



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

M E M O R A N D U M

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 printed name and title.

DATE: August 24, 2010

SUBJECT: FY 2010-11 Proposed Budget General Fund Revenues

General Fund Revenues

The Office of the Commission Auditor along with the Finance Department and the Office of Strategic Business Management (OSBM), held two Revenue Estimating Conferences during FY 2009-10 (February 3 and April 21, 2010). In each of the conferences, estimates were discussed and adjusted accordingly. We have prepared a comparison analysis of General Fund revenue sources, between the FY 2009-10 and the FY 2010-11 Proposed Budget (Attachment 1) and variances have been noted. Overall, the General Fund is \$70.845 million less in FY 2010-11 than in FY 2009-10, indicating further deterioration of this particular revenue stream.

General Fund Revenue is allocated to designated departments and to non-departmental expenditures. In the FY 2010-11 Proposed Budget, the departments are allocated \$1.480 billion and Non-Departmental Expenditures are allocated \$181.259 million. Non-departmental Expenditures are funded by General Fund Revenue Sources, such as: Property Tax, Administrative Reimbursements, State of Florida Sales Tax, Fuel Taxes, County Revenue Sharing, Municipal Revenue Sharing, and cash carryover.

The proposed non-department expenditure of \$181.259 million is for expenses not allocated within a given department's budget and reserves. A six year review of General Fund Revenue allocated to Non-departmental Expenditures indicates that amounts have fluctuated in various degrees (Attachment 2). In FY 2004-05 the budgeted revenue allocation was \$149.211 million, in FY 2006-07 it increased to \$219.533 million (the highest amount in this six year period), and in the proposed budget FY 2010-11, the allocation is proposed at \$181.259 million.

Cash Carryover

The Proposed Budget FY 2010-11 allocates \$36.173 million as General Fund carryover under Countywide/Unincorporated Municipal Service Area General Revenue, Volume 2, pages 506 and 508. In FY 2007-08, the actual General Fund carryover was \$109.671 million, a reduction of 67 % over a three (3) year period.

Administrative Reimbursement

Collection of administrative fees is an additional source of General Fund revenue. Proprietary departments such as Aviation, Water and Sewer, Solid Waste Management, etc., pay this fee for the use of centralized services. For example, the Finance Department may provide bond administration services or the Human Resources Department may provide personnel services to the proprietary departments. If the proprietary departments were authorities, the centralized services would either be contracted out or additional staff could be hired to perform the functions. Consequently, the County assesses a fee to execute these types of services. This fee is a revenue line source for the General Fund and is redistributed to the central services budgets.

For the Proposed Budget FY 2010-11, the administrative reimbursement fee percentage is 3.61% (Attachment 3-provided by OSBM). The administrative reimbursement amount charged to the proprietary departments' totals \$47.363 million, as stated in the Proposed Budget FY 2010-11, Volume 1, pages 77-78. A spreadsheet detailing prior years reimbursement and the proposed fee for each County Department is provided for your review (Attachment 4).

Historically, the FY 2008-09 administrative reimbursement rate was 3.2%. The FY 2009-10 budgeted administrative reimbursement rate is 3.4% and the proposed rate for FY 10-11 will be 3.61%. The slow increase in administrative reimbursement is duly noted, however, it should be monitored in future years (the departments added this year contributing to the fee are: CITT, Housing Finance Authority, and Miami-Dade Public Housing Agency).

Special thanks to OSBM for the information provided and their assistance in this matter. Should you require additional information, feel free to contact me at (305) 375-2524.

