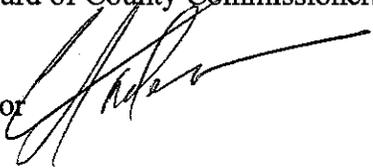




**BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**

MEMORANDUM

TO: The Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

FROM: Charles Anderson
Commission Auditor 

DATE: September 3, 2009

SUBJECT: FY 09-10 Proposed Budget Recommendations

Attached are documents prepared by the Office of the Commission Auditor (OCA). These recommendations are alternatives to the Mayor's FY 09-10 Proposed Budget salary and benefit reductions. They are provided to assist you in the upcoming budget deliberations pursuant to Ordinance No. 08-08.

Our wage recommendation includes two aspects of the Mayor's proposal (freezing merits and longevity), but differs in the approach to the overall pay cut methodology. In reviewing the nationwide wage data compiled by the United States Department of Labor, Bureau of Labor Statistics, Miami-Dade County's hourly salaries are \$0.99 higher and \$3.28 higher in benefits. Based on this information, we concluded that a five day furlough, non-responder overtime cut, with a reduction in other benefits (flex, premium pay, executive allowances, and tuition reimbursement) would be a more equitable distribution of a salary and fringe decrease.

Our expenditure reductions includes implementing a 4-day workweek, returning various line items to their FY 08-09 budget levels (consulting services, temporary help, publications, subscriptions, memberships, office furniture and equipment), and delaying certain capital outlay projects that have limited spending-to date. The line items were reduced based on the data available in the County Automated Budget Development System (ABDS) as of this date.

Our revenue opportunities includes collecting license fees for cats, slot machine revenue from Calder and Flagler race tracks, and charging a user fee to those employees with a take home vehicle (at 10% return).

The attached data includes the description of the line item, the assumptions, and the funding sources for your utilization.

Attachments

1. Recommendation List
2. U.S. Bureau of Labor Statistics
3. Furlough Analysis
4. Overtime Review
5. Capital Outlay Reserve List

c: Honorable Carlos Alvarez, Mayor
George M. Burgess, County Manager
R.A. Cuevas, Jr. County Attorney
Jennifer Glazer-Moon, Special Assistant/OSBM Director
Carter Hammer, Director, Finance Department
Diane Collins, Acting Division Chief, Clerk of the Board Division
Jess McCarty, County Attorney's Office

OCA RECOMMENDATIONS

Wage and Benefits	Assumptions	Countywide				Total
		General Fund	UMSA General Fund	Other Funding		
Furlough Mandated	6,400,000 X 5 days (all employees)	9,644,647	4,367,931	17,986,914	31,999,492	
Flex Benefits Eliminated	Based on ABDS/OSBM 5% pay cut funding split	9,160,488	4,148,662	17,083,976	30,393,126	
Premium Pay Eliminated	Based on Mayor Memo/OSBM 5% pay cut funding split	8,072,140	3,655,763	15,054,247	26,782,150	
Longevity Bonus Frozen	Volume 1, page 47 (split provided by OSBM)	5,454,000	2,769,000	11,276,000	19,499,000	
Merit Frozen	Volume 1, page 47 (split provided by OSBM)	5,168,000	2,153,000	10,057,000	17,378,000	
Overtime Reduced	Based on RFR0	579,000	114,000	2,175,000	2,868,000	
Executive Benefits Eliminated (except EI)	Based on ABDS/OSBM 5% pay cut funding split	1,361,502	616,606	2,539,152	4,517,260	
Tuition Reimbursement Frozen	Based on ABDS (internal budget system)	488,236	221,116	910,542	1,619,894	
Total		39,928,013	18,046,077	77,082,831	135,056,922	

