



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

M E M O R A N D U M

TO: Honorable Chairman Bruno A. Barreiro
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: September 18, 2008

SUBJECT: Second Budget Hearing-Final Recommendations

Attached are our final recommendations to assist you in the Second Budget Hearing meeting.

Attachments:

1. Spreadsheet "FY 2008-09 Millage Options"
2. Table "Opportunities for Service Enhancement and/or Savings"
3. Additional Information Sheets for selected "Opportunities for Service Enhancement and/or Savings"
4. Spreadsheet "General Fund Departments One Percent Reduction"

Should you have any questions, feel free to contact me at (305) 375-2524.

C: Honorable Carlos Alvarez, Mayor
Harvey Ruvin, Clerk, Circuit and County Courts
George M. Burgess, County Manager
R.A. Cuevas, Jr., County Attorney
Jennifer Glazer-Moon, Director, Office of Strategic Business Management
Kay Sullivan, Director, Clerk of the Board Division

ATTACHMENT 1

FY 2008-09 MILLAGE OPTIONS

	2008 Levy Computed at Mayor's Amended Millages Proposed in 7/17/08 BCC Item 12(A)(3)	2008 Levy Computed at 2008 Rollback Millages in OSBM memo of 8/26/08	2008 Levy Computed at 2008 Statutory Maximum Millages in OSBM memo of 8/26/08	2008 Levy If Millages Same as 2007	2008 Levy Computed at Millages in 2008-09 Trim Notices
CW:	4.8733	4.6253	4.5796	4.5796	4.8733
UMSA:	1.9109	2.0674	2.0083	2.0416	2.0416
Fire:	2.0293	2.2197	2.1851	2.2067	2.2067
Library:	<u>0.3573</u>	<u>0.3837</u>	<u>0.3822</u>	<u>0.3842</u>	<u>0.3842</u>
Operating Millage Subtotal:	9.1708	9.2961	9.1552	9.2121	9.5058
CW Debt:	0.2850	0.2850	0.2850	0.2850	0.2850
Fire Debt:	<u>0.0420</u>	<u>0.0420</u>	<u>0.0420</u>	<u>0.0420</u>	<u>0.0420</u>
Debt Service Subtotal:	0.3270	0.3270	0.3270	0.3270	0.3270
Total Operating and Debt Millages:	9.4978	9.6231	9.4822	9.5391	9.8328

County-controlled Levies Total (95% Budgetable Funds)	\$1,710,973,000	\$1,697,016,000	\$1,676,837,000	\$1,682,743,000	\$1,751,259,000
Consisting of:					
CW:	\$1,136,864,000	\$1,079,010,000	\$1,068,349,000	\$1,068,349,000	\$1,136,864,000
UMSA:	\$139,565,000	\$150,996,000	\$146,679,000	\$149,111,000	\$149,111,000
Fire:	\$286,398,000	\$313,269,000	\$308,386,000	\$311,435,000	\$311,435,000
Library:	<u>\$75,733,000</u>	<u>\$81,329,000</u>	<u>\$81,010,000</u>	<u>\$81,435,000</u>	<u>\$81,435,000</u>
Operating Levies Subtotal:	\$1,638,560,000	\$1,624,604,000	\$1,604,424,000	\$1,610,330,000	\$1,678,845,000
Countywide Debt	\$66,486,000	\$66,486,000	\$66,486,000	\$66,486,000	\$66,486,000
Fire Debt	<u>\$5,927,000</u>	<u>\$5,927,000</u>	<u>\$5,927,000</u>	<u>\$5,927,000</u>	<u>\$5,928,000</u>
Debt Service Levies Subtotal	\$72,413,000	\$72,413,000	\$72,413,000	\$72,413,000	\$72,414,000
Total Operating and Debt Levies	\$1,710,973,000	\$1,697,017,000	\$1,676,837,000	\$1,682,743,000	\$1,751,259,000