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

GENERAL FUND REVENUE SOURCES (\$000s)	Adopted Budget FY 2009-10	Proposed Budget FY 2010-11	\$\$\$ Variance b/w Budget and Proposed	%% Variance b/w Budget and Proposed
TAXES				
General Property Tax Roll	1,151,150	1,138,000	(13,150)	-1.1%
Utility Tax	66,798	63,574	(3,224)	-4.8%
Communications Services Tax	43,796	37,963	(5,833)	-13.3%
Franchise Fees (FPL)	52,407	50,533	(1,874)	-3.6%
Local Option Gas Tax (Local Option Six Cents)	40,667	39,535	(1,132)	-2.8%
Ninth Cent Gas Tax (Local Option)	10,439	10,338	(101)	-1.0%
Sub-Total	1,365,257	1,339,943	(25,314)	-1.9%
BUSINESS TAXES	6,500	6,500	0	0.0%
INTERGOVERNMENTAL REVENUES				
Local Gov't Half-Cent Sales Tax (State Sales)	112,179	102,249	(9,930)	-8.9%
County Revenue Sharing	26,449	25,378	(1,071)	-4.0%
Municipal Revenue Sharing	45,800	45,800	0	0.0%
State Gas Motor Fuels Tax	12,130	11,995	(135)	-1.1%
State Crime Lab Reimbursement	699	0	(699)	-100.0%
Alcoholic Beverage License	851	851	0	0.0%
Secondary Roads	500	500	0	0.0%
Race Track Revenue	447	447	0	0.0%
State Insurance Agent License Fee	464	464	0	0.0%
Sub-Total	199,519	187,684	(11,835)	-5.9%
CHARGES FOR SERVICES				
Sheriff and Police Fees	3,936	3,914	(22)	-0.6%
Other	500	500	0	0.0%
Sub-Total	4,436	4,414	(22)	-0.5%
INTEREST INCOME	4,500	1,913	(2,587)	-57.5%
OTHER				
Administrative Reimbursement	49,470	47,363	(2,107)	-4.3%
Transfer from Emergency Contingency Reserve	58,544	0	(58,544)	-100.0%
Miscellaneous	2,141	9,672	7,531	351.8%
Sub-Total	110,155	57,035	(53,120)	-48.2%
TRANSFERS				
Water Utility Transfer	0	25,133	25,133	0.0%
User Access Program Revenues	0	2,618	2,618	0.0%
Sub-Total	0	27,751	27,751	0.0%
CASH CARRYOVER	41,891	36,173	(5,718)	-13.6%
Total	1,732,258	1,661,413	(70,845)	-4.1%

Source: Proposed Budget FY 2010-11 Vol. 2 pp 505-508

(*) includes \$6.038m FPL audit settlement

**GENERAL FUND REVENUE ALLOCATED TO
NON DEPARTMENTAL EXPENDITURES**

	CW	UMSA	TOTAL
Adopted FY 2004-05	120,772 80.94%	24,539 16.45%	149,211
Adopted FY 2005-06	156,661 85.84%	25,436 13.94%	182,497
Adopted FY 2006-07	180,069 82.02%	33,551 15.28%	219,535
Adopted FY 2007-08	164,545 81.63%	43,964 21.81%	201,583
Adopted FY 2008-09	154,403 80.33%	37,819 19.67%	192,222
Adopted FY 2009-10	131,913 74.17%	45,931 25.83%	177,844
Proposed FY 2010-11	148,531 81.94%	32,728 18.06%	181,259

ADMINISTRATIVE REIMBURSEMENT CALCULATION FOR FY 2010-11 Using FY 2009-10 Budget

Estimated Value of General Support to All Departments (Numerator)