Expenditure Reductions	Assumptions	Countywide				Total
		General Fund	UMSA General Fund	Other Funding		
4 Day Workweek	County Manager memo 9/17/08 and OSBM 5% pay cut funding split	346,610	156,975	646,415	1,150,000	
Consulting Services	Return to FY 08-09 funding levels/split based on Vol.2-E	95,764	38,741	324,495	459,000	
Temporary Help	Return to FY 08-09 funding levels/split based on Vol.2-E	87,141	75,705	691,929	854,775	
Publications, Subscriptions, Memberships	Return to FY 08-09 funding levels/split based on Vol.2-E	412,060	86,555	724,211	1,222,826	
Office Furniture and Equipment	Return to FY 08-09 funding levels/split based on Vol.2-E	12,860	1,171	355,538	369,569	
Capital Outlay Reserve Projects	Based on OSBM carryover spreadsheet	4,150,240	1,143,760	0	5,294,000	
Total		5,104,675	1,502,907	2,742,588	9,350,170	

Revenue Opportunities	Assumptions	Countywide				Total
		General Fund	UMSA General Fund	Other Funding		
Licenses for Cats	Based on Humane Society cat count	1,786,000	0	3,014,000	4,800,000	
Slot Machine Revenue	Based on Broward County's experience	1,034,000	0	0	1,034,000	
Take Home Car User Fee						
-MDDP	Based on \$200 per payperiod (2,698 vehicles) @10%	432,112	796,881	173,967	1,402,960	
-MDFR	Based on \$200 per payperiod (28 vehicles) @ 10%	0	0	14,560	14,560	
-Other Departments	Based on \$163 per payperiod (584 vehicles)@ 10%	81,994	27,331	194,355	303,680	
TOTAL		3,334,105	824,212	3,396,882	7,555,200	

GRAND TOTAL 48,366,794 20,373,197 83,222,302 151,962,292

OCA RECOMMENDATIONS

Mayor's Budget Proposal	Assumptions	Countywide				Total
		General Fund	UMSA General Fund	Other Funding		
Merit Frozen	Volume 1, page 47	5,168,000	2,153,000	10,057,000	17,378,000	
5% Pay Cut	Volume 1, page 47 (split provided by OSBM)	32,080,000	14,527,000	59,820,000	106,427,000	
Longevity Bonus Frozen	Volume 1, page 47 (split provided by OSBM)	5,454,000	2,769,000	11,276,000	19,499,000	
	Total	42,702,000	19,449,000	81,153,000	143,304,000	
		Variance (OCA-Mayor)	5,664,794	924,197	2,069,302	8,658,292

<u>Taxing Unit</u>	<u>Additional Revenue</u>
Countywide	<u>Proposed at Rollback</u>
UMSA	113,833,000
Fire	15,383,000
Library	32,785,000
	32,833,000

U.S. State and Local Government Workers Cost compared to Miami-Dade County

Total Compensation	Wages & Salaries	Total Benefit Cost	FRINGE BENEFITS				Legally required benefits (FICA, MICA)
			Paid Leave	Pay Supplements (incl longevity)	Insurance	Retirement & savings	
\$39.51	\$25.97	\$13.53	\$3.24	\$0.34	\$4.48	\$3.14	\$2.33

Employer costs per hour worked for employee compensation and costs as a percent of total compensation: State and local government workers - March 2009, U.S. Bureau of Labor Statistics

U.S. Bureau of Labor Statistics
 Last Modified Date: June 10, 2009

FURLOUGH

Pay Range	# of Employees	Salary Only	Fringe	S&E Total	Daily Cost	Furlough Days	Savings
\$0 to \$24,999	233	5,390,766	1,185,969	6,576,735	27,403	5	137,015
\$25,000 to \$49,999	12,766	204,346,982	44,956,336	249,303,318	1,038,764	5	5,193,819
\$50,000 to \$74,999	10,358	631,448,303	138,918,627	770,366,930	3,209,862	5	16,049,311
\$75,000 to \$99,999	2,816	237,220,232	52,188,451	289,408,683	1,205,870	5	6,029,348
\$100,000 to \$124,999	939	102,480,251	22,545,655	125,025,906	520,941	5	2,604,706
\$125,000 to \$149,999	278	37,667,862	8,286,930	45,954,792	191,478	5	957,391
\$150,000 to \$199,999	127	21,584,924	4,748,683	26,333,607	109,723	5	548,617
\$200,000 to \$249,999	49	10,922,873	2,403,032	13,325,905	55,525	5	277,623
Over \$250,000	<u>29</u>	<u>7,934,207</u>	<u>1,745,526</u>	<u>9,679,733</u>	<u>40,332</u>	<u>5</u>	<u>201,661</u>
Total	27,595	1,258,996,400	276,979,208	1,535,975,608	6,399,898		31,999,492