Change from Mayor's 7/17/08 Proposed Levies based on 95% of Revenue at Various Millage Rates	—	-\$13,957,000	-\$34,136,000	-\$28,230,000	\$40,286,000
Consisting of:					
CW:	—	-\$57,854,000	-\$68,515,000	-\$68,515,000	\$0
UMSA:	—	\$11,431,000	\$7,114,000	\$9,546,000	\$9,546,000
Fire:	—	\$26,871,000	\$21,988,000	\$25,037,000	\$25,037,000
Library:	—	\$5,596,000	\$5,277,000	\$5,702,000	\$5,702,000

OPPORTUNITIES FOR SERVICE ENHANCEMENTS AND/OR SAVINGS

Activity	Item Description	Countywide Amount	UMSA Amount	General Fund Total Amount	Fire District Amount	Reference-Avoidances, Enhancements, Non-Dept, OCA
One Percent Cut	All General Fund Departments	\$ (10,674,000)	\$ (4,745,000)	\$ (15,419,000)		Non-Dept
Animal Services Fee	1) No general funds 2) Replace with a new license requirement for cats (could generate \$4.5 million, or more; see attached information sheet.)	\$ (3,195,000)	\$ -	\$ (3,195,000)		OCA
Capital Outlay Reserve	Reduce funding 10%	\$ (8,360,000)	\$ -	\$ (8,360,000)		OCA
Emergency Contingency Reserve	Reduce funding to FY 2007-08 level	\$ (6,000,000)	\$ -	\$ (6,000,000)		OCA
Government Information Center	Secret shopper program	\$ (167,000)	\$ (75,000)	\$ (242,000)		Avoidance
In the Loop-Employee Newsletter	No funding	\$ (21,000)	\$ -	\$ (21,000)		Non-Dept
Management Consulting	Reduce funding based on historical expenditures	\$ (350,000)	\$ (150,000)	\$ (500,000)		Non-Dept
Museums	Funding from Convention Development Tax	\$ (1,016,000)	\$ -	\$ (1,016,000)		Avoidance
Outside Legal Services	Reduce funding based on historical expenditures	\$ (665,000)	\$ (285,000)	\$ (950,000)		Non-Dept
Public Safety Reserve	No funding	\$ (800,000)	\$ (400,000)	\$ (1,200,000)		Non-Dept
Sports Committees/Commission	Funding from Tourist Development Tax	\$ (1,500,000)	\$ -	\$ (1,500,000)		OCA
Tax Equalization Reserve	Reduced funding	\$ (1,000,000)	\$ (500,000)	\$ (1,500,000)		Non-Dept
User Access Program Fee	Increase fee from 2% to 3% with new revenues allotted to General Fund or to a dedicated use such as Transit; see attached information sheet.	\$ (6,000,000)	\$ -	\$ (6,000,000)		OCA
Wage Adjustment, FRS, Separation, Energy Reserve	Reduce funding based on historical expenditures	\$ (2,000,000)	\$ -	\$ (2,000,000)		Non-Dept
Vizcaya Museum and Gardens	Funding from Convention Development Tax	\$ (282,000)	\$ -	\$ (282,000)		OCA
	Total	\$ (42,030,000)	\$ (6,155,000)	\$ (48,185,000)		
Fire Rescue	No Countywide funding for communications, fire boat, ocean rescue and anti-venom	\$ (20,000,000)	\$ -	\$ (20,000,000)	\$ 20,000,000	Millage Swap
	Grand Total	\$ (62,030,000)	\$ (6,155,000)	\$ (68,185,000)	\$ 20,000,000	
Transit	Privatize bus routes being eliminated by MDT (Potential new initiative to enhance Transit services and revenues. See attached information sheet.)		Potential for \$2.2 to \$4.5 million if routes prove viable for private sector.			OCA

