

**CARLOS PEREZ, FINANCE DIRECTOR
CITY OF NORTH MIAMI**

Over the past two years, the City of North Miami (the City) was confronted with two very critical issues that contributed to the declining infrastructure within the City. First, support from the Miami-Dade County School District to replace the aging and deteriorated schools within the City was lackluster and considered extremely weak. North Miami Senior High School was over 50 years old and had not received any major improvements in the last 20 years, and was completely deteriorated to the extent that it had leaking pipes and rats running loose in the halls. Secondly, the City's water and sewer system had reached a point of almost total collapse due to the lack of infrastructure improvements over the last 20 years. The criticality of the water and sewer infrastructure was pronounced and brought into focus following the five hurricanes the City experienced over the last three years (Hurricanes Jean, Frances, Katrina, Rita, and Wilma). These projects were placed on the drawing board by the various technical support staffs, such as planners, architects, and engineers, but required some very serious and innovative funding support for construction.

Carlos Perez, CPA, the Finance Director for the City of North Miami, was burdened with the responsibility of providing not only the recommendations and the guidance on how to fund these infrastructure improvements, but had to negotiate with the School District to modify their construction timetable. The School Board announced they did not have the money and the City of North Miami's schools were not a top priority on their construction timetable. In fact, North Miami Senior High School and North Miami Middle School, along with some other new schools that were scheduled to be built within the City, were down the priority list and not scheduled to be replaced for another five to seven years. The City, in the course of discussions and negotiations with the School District, discovered that their scarcest resource for building a new

school was land. The projects that were scheduled to be constructed ahead of those in North Miami were waiting for land acquisition before they could start. Under the leadership of the City's Mayor, efforts were made by the City to donate four major buildings that were contiguous to each other that collectively would provide the land needed for the new high school. The second problem the School District presented to the City was the fact they receive only \$400 million a year from the state for new construction, and the annual \$400 million allocation for the next three years was already committed to other projects. In stepped the City's Finance Director, Carlos Perez, who suggested that if the City underwrote the \$124 million needed to build a new ele-middle school (K-8), demolish the old middle school and build a new high school on the land donated by the City, and if the City provided the "conduit financing," would the School District bring the construction start of the new schools up to the top of their priority list? The answer was an emphatic "yes" by the School District. With that, the City entered into negotiations with the School District and consummated an agreement that if the City provided the conduit financing and it took approximately three years to build these schools, would the School District then have the monies available to reimburse the City at the time the schools were opened for use? The School District agreed and the City and the School District spent the next six to eight months negotiating an agreement to incorporate the conduit financing of \$124 million to provide the upfront money needed to construct the new schools, such that when the schools were completed and opened, the keys would be turned over to the School District and, in turn, the School District would reimburse the City by paying off the loan initiated by the City. The end result is the ele-middle school is in the course of being completed and is scheduled to open August, 2008, and the new North Miami Senior High School is under construction and is scheduled to open in the Fall of 2009. Meanwhile, across town on City-owned property donated

to the School District, a smaller high school is currently under construction as part of that same loan package. If it were not for the leadership of our Finance Director, Carlos Perez, in negotiating the financial package to front the funds necessary to get the schools constructed with the promissory note from the School District to pay off those loans at the time the schools are completed (at a time in which the School District would receive a new allocation of state monies, the \$400 million), the schools would not have been built in such a timely manner!

Concurrent with the school financing project was a second crisis facing the City, and that was the neglect of the City's water and sewer system, including its main water plant. Over the years, previous City Councils and administrations simply procrastinated on improving the system in a major fashion, and, to add insult to injury, proceeded to draw down on the improvement reserves designed to replace various capital features of the system in order to keep taxes low and balance the budgets. Mr. Perez came forward with a strong recommendation that the City enter into a water/sewer rate analysis on the current fees being charged for water and sewer service, only to discover that our fees were extraordinarily low. Perez exercised courage and initiative to recommend to the City Manager and City Council that the rate analysis and the accompanying fee schedule be implemented in order to generate the future funds necessary to support financing the expansion and improvements of the plant. Following a year of study and town hall meetings to process the new fee structure, the new fees were finally approved by the City Council and put in place last fiscal year. Following the placement of the new fees, Perez and his staff immediately turned to establishing the necessary financing in the amount of \$140 million for a construction loan and bond to replace the existing water plant, build a new reverse osmosis plant and provide the necessary expansion and improvements to water lines and sewer lines

throughout the system. As of this writing, the construction bid has just been awarded to a respective contractor to start construction of these various improvements.

Throughout these two projects, Carlos Perez demonstrated an extraordinary sense of judgment and initiative that reflected his interest in the betterment of the community. Mr. Perez has been the Finance Director for the City of North Miami for the past 12 years and holds a Certified Public Accountant (CPA) certification, as well as being an active member in the AICPA and the Government Finance Officer's Association, at the local and national levels. It is a great pleasure and an honor to nominate Carlos Perez as the Florida League of Cities Finance Official of the Year for the innovative and professional accomplishments he has achieved as a result of these two major projects for the City of North Miami.