



City of North Miami Beach, Florida

MAYOR MYRON ROSNER

April 13, 2010

Re: Section 180.191, Florida Statutes – Outside City Utility Rate Surcharge

Dear Mayor, City Manager, Utility Director:

There is once again a push at the Florida Legislature to amend Section 180.191, F.S., the result of which would **inflict your city with an additional burden**. In these difficult economic times, we have already endured hardship in the preparation of our mutual annual budgets. The Florida Senate is considering Senate Bill 372 sponsored by Senator Frederica Wilson while the House is considering House Bill 1607 sponsored by Representative Oscar Braynon II, both of which amend Section 180.191, Florida Statutes, to **ban the utility surcharge** on your water and sewer customers residing outside your municipal boundaries if your County has more than 1.5 million in population. This **loss in revenue** to your current budgets ranges between 10% and 50% at your current surcharge levels. If you thought that balancing the budget was difficult for the upcoming fiscal year, wait until next year if Senate Bill 372 and/or House Bill 1607 are passed. **Do not let this change to Section 180.191 occur which will dictate to you how to recoup the capital costs and burden your taxpayers bear** to provide quality water and sewer services to non-residents.

While changes to Section 180.191 proposed in S.B. 372 and H.B. 1607 do exclude municipalities in counties with populations of less than 1.5 million, it is a dangerous precedent to allow Section 180.191 to be amended to take away the ability of a municipality to charge a surcharge outside its municipal boundaries. The 1.5 million population number is arbitrary and capricious. Population size should have nothing to do with the ability to charge a surcharge for serving outside municipal boundaries. If Section 180.191 were to be changed to exclude those counties with more than 1.5 million in population, it would be a fairly simple matter to then take away the 1.5 million population exclusion and argue that Section 180.191 should not allow a surcharge to anyone.

We should all remember that with Section 180.191, Florida Statutes, the surcharge permitted by the State recognizes and justifiably offsets the capital costs and burden that you and your taxpayers have incurred for the benefit of municipalities and counties outside of your municipal boundary. Through your taxpayers' burden you enhance the ability of communities outside of your boundaries to prosper and enjoy economic development. Without your assistance, the communities outside of your boundaries could not meet concurrency or other requirements of community development. We all create economic development, by making an investment for all communities and like all investments, we merit dividends.

The Miami-Dade County Board of County Commissioners passed Resolution R-279-10, on March 2, 2010, which states, in part, **"Urges the Florida Legislature to pass SB 372 or similar legislation that would reinstate language prohibiting municipal water and sewer utilities located in counties with a population of more than 1.5 million people from**

charging a surcharge to consumers located outside the city." Miami-Dade is attempting to minimize opposition to its position by including the 1.5 million population trigger. This resolution has been transmitted to Governor Crist, the Legislature and the Miami-Dade County state lobbyists to advocate for their private agenda.

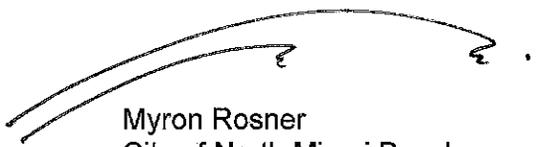
The preamble to Resolution 279-10 states that the surcharge results in "taxation without representation" and that "the surcharge results in unfairness to consumers living outside the City's boundaries when they have no representation, voice or input into City decisions." This is inaccurate since as consumers and customers, the outside City residents have an equal opportunity to appear at rate hearings which are publicized pursuant to Section 180.136, Florida Statutes.

If Miami-Dade County and the State Legislature prevail and alter Section 180.191 of the Florida Statutes, they would have been successful in eliminating significant revenue to cities that impose the statutorily allowed surcharge in counties of more than 1.5 million people and cause additional harm to those cities and their taxpayers. We should all be concerned and oppose any change to our municipal water and sewer rate-making authority as established by the Florida Legislature in Section 180.191. The City of North Miami Beach has already passed Resolution R2010-21 opposing Senate Bill 372, amending Section 180.191. I urge you to pass a resolution in support of Section 180.191 in its current form which allows us to fairly charge a subsidy for service outside of our municipal boundaries. We must educate and inform Governor Crist and the Legislature about this threat to our residents, cities, utilities, consumers and economic development.

Attached is a model Resolution for your consideration. We urge you to make your wishes known at the State Legislature by adopting a resolution and lobbying state legislators and the Governor. **Without your participation you could lose direct dollars in your budgets and you may have to increase taxes to make up the difference.** For your convenience I have also attached SB 372, HB 1607, Miami-Dade Resolution R-279-10, and our City's Resolution 2010-21, which was adopted on March 2, 2010, the same day as Miami-Dade County's resolution and the House Bill were brought forward.

Thanking you in advance for giving this urgent matter your immediate attention.

Sincerely,

A handwritten signature in black ink, appearing to read 'Myron Rosner', with a large, sweeping flourish underneath.

Myron Rosner
City of North Miami Beach
nmbmayor@citynmb.com