Attachment 3
Opportunities for Service Enhancement &/or Savings

Opportunity: License Cats	Potential New Revenue
<p data-bbox="188 310 513 342"><u>Require licenses for cats.</u></p> <p data-bbox="188 384 1179 562">The Humane Society estimates 600,000 privately owned cats in the County. Miami-Dade County now has an optional cat license with a minimal \$2-to-\$4 fee. If 30% were licensed (same as approx. percentage of dog that are licensed), at \$25 per cat, it would yield approx. \$4.5 million in new revenue for ASD.</p> <p data-bbox="188 604 1195 783"><u>Background:</u> A number of Florida counties already require cat licenses, including Broward, Palm Beach, Hillsborough, Pinellas, Brevard and Alachua Counties. Miami-Dade County considered a very limited licensing program in 2003, but at the recommendation of the County Manager, it was deferred to no date certain by the Public Safety Committee.</p>	<p data-bbox="1221 310 1383 342">\$4.5 million</p> <p data-bbox="1221 384 1432 604">FTE: TBD; additional ASD resources would be required to administer the program.</p>

Attachment 3
Opportunities for Service Enhancement &/or Savings

Opportunity: Increase User Access Program (UAP) Fee	Potential New Revenue															
<p><u>Increase User Access Program (UAP) Fee from 2% to 3%</u> with the new revenues allotted to the General Fund as a revenue generating measure to help offset miscellaneous personnel and administrative costs incurred by the multiple units that are involved in procurement-related planning, processing, selection and award processes.</p> <p><u>Alternative:</u> Dedicate the new revenues to supplement MDT operations or to partially fund continued implementation of the much needed countywide ERP system.</p> <p><u>Background:</u> The UAP was implemented on September 17, 2003 as part of the budget adopted by Ord. No. 03-192. The UAP is presently a two percent deduction on purchases by County departments and other governmental and quasi-governmental and non-profit entities utilizing Department of Procurement Management (DPM) established contracts, with a few exceptions for certain categories which cannot be charged the fee. The 2008-2009 Proposed Resource Allocation Plan proposes using the 2% UAP to completely fund DPM and to provide 20% (\$1,240,000) of the funding for the Department of Small Business Development (SBD).</p>	<p style="text-align: center;">\$ 6 million</p> <p style="text-align: center;">FTE: none</p>															
<table border="1" style="width: 100%; border-collapse: collapse; margin: 10px auto;"> <thead> <tr> <th style="width: 20%;"></th> <th style="width: 40%; text-align: center;">Allocation in Proposed Budget UAP @ 2%</th> <th style="width: 40%; text-align: center;">Potential Allocation UAP @ 3%</th> </tr> </thead> <tbody> <tr> <td>UAP Revenue</td> <td style="text-align: center;">\$11,981,000</td> <td style="text-align: center;">\$17,972,000</td> </tr> <tr> <td>Transfer to SBD</td> <td style="text-align: center;">\$1,240,000</td> <td style="text-align: center;">\$1,240,000</td> </tr> <tr> <td>DPM Operations</td> <td style="text-align: center;">\$10,741,000</td> <td style="text-align: center;">\$10,741,000</td> </tr> <tr> <td>Balance Available for General Fund</td> <td style="text-align: center;">-0-</td> <td style="text-align: center;">\$5,990,000</td> </tr> </tbody> </table>		Allocation in Proposed Budget UAP @ 2%	Potential Allocation UAP @ 3%	UAP Revenue	\$11,981,000	\$17,972,000	Transfer to SBD	\$1,240,000	\$1,240,000	DPM Operations	\$10,741,000	\$10,741,000	Balance Available for General Fund	-0-	\$5,990,000	
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Attachment 3
Opportunities for Service Enhancement &/or Savings

