



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

MEMORANDUM

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

FROM: Charles Anderson
Commission Auditor

A handwritten signature in black ink, appearing to read "Charles Anderson", is written over the name and title in the "FROM" field.

DATE: January 12, 2010

SUBJECT: FY 08-09 Year-End Supplemental Budget

In accordance with Resolution No. 195-05, we have reviewed the County Manager's FY 08-09 End-Year Supplemental Budget. As stated in the item, certain proprietary operations require supplemental budget adjustments due to changes such as federal and state grant funding, etc. We offer the following observations for your consideration concerning the January 12, 2010, BPSC agenda item 1G4.

General Fund

The General Fund requires a supplemental budget of \$4.245 million. The additional revenue is needed to fund the carryover for the respective offices of the Board of County Commissioners (BCC). This supplemental budget is being funded by available general fund carryover in excess of the FY 2008-09 Adopted Budget (\$2.972 million Countywide, \$1.273 million UMSA).

Observation: The \$4.245 million is the carryover from FY 07-08 and this action authorizes it to be added to the FY 08-09 Adopted Budget for the BCC (Attachment). The adjusted BCC total budget for FY 08-09 is \$17.002 million Countywide, \$7.285 million UMSA, and \$581,000 Interagency Transfer for a new total of \$24.868 million (previously \$20.623 million).

Debt Service

Certain projects relating to receipt and transfer of revenue for debt service or projects for actual payment of debt service including maintenance of reserves require a supplemental budget for transfers of revenue in excess of budget or for marginally higher interest payments.

Project 206300, the Convention Development Tax (CDT) Series 1997A, B, and C Revenue Fund requires a supplemental budget of \$4.332 million to reflect \$1.102 million of additional Omni tax increment receipts and \$3.23 million of additional CDT swap receipts. These additional funds were transferred to the debt service reserve account in project 206301 and to the CDT Series 1997B debt service reserve account in project 206401.

Observation: We asked for clarification on the CDT series requiring supplement funding:

- CDT Series 1997A bond was issued for \$86.570 million and funds renovations at the Miami Beach Convention Center and City of Homestead projects.
- CDT Series 1997B bond was issued for \$170.008 million and funds the Adrienne Arsht Performing Arts Center (\$100.479 million), North Dade Cultural facilities (\$7.521 million), South Dade Cultural facilities (\$15.850 million), other facility improvements (\$7.298 million) and miscellaneous (\$38.86 million for debt service, surety, payment of capitalized interest, and issuance cost).
- CDT Series 1997C bond was issued for \$41.961 million and funds acquisition of a multi-purpose professional sports facility and a bridge from the arena site to adjacent commercial property.

We asked why there was an increase in tax increment receipts with property values in a steep decline. We were informed that this was indeed primarily due to a 15% growth in the Omni CRA tax roll.

- Project 206301-1997A budget supplement calculates as follows:
\$6,444,520 Actual Omni Tax Receipts
\$5,342,000 Budget for Omni Tax Receipts
\$1,102,520

Any extra Omni increment tax receipts must be applied to debt service related to the Performing Arts Center pursuant to the Interlocal Agreement.

- Project 206401-1997B budget supplement calculates as follows:
\$6,386,631 SWAP receipts
\$2,866,000 Budgeted SWAP
\$3,520,631
(\$ 290,631) Variance
\$3,230,000 Supplemental request

We asked about the remaining \$290,631 in SWAP receipts and were informed that this balance will remain in the CDT fund unallocated.

Project 211101, Stormwater Utility Revenue Bond Program Revenue Project, requires a supplemental budget of \$68,000. The additional transfer included \$43,000 to debt service project 211102 and \$25,000 to debt service project 211104 to maintain cash balances as required by bond ordinance. The additional transfers were funded by the Stormwater Utility.

- Observation: We asked for clarification on the projects requiring supplemental funding:
- Both projects fund major and local drainage improvements in UMSA
 - Debt Service Fund Series 1999 (Project 211102) was issued for \$41.58 million
 - Debt Service Fund Series 2004 (Project 211104) was issued for \$75 million

This supplement request allocates monies from the revenue project (211101) to the two debt service fund series. Project 211102 needs an additional \$43,000 and Project 211104 needs an additional \$25,000 to maintain the appropriate cash balances as stated.

Projects 213520 and 213521, Series 2004A Capital Asset Floating Rate Bonds debt service projects for certain equipment purchases, require a supplemental budget of \$8,000 and \$12,000 respectively to fund marginally higher interest rate payments on floating rate (tied to the consumer price index) debt service. The additional funding was provided through higher than budgeted cash carryover in each project.

- Observation: Series 2004A Capital Asset Floating Rate Bonds was issued for \$50 million and we asked for clarification on the projects requiring supplemental funding:
- Series 2004A (Project 213520) is for the ETSD mainframe computer system implementation at the 311 answer center and needs an additional \$8,000 for the project
 - Series 2004A (Project 213521) is for three IBM Regatta platforms and needs an additional \$12,000 for the project

Special thanks to the Office of Strategic Budget Management and the Finance Department for all their cooperation and assistance.

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

Attachment

BOARD OF COUNTY COMMISSIONERS
Office of the Commission Auditor

Attachment

District	FY 2007-08 Carryover
1	0
2	87,000
3	279,000
4	925,000
5	563,000
6	393,000
7	207,000
8	260,000
9	0
10	100,000
11	248,000
12	469,000
13	285,000
Subtotal	3,816,000
Chair's Office	208,000
Subtotal	4,024,000
BCC Support Staff	48,000
Commission Auditor	141,000
Intergovernmental Affairs	32,000
Grand Total \$	4,245,000