Note:

1-Based on an average salary and fringe of \$75,000, we subtracted 576 employees from the position count to balance to Volume 1, pages 63-64.

2-Employee count in ranges based on 6/28/09 actual salary payroll (exclusive of overtime, executive benefits, longevity, etc).

3-As of 6/28/09, there were 6,288 salaried full-time employees (22.78% of the workforce)

OFFICE OF THE COMMISSION AUDITOR
Review of Departments Overtime Salary and Overtime Fringes
From FY 04-05 Actual Through to FY 09-10 Proposed

Source: RFR0 (\$000s)	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 09-10	1-Year	1-Year %	5-Year	5-Year %
DEPARTMENTS	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	PROPOSED	RECOMMEND	Change	Change	Change	Change
Agenda Coordination											
Overtime Salary	36	22	18	13	25	0	0		(25)	(36)	-100.0%
Overtime Fringes	0	0	0	0	0	0	0		0.0%	-	0.0%
Animal Services											
Overtime Salary	0	0	0	76	100	100	0		0.0%	100	100.0%
Overtime Fringes	0	0	0	9	17	18	0		5.9%	18	100.0%
Audit and Management Services											
Overtime Salary	1	0	0	2	2	2	0		0.0%	1	100.0%
Overtime Fringes	0	0	0	0	0	0	0		0.0%	-	0.0%
Aviation											
Overtime Salary	8,546	8,149	5,861	9,780	4,585	6,087	6,087	\$ 1,502	32.8%	(2,459)	-28.8%
Overtime Fringes	1,269	2,406	1,981	2,852	1,717	2,089	2,089	\$ 372	21.7%	820	64.6%
Board of County Commissioners											
Overtime Salary	125	150	171	187	200	0	0		-100.0%	(125)	-100.0%
Overtime Fringes	0	0	0	0	0	0	0		0.0%	-	0.0%
Building/Neighborhood Compliance											
Overtime Salary	699	1,304	803	238	150	240	0		60.0%	(459)	-65.7%
Overtime Fringes	174	0	0	0	27	44	0		63.0%	(130)	-74.7%
Building Code Compliance											
Overtime Salary	6	35	53	32	33	25	0		-24.2%	19	316.7%
Overtime Fringes	0	5	8	4	5	3	0		-40.0%	3	100.0%
Community Action Agency											
Overtime Salary	160	91	228	134	53	0	0		-100.0%	(160)	-100.0%
Overtime Fringes	24	14	18	18	7	0	0		-100.0%	(24)	-100.0%
Consumer Services											
Overtime Salary	75	66	68	71	81	19	0		-76.5%	(56)	-74.7%
Overtime Fringes	25	19	11	11	14	3	0		-78.6%	(22)	-88.0%
Corrections and Rehabilitation											
Overtime Salary	11,429	20,668	28,284	29,164	21,965	17,273	17,273		-21.4%	5,844	51.1%
Overtime Fringes	2,992	5,411	7,404	7,661	6,252	4,857	4,857		-22.3%	1,865	62.3%
Elections											
Overtime Salary	1,746	973	1,173	2,365	1,005	764	764		-24.0%	(982)	-56.2%
Overtime Fringes	248	0	0	575	182	142	142		-22.0%	(106)	-42.7%

OFFICE OF THE COMMISSION AUDITOR
Review of Departments Overtime Salary and Overtime Fringes
From FY 04-05 Actual Through to FY 09-10 Proposed