	FY 09-10	
	General	
	Fund	
	Budget	
<u>Staff Departments</u>		
County Executive Office	7,752	4.87%
BCC and BCC Auditor	17,355	10.89%
Agenda	745	0.47%
CAO	17,305	10.86%
OSBM	4,045	2.54%
Human Resources	9,936	6.24%
AMS	4,405	2.76%
ETSD (Direct GF Support to Infrastructure Exclude Public Safety)	10,391	6.52%
ADA	496	0.31%
Ethics and OIG	2,914	1.83%
IRP	0	0.00%
BNC (Neighborhood Compliance Only)	5,376	3.37%
GIC	5,276	3.31%
Office of Emergency Management	2,232	1.40%
COR projects and Debt of CW significance	9,591	6.02%
Finance - non-tax collector	23,836	14.96%
Office of Sustainability	509	0.32%
Fair Employment	954	0.60%
	Subtotal	123,118 77.27%
<u>General Government</u>		
Management Consulting	0	0.00%
Legal Ads	0	0.00%
Radio Public Information	150	0.09%
Ads in Community Newspapers	0	0.00%
Memberships	332	0.21%
Employee Training	1,600	1.00%
External Audit	1,200	0.75%
Promotional	60	0.04%
Special Audit	0	0.00%
Sign Language Interpreters	20	0.01%
Outside Printing	100	0.06%
Employee Ads	200	0.13%
Dade Delegation	0	0.00%
Outside Legal/Lobbyist	1,200	0.75%
Employee Awards	100	0.06%
Communications Publications	0	0.00%
Operating Reserves	31,262	19.62%
	Subtotal	36,224 22.73%
TOTAL		159,342 100.00%
<u>Total Operating Budget (Direct) with Adjustments (Denominator)</u>		
Total Operating Budget	4,568,326	
General Support Costs	-159,342	
ADJUSTED TOTAL	4,408,984	
PERCENT		3.61%

**ADMINISTRATIVE REIMBURSEMENT ACTUAL REVENUES,
ADOPTED, AND PROPOSED**

Administrative Reimbursement	Actual FY 2005-06	Actual FY 2006-07	Actual FY 2007-08	Actual FY 2008-09	Adopted FY 2009-10	Proposed FY 2010-11	Source Volume 1	Variance b/w Proposed & Adopted
Art in Public Places (CUA)	17	22	11	20	20	23	p. 192	3
Aviation	9,018	7,309	7,847	8,184	5,231	6,628	p. 238	1,397
Building, Neighborhood & Compliance	1,024	1,233	1,224	747	751	928	(*)/p.180	177
Building Code Compliance	361	428	395	406	383	0	(*)	-383
Capital Improvements	0	0	147	158	169	112	p. 175	-57
Citizens' Independent Transp. Trust	0	0	0	0	0	68	Vol. 2 p. 116	68
Consumer Svcs	127	200	181	239	329	262	p. 177	-67
DERM	1,474	1,663	1,820	1,668	1,726	1,425	p. 178, 193	-301
Fire Rescue	5,942	7,608	9,164	11,188	10,427	10,000	p. 171	-427
Homeless Trust	36	47	55	56	57	49	p. 195	-8
Housing Finance Authority	0	0	0	0	0	57	p. 196	57
Impact Fees	93	180	93	0	0	0		0
Library	1,471	2,286	2,462	2,861	2,861	2,192	p. 185	-669
Planning and Zoning	296	419	370	325	325	171	as per OSMB	-154
Public Housing Agency						2,176	Vol.2 p. 328	2,176
Procurement	0	0	327	346	414	318	p. 183	-96
Public Works	660	856	1,155	1,232	1,232	1,237	Vol. 2 p. 248	5
Seaport	1,315	1,800	1,900	2,000	2,200	2,192	p. 207	-8
Solid Waste Management	4,196	4,347	4,788	4,701	5,289	4,717	p. 210, 211	-572
Tourism	398	835	908	372	347	317	(**)/ p. 194	-30
WASD	34,638	13,790	14,984	14,380	17,620	14,491	(***)/p.241	-3,129
Vizcaya	78	0	0	0	0	0		0
TOTAL	61,144	43,023	47,831	48,883	49,381	47,363		-2,018

NOTES:

- 1-Administrative Reimbursement is proposed at 3.61% for FY10/11
- 2-Actual figures were derived from FAMIS
- (*) Proposed includes Administrative Reimbursement of the former Building Department and Building Code Compliance Department
- (**) Proposed includes Tourist Dev. Tax and Tourist Dev. Surtax; per OSBM \$146,000 is related to Transfer to Emergency Contingency Reserve
- (***) Proposed includes \$7.087million; per OSBM is related to Transfer to Emergency Contingency Reserve