Opportunity: Privatize bus routes being eliminated by MDT	Potential New Revenue
<p><u>In the 2008-2009 Proposed Resource Allocation and Multi-Year Capital Plan:</u></p> <ul style="list-style-type: none"> • Metrobus revenue miles are reduced 4.5 million revenue miles (to 28.1 million from 32.6 million) <p><u>Potential Area(s) for Service Enhancement &/or Savings:</u></p> <ul style="list-style-type: none"> • Privatize service on all 4.5 million Metrobus route-miles being eliminated <ul style="list-style-type: none"> – Lease/franchise to private operators for bus, jitney, and/or demand-response transit services on eliminated MDT routes. – Mandate privatized route connectivity to MDT Metrobus/Metrorail/Metromover stations or multi-route transfer points. – Mandate delivery of “customer service” not “mileage” or “fares” to allow room for entrepreneurial innovation and profit potential. • Update/improve regulation of such services, along with enforcement mechanisms and penalties, to provide high quality customer service. • Demand-response transit alternatives could be required to provide regularly scheduled service during peak hours and on-demand pickup during nonpeak hours (much like airport shuttle services, and possibly incorporating, STS services but potentially much more efficient than STS due to wider customer base and higher ridership potential.) <p><u>Assumptions:</u></p> <ul style="list-style-type: none"> • Having many small packages of routes could enable both large firms and small, private operators to competitively bid for route packages on a relatively equal footing. • Bids for route packages could be on a per route-mile basis without a fixed minimum to enable market conditions to determine economically viable bids and might potentially yield franchise/lease fees of \$0.50-\$1 per route-mile average if the private sector can make them profitable. • Operator success in early years would encourage increased competition and higher bids in subsequent years. • Connectivity to MDT Metrobus/Metrorail/Metromover would inevitably increase MDT ridership and fare box revenues. <p><u>Alternative Approaches:</u></p> <ul style="list-style-type: none"> • MDT directly provide demand-response transit services, possibly using an automated dial-a-ride system during off-peak hours, as a lower-cost alternative to normally scheduled routes. For an example, see Institute of Transportation Studies, University of California, Berkeley, California Partners for Advanced Transit and Highways (PATH), (2004), research report: “<i>Personalized Demand-Response Transit Service</i>,” http://repositories.cdlib.org/its/path/reports/UCB-ITS-PRR-2004-12/. • Provide subsidies to enable private service for lowest ridership routes. 	<p><u>Direct:</u> Potentially, franchise/lease fees of up to \$2,225,000-to-\$4,500,000, if routes prove financially viable for the private sector.</p> <p><u>Indirect:</u> Increased MDT fare box revenues and decreased need for additional MDT provided parking lots would be inevitable due to mandated MDT connectivity for privatized routes.</p>

ATTACHMENT 4
Revised FY 2008-2009
General Fund Allocation
One Percent Reduction
(Dollars in 000s)