Source: RFR0 (\$000s)	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 ACTUAL	FY 07-08 ACTUAL	FY 08-09 BUDGET	FY 09-10 PROPOSED	FY 09-10 RECOMMEND	1-Year Change	1-Year % Change	5-Year Change	5-Year % Change
Emergency Management											
Overtime Salary	12	(50)	2	1	4	4	4	\$ -	0.0%	(8)	-66.7%
Overtime Fringes	0	(2)	0	0	1	0	0	\$ (1)	-100.0%	-	0.0%
Enterprise Technology Services											
Overtime Salary	1,821	523	1,700	1,491	1,619	1,629	383	\$ 10	0.6%	(192)	-10.5%
Overtime Fringes	145	76	227	312	298	300	71	\$ 2	0.7%	155	106.9%
Environmental Resources Mgmt.											
Overtime Salary	212	209	219	260	189	177	0	\$ (12)	-6.3%	(35)	-16.5%
Overtime Fringes	32	32	33	39	35	33	0	\$ (2)	-5.7%	1	3.1%
Finance											
Overtime Salary	210	204	140	134	240	177	0	\$ (63)	-26.3%	(33)	-15.7%
Overtime Fringes	30	30	26	24	45	33	0	\$ (12)	-26.7%	3	10.0%
Fire Rescue											
Overtime Salary	16,553	18,084	19,617	17,366	20,318	18,581	18,581	\$ (1,737)	-8.5%	2,028	12.3%
Overtime Fringes	3,808	4,159	4,511	4,046	4,673	4,279	4,279	\$ (394)	-8.4%	471	12.4%
General Services Administration											
Overtime Salary	3,020	3,008	2,682	2,230	2,086	2,150	2,150	\$ 64	3.1%	(870)	-28.8%
Overtime Fringes	472	491	825	476	661	744	744	\$ 83	12.6%	272	57.6%
Government Information Center											
Overtime Salary	54	132	52	182	75	78	78	\$ 3	4.0%	24	44.4%
Overtime Fringes	0	0	0	33	13	13	13	\$ -	0.0%	13	100.0%
Human Resources											
Overtime Salary	306	367	276	184	193	0	0	\$ (193)	-100.0%	(306)	-100.0%
Overtime Fringes	46	56	49	30	36	0	0	\$ (36)	-100.0%	(46)	-100.0%
Human Services											
Overtime Salary	64	162	55	175	32	0	0	\$ (32)	-100.0%	(64)	-100.0%
Overtime Fringes	5	0	3	0	6	0	0	\$ (6)	-100.0%	(5)	-100.0%
Judicial Administration											
Overtime Salary	34	28	37	33	0	0	0	\$ -	0.0%	(34)	-100.0%
Overtime Fringes	6	5	7	6	0	0	0	\$ -	0.0%	(6)	-100.0%
Juvenile Services											
Overtime Salary	0	0	0	18	70	70	70	\$ -	0.0%	70	100.0%
Overtime Fringes	0	0	0	1	13	13	13	\$ -	0.0%	13	100.0%

OFFICE OF THE COMMISSION AUDITOR
Review of Departments Overtime Salary and Overtime Fringes
From FY 04-05 Actual Through to FY 09-10 Proposed

