977.73), but their projected contingency reserve increased by \$168,779 compared to prior year.

Royal Section One – Guard Gate District

This district was unsuccessful in obtaining a quorum this fiscal year. The Town made five (5) separate attempts to meet on April 16th, May 20th, June 17th, June 24th, and the week of August 1st. The meetings were posted on the Town website and Town Hall lobby. Town staff also sent emails to the board members but to no avail. Due to the lack of participation from the district, the Town is moving forward and recommending the highest-ranking security guard proposer, SFM Security Services, at a Level 2 rate which is the same level of experience the district currently maintains with existing vendor. The new security guard contract is approximately seventy-thousand dollars (\$70,000) lower than the current security guard contract. Town staff also reviewed the year end projections for each line item and did not foresee any significant changes for FY 20.

At the request of the Council, Town staff reviewed budget after the first ordinance reading and is recommending reducing the special assessment rate for FY 20 in the amount of \$93.25 by capping the contingency reserves at fifteen percent (15%) and establishing a capital improvement line item at fifteen percent (%15) from the total operating budget. The proposed special assessment is being reduced from \$800.14 in FY 19 to \$706.89 in FY 20.

Miami Lakes Section One – Guard Gate District

On July 30th, the Town met with the residents of Miami Lakes Section One district and presented the proposed budget impact scenarios with three (3) short-listed security guard firms at Level 1 and Level 2 experience rates. The board voted unanimously to approve Kent Security Services at a Level 1 rate as they were the most economical option between the three vendors. The board also recommended to allocate forty-nine thousand dollars (\$49,000) to the repair & maintenance account next fiscal year to purchase new barrier arm security gates for their district.

The Town has a follow-up meeting scheduled this month with the district to discuss landscape enhancements for the guard gate. The board allocated nineteen-thousand dollars (\$19,000) this fiscal year in anticipation to complete this project before September 30th. In the event this is not completed in time, the Town will amend next fiscal year's budget to reflect the amount approved for the landscape enhancements.

Therefore, the Town is proposing to maintain the same special assessment rate for FY20 (\$285.37). Their projected contingency reserve decreased by \$18,927 compared to prior year.

Lake Hilda & Lake Patricia

On July 23rd, the Town met with the residents from both districts to discuss next fiscal year's budget. Some of the residents were concerned with the algae levels in each lake and requested if anything can be done to mitigate this issue. The current lake vendor, Solitude, was in attendance and stated they have also noticed an increase over the last couple of years which can be attributed to changes in climate, wind, and drought conditions. Apparently, this is seasonal issue which is occurring across the State in the summer months. The vendor informed the residents that this algae is not harmful for the lake and is a normal natural occurrence which is already being treated twice in the summer months (April – September) for a total of eighteen (18) cycles annually. A couple of owners asked if the algae can be removed on each visit, but the vendor stated that task is impossible and not a recommended industry standard.

The vendor did recommend introducing blue dye treatment in Lake Hilda along with changing the chemicals that are currently being used to treat the lake to see if this helps with reducing algae bloom in the summertime. Lake Patricia is already receiving the blue dye treatment annually per the contract.

Lake Hilda approved the recommendation from the vendor to apply blue dye an expense that is budgeted for this current fiscal year.

The special assessment rates for both Lake Patricia (\$231.46) and Lake Hilda (157.92) are proposed to remain the same for FY 20.

Evaluation

The Town has reviewed and accepted the recommendation made by the Loch Lomond advisory board regarding the reduction of indirect cost collected to match Level 1 security guard bid rates for all guard districts. This will create a net savings of \$10,857 for these districts. Additionally, the Town eliminated the security guard holiday cost line item for each guard district as this was a requirement set forth by Miami-Dade County's living wage ordinance. This added an extra \$11,034 in total net savings to the guard districts which will be allocated in their respective contingency reserves.

Preliminary Assessments

The fiscal impact is only for those homeowners within the boundaries of the Special Taxing Districts.

These funds will accrue from the special assessments paid by the property owners of folios within the active Special Taxing Districts. A summary table with the budgets for each district and the rate is provided below.

| District Name | District Type | Number of Units | Budget FY 18-19 | Proposed Assessment Rate for FY 19-20 |
|-------------------------|----------------------|------------------------|------------------------|--|
| LOCH LOMOND | Security Guards | 188 | \$2,726.40 | \$2,536.40 |
| MIAMI LAKES SECTION ONE | Security Guards | 841 | \$285.37 | \$285.37 |
| ROYAL OAKS SECTION 1 | Security Guards | 589 | \$800.14 | \$706.89 |
| ROYAL OAKS EAST | Security Guards | 533.5 | \$977.73 | \$977.73 |
| LAKE PATRICIA | Lake Maintenance | 72.5 | \$231.46 | \$231.46 |
| LAKE HILDA | Lake Maintenance | 111 | \$157.92 | \$157.92 |

Timeline

Per Florida Statute, changes to the folio and rates can be made before September 15, 2019. The final rate will appear on the Tax Bill. It should be noted that only reductions to the unit count can be made after November 1, 2019.

Attachments:

Ordinance- Approving, Adopting and Ratifying Non-Ad Valorem Special Roll and Special Assessment District Rates for Security Guard and Lake Maintenance Special Taxing Districts

FY 2019-2020 Proposed Budget for Special Taxing Districts

2019 Non-Ad Valorem Folio

2019 Non-Ad Valorem Rate