



BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR

M E M O R A N D U M

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

FROM: Charles Anderson
Commission Auditor

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

DATE: May 11, 2010

SUBJECT: FY 09-10 Mid-Year Supplemental Budget Report

In accordance with Resolution No. 195-05, we have reviewed the County Manager's FY 09-10 Mid-Year Amendment report. We offer general comments, as well as observations on specific supplemental budget items for your consideration in anticipation of the May 11, 2010, BPSA agenda item 3H.

General Fund

The General Fund requires a supplemental budget of \$20.578 million. This includes the carryover for the respective offices in the Board of County Commissioners (\$4.728 million) and unexpended funding from community-based organization allocations (\$4.5 million) as referenced in the Collective Bargaining and FY 2009-10 Budget memorandum transmitted to the Board on February 25, 2010. It also includes \$11.320 million of carryover in excess of the FY 2009-10 Adopted Budget adjusted by the RNG properties Public Housing Agency settlement which must be reflected as a FY 2008-09 expenditure funded by General Fund Revenues as required by the settlement agreement (\$1.250 million). The additional revenue is allocated as detailed in the accompanying amendment.

Observation: The \$20.578 million is composed of:

- | | |
|------------------------------|------------------|
| ▪ BCC carryover | \$ 4.728 million |
| ▪ CBO unexpended allocations | \$ 4.500 million |
| ▪ Excess carryover | \$11.350 million |

The BCC carryover of \$4.728 million is from unexpended FY 08-09 monies from the district offices and divisions.

The CBO unexpended allocation of \$4.5 million differs from the \$1.825 million referenced in the County Manager's memorandum dated September 30, 2009, "Funding for Community-based Organizations and

Cultural Grants” and also noted in a memorandum dated October 23, 2009, “FY 2009-10 Community-based Organization Funding. The County Manager’s memorandum dated February 23, 2010, “Collective Bargaining and the FY 09-10 Budget,” stated “We have devised a savings plan that combines recapture of prior years’ unspent community-based organization funding (\$4.5 million), ...” We questioned OSBM concerning the additional monies and were informed that when the CBO activity was transferred from the Department of Human Services to the Office of Grants Coordination (OGC), they reviewed allocations and accounts with limited or no activity beginning FY 06-07 and forward. At the conclusion of their review, OGC determined that there was an additional \$4.5 million in unspent CBO funding (OGC took on the responsibility of monitoring and tracking CBO activities during FY 2008-09).

The excess carryover of \$11.350 million is in addition to the FY 09-10 Adopted Budget of \$21.313 million. The excess carryover was realized as a result of the January 1, 2009 savings plan instituted by the Administration. This excess carryover amount represents .66 percent of the total \$1.712 billion General Fund budget. The excess carryover would have been \$12.600 million without the RGN (scrivener’s error was written as RNG) settlement that was required to be paid from the General Fund or non-federal revenue ($\$12.600 - \$1.250 = \$11.350$ million).

Therefore, the \$1.250 million needed is utilized in the following manner:

- \$1.150 million (settlement) for the Common fund, Plaintiff’s attorney fees and costs, and the Named Plaintiff’s Incentive Award
- \$100,000 for Miami-Dade Public Housing Agency (MDPHA) to contract with a claims administrator vendor (CAC Services Group LLC) to handle the claim payments from the Common fund

This settlement agreement was approved by the BCC on July 2, 2009 (Resolution 934-09) and stated “The fiscal impact to the County is **estimated** to be up to \$1.219 million and shall be paid from the County’s general funds or any other funds.” However, HUD has prohibited the County from using its Section 8 administrative fees or any other federal funds to settle this case.

FY 2008-09 General Fund cash carryover was \$43.245 million. The budget amendment will utilize \$20.578 million of this carryover, for a remaining balance of \$22.667 million in the General Fund (**unaudited**). FY 09-10 General Fund budget for carryover is \$21.313 million, therefore \$1.354 million is unallocated ($\$22.667 - \21.313 million).

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Fire Rescue

The Fire Rescue Department requires a supplemental budget of \$20.210 million due to higher than anticipated personnel costs associated with the delayed implementation of the collective bargaining agreement. Funding is provided from higher than anticipated personnel costs associated with the delayed implementation of the collective bargaining agreement. Funding is provided from higher than anticipated carryover revenues as a result of increased medical transportation revenues (\$9 million), mostly attributed to delayed Medicare payments from the prior year; reduced expenditures as part of the implementation of the FY 2008-09 departmental savings plan, including reductions in debt service from not issuing new bonds and interest swaps (\$5 million); and other line item expenditures such as fuel (\$2 million), and deferred payments for heavy fleet vehicles invoiced but not delivered (\$4 million).

MDFR also requires supplemental budget of \$145,000 due to increased revenues from a recently awarded Florida Inland Navigation (FIND) Waterways Grant (\$111,000) which will be used to construct a floating dock at the Port of Miami to facilitate MDFR's Fireboat deployment, and to correct a scrivener error associated with the EMS grant revenue (\$34,000).

The supplemental budget ordinance schedule includes a correction to Fund 720, Subfund 720 to accurately reflect the information included in the information for Second Budget Hearing-FY 2009-10 proposed Budget Memorandum dated September 17, 2009, handwritten page 4 associated with Fire Rescue, State Grant Awards, and the FEMA Fire Prevention and Safety Grant Program.

Observation: The FEMA Fire Prevention and Safety Grant Program was awarded \$284,000 as shown in Exhibit A, handwritten page 16. This correction is to match the FY 09-10 Second Budget Hearing Memorandum.

Special thanks to the OSBM for their cooperation and assistance.

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