Source: RPRO (\$000s)	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 ACTUAL	FY 07-08 ACTUAL	FY 08-09 BUDGET	FY 09-10 PROPOSED	FY 09-10 RECOMMEND	1-Year Change	1-Year % Change	5-Year Change	5-Year % Change
DEPARTMENTS											
Library											
Overtime Salary	157	164	179	220	248	255	0	7	2.8%	98	62.4%
Overtime Fringes	24	25	35	40	0	48	0	48	0.0%	24	100.0%
Medical Examiner											
Overtime Salary	52	67	62	109	102	131	131	29	28.4%	79	151.9%
Overtime Fringes	0	17	4	33	26	39	39	13	50.0%	39	100.0%
Metro-Miami Action Plan											
Overtime Salary	8	3	0	10	0	0	0	-	0.0%	(8)	-100.0%
Overtime Fringes	0	0	0	0	0	0	0	-	0.0%	-	0.0%
Office of Neighborhood Compliance											
Overtime Salary	0	0	0	0	40	0	0	(40)	-100.0%	-	0.0%
Overtime Fringes	0	0	0	0	10	0	0	(10)	-100.0%	-	0.0%
Office of the CITT											
Overtime Salary	1	1	1	1	1	5	0	4	400.0%	4	400.0%
Overtime Fringes	0	0	0	0	0	0	0	-	0.0%	-	0.0%
Office of the Clerk											
Overtime Salary	138	415	518	114	582	65	0	(517)	-88.8%	(73)	-52.9%
Overtime Fringes	45	144	108	39	220	22	0	(198)	-90.0%	(23)	-51.1%
Park and Recreation											
Overtime Salary	800	1,092	798	515	585	587	587	2	0.3%	(213)	-26.6%
Overtime Fringes	120	164	155	103	116	115	115	(1)	-0.9%	(5)	-4.2%
Planning and Zoning											
Overtime Salary	106	83	63	22	8	15	0	7	87.5%	(91)	-85.8%
Overtime Fringes	16	12	9	3	2	3	0	1	50.0%	(13)	-81.3%
Police											
Overtime Salary	35,509	49,168	52,233	57,747	38,466	29,312	29,312	(9,154)	-23.8%	(6,197)	-17.5%
Overtime Fringes	9,167	9,387	17,591	16,447	11,024	7,574	7,574	(3,450)	-31.3%	(1,593)	-17.4%
Procurement Management											
Overtime Salary	18	10	5	20	16	17	0	1	6.3%	(1)	-5.6%
Overtime Fringes	2	1	1	3	3	3	0	-	0.0%	1	50.0%
Public Housing Agency											
Overtime Salary	869	979	986	568	752	261	261	(491)	-65.3%	(608)	-70.0%
Overtime Fringes	188	0	0	0	165	57	57	(108)	-65.5%	(131)	-69.7%

OFFICE OF THE COMMISSION AUDITOR
Review of Departments Overtime Salary and Overtime Fringes
From FY 04-05 Actual Through to FY 09-10 Proposed

Source: RFR0 (\$000s)	FY 04-05 ACTUAL	FY 05-06 ACTUAL	FY 06-07 ACTUAL	FY 07-08 ACTUAL	FY 08-09 BUDGET	FY 09-10 PROPOSED	FY 09-10 RECOMMEND	1-Year Change	1-Year % Change	5-Year Change	5-Year % Change
Public Works											
Overtime Salary	2,004	2,247	2,066	2,363	1,882	967	967	\$ (915)	-48.6%	\$ (1,037)	-51.7%
Overtime Fringes	0	0	0	0	0	0	0	\$ -	0.0%	\$ -	0.0%
Seaport											
Overtime Salary	1,474	1,659	1,964	1,858	987	1,355	1,355	\$ 368	37.3%	\$ (119)	-8.1%
Overtime Fringes	0	0	0	229	0	0	0	\$ -	0.0%	\$ -	0.0%
Small Business Development											
Overtime Salary	0	0	0	9	0	6	0	\$ 6	100.0%	\$ 6	100.0%
Overtime Fringes	0	0	0	0	0	0	0	\$ -	0.0%	\$ -	0.0%
Solid Waste Management											
Overtime Salary	7,175	8,326	3,606	3,962	4,610	4,441	4,441	\$ (169)	-3.7%	\$ (2,734)	-38.1%
Overtime Fringes	1,090	1,282	630	702	864	815	815	\$ (49)	-4.5%	\$ (275)	-25.2%
Team Metro											
Overtime Salary	319	350	76	0	0	0	0	\$ -	0.0%	\$ (319)	-100.0%
Overtime Fringes	24	70	16	0	0	0	0	\$ -	0.0%	\$ (24)	-100.0%
Transit											
Overtime Salary	29,223	29,079	26,294	23,046	23,895	21,381	21,381	\$ (2,514)	-10.5%	\$ (7,842)	-26.8%
Overtime Fringes	0	0	0	0	0	0	0	\$ -	0.0%	\$ -	0.0%
Vicaya Museum and Gardens											
Overtime Salary	95	61	90	78	90	80	0	\$ (10)	-11.1%	\$ (15)	-15.8%
Overtime Fringes	0	0	0	0	17	0	0	\$ (17)	-100.0%	\$ -	0.0%
Water and Sewer											
Overtime Salary	8,627	9,851	7,313	9,488	7,252	9,126	9,126	\$ 1,874	25.8%	\$ 499	5.8%
Overtime Fringes	0	0	0	0	0	0	0	\$ -	0.0%	\$ -	0.0%
TOTALS											
Overtime Salary	131,684	157,680	157,693	164,306	132,541	115,380	112,951	\$ (17,161)	-12.9%	\$ (16,304)	-12.4%
Overtime Fringes	19,952	23,804	33,652	33,696	26,449	21,247	20,808	\$ (5,202)	-19.7%	\$ 1,295	6.5%
GRAND TOTAL	151,636	181,484	191,345	198,002	158,990	136,627	133,759	\$ (22,353)	-14.1%	\$ (15,009)	-9.9%

OCA CUT

(2,868)

Notes:

* Non-responder Departments such as Animal Services, Audit and Management Services, Building/Neighborhood Compliance, Building Code Compliance Consumer Services, ETSD, DERM, Finance, Library, CITT, DPM, SBD, and Vicaya overtime were cut to restore other services

FY 09-10 PROPOSED
CAPITAL OUTLAY RESERVE PROJECTS

Capital Book Project No.	Project Name	Committed	New	Future Years		Total	Spent All Years
		Carryover (funding appropriated)	Funding Request FY 2009-10	Request	Request		thru August 2009
382090*	Corrections and Rehabilitation - Communications Infrastructure Expansion	1,200,000	500,000	0	0	1,700,000	714,979
386430	Corrections and Rehabilitation - Facility Roof Replacements	250,000	0	0	0	250,000	165,410
383090*	Corrections and Rehabilitation - Metro West Detention Center Inmate Housing Improvement	1,200,000	600,000	600,000	0	2,400,000	677,961
386890	Corrections and Rehabilitation - Turner Guilford Knight Correctional Center Security Enhancements	948,000	0	0	0	948,000	332,139
3810430*	Corrections and Rehabilitation - Turner Guilford Knight Infrastructure Repair - Install New Boilers	975,000	250,000	1,800,000	0	3,025,000	239,577
384580	Corrections and Rehabilitation - Women's Detention Center Exterior Sealing	635,000	0	0	0	635,000	84,900
383540	Judicial Administration - Coral Gables Courthouse Expansion	390,000	0	0	0	390,000	37,807
306230	Judicial Administration - Richard E. Gerstein Justice Building Eighth Floor Space Conversion	1,200,000	0	0	0	1,200,000	315,371
3010420	Police - Crime Scene Investigation Bureau Expansion	1,000,000	0	0	0	1,000,000	35,749
322510	Police - Electrical Panel Upgrades	100,000	0	0	0	100,000	41,186
322970*	Police - Fire Alarm Systems for Kendall District Station and The Police - Midwest Property and Evidence and The Fred Taylor Headquarters Building Roof Replacements	410,000	750,000	0	0	1,160,000	14,550
324730*	Police - Training Bureau Facility Improvements	800,000	544,000	256,000	0	1,600,000	16,121
3210970*	Public Works - Illuminated Street Signs	3,500,000	0	0	0	3,500,000	60,492
323440	Park and Recreation - Country Club of Miami Golf Course	2,136,000	0	0	0	2,136,000	373,286
603970	Park and Recreation - Park Facilities Sewer Connections	3,415,000	0	1,200,000	0	4,615,000	3,027,280
932980		142,000	0	0	0	142,000	103,200
9341011		1,805,000	0	0	0	1,805,000	1,753,019
		20,106,000	2,644,000	3,856,000	0	26,606,000	7,993,027

* Projects recommended to be delayed for one year

Interagency agreement with FBI