Departments (000s)	CW General Fund		CW GF After One Percent Reduction	UMSA General Fund		UMSA GF After One Percent Reduction	Total Funding		Total One Percent Reduction
	07-08	08-09	08-09	07-08	08-09		07-08	08-09	
	Agenda Coordination	905	802	794	407	343	340	1,312	
Americans with Disabilities Act Coordination	478	344	341	216	147	146	694	491	486
Animal Services	2,671	3,195	3,163	0	0	0	2,671	3,195	3,163
Audit and Management Services	3,687	3,958	3,918	1,656	1,696	1,679	5,343	5,654	5,597
Board of County Commissioners	12,223	13,963	13,823	5,479	5,984	5,924	17,702	19,947	19,748
Commission on Ethics and Public Trust	2,222	2,131	2,110	0	0	0	2,222	2,131	2,110
Community Action Agency	9,809	13,956	13,816	0	0	0	9,809	13,956	13,816
Community Advocacy	2,354	2,171	2,149	0	0	0	2,354	2,171	2,149
Community and Economic Development	1,191	786	778	0	0	0	1,191	786	778
Consumer Services	2,045	871	862	0	0	0	2,045	871	862
COR	39,772	34,935	34,586	10,804	0	0	50,576	34,935	34,586
Corrections and Rehabilitation	305,624	315,632	312,476	0	0	0	305,624	315,632	312,476
County Attorney's Office	13,353	14,559	14,413	6,142	6,240	6,178	19,495	20,799	20,591
County Executive Office	6,355	6,383	6,319	2,856	2,735	2,708	9,211	9,118	9,027
Countywide Healthcare Planning	300	0	0	0	0	0	300	0	0
Cultural Affairs	7,764	7,764	7,686	2,104	2,104	2,083	9,868	9,868	9,769
Economic Development Coordination	0	779	771	0	0	0	0	779	771
Elections	22,258	21,684	21,467	0	0	0	22,258	21,684	21,467
Emergency Management and Homeland Security	2,119	2,773	2,745	0	0	0	2,119	2,773	2,745
Enterprise Technology Services	26,918	28,293	28,010	12,093	12,114	11,993	39,011	40,407	40,003
Fair Employment Practices	610	880	871	274	377	373	884	1,257	1,244
Film and Entertainment	432	564	558	0	0	0	432	564	558
Fire Rescue	14,171	34,183	33,841	0	0	0	14,171	34,183	33,841
General Services Administration	32,497	34,878	34,529	14,331	14,948	14,799	46,828	49,826	49,328
Government Information Center	9,778	11,269	11,156	4,394	4,830	4,782	14,172	16,099	15,938
Grants Coordination	0	4,291	4,248	0	185	183	0	4,476	4,431
Historical Museum of Southern Florida	332	332	329	0	0	0	332	332	329
Housing Agency	687	0	0	0	0	0	687	0	0
Human Resources	8,065	8,021	7,941	3,623	3,438	3,404	11,688	11,459	11,344
Human Services	47,128	35,772	35,414	263	0	0	47,391	35,772	35,414
Independent Review Panel	630	599	593	0	0	0	630	599	593
Inspector General	1,019	363	359	0	0	0	1,019	363	359
International Trade Consortium	875	1,144	1,133	0	0	0	875	1,144	1,133
Judicial Administration	6,099	27,526	27,251	0	0	0	6,099	27,526	27,251
Juvenile Services	8,563	8,911	8,822	0	0	0	8,563	8,911	8,822
Legal Aid	1,768	1,675	1,658	0	0	0	1,768	1,675	1,658

ATTACHMENT 4
 Revised FY 2008-2009
 General Fund Allocation
 One Percent Reduction
 (Dollars in 000s)

Departments (000s)	CW General Fund		CW GF After One Percent Reduction	UMSA General Fund		UMSA GF After One Percent Reduction	Total Funding		Total One Percent Reduction
	07-08	08-09	08-09	07-08	08-09		07-08	08-09	
Medical Examiner	8,279	9,964	9,864	0	0	0	8,279	9,964	9,864
Metro-Miami Action Plan	774	997	987	0	0	0	774	997	987
Miami Art Museum	342	342	339	0	0	0	342	342	339
Miami Science Museum	342	342	339	0	0	0	342	342	339
Non Department	157,616	158,087	156,506	43,962	35,440	35,086	201,578	193,527	191,592
Office of Neighborhood Compliance	0	131	130	0	5,214	5,162	0	5,345	5,292
Park and Recreation	42,675	44,841	44,393	28,604	22,968	22,738	71,279	67,809	67,131
Planning and Zoning	1,661	2,969	2,939	2,544	2,987	2,957	4,205	5,956	5,896
Police	142,924	148,027	146,547	332,581	342,427	339,003	475,505	490,454	485,549
Procurement Management	0	0	0	0	0	0	0	0	0
Property Appraisal	25,103	28,269	27,986	0	0	0	25,103	28,269	27,986
Public Health Trust *	178,060	177,113	N/A	0	0	0	178,060	177,113	N/A
Public Works	26,595	23,220	22,988	9,838	8,633	8,547	36,433	31,853	31,534
Small Business Development	3,394	0	0	1,524	0	0	4,918	0	0
Strategic Business Management	4,540	4,041	4,001	2,039	1,732	1,715	6,579	5,773	5,715
Sustainability	590	543	538	0	0	0	590	543	538
Team Metro	2,101	0	0	8,702	0	0	10,803	0	0
Transit *	140,964	145,743	N/A	0	0	0	140,964	145,743	N/A
Vizcaya Museum and Gardens	551	282	279	0	0	0	551	282	279
Total	1,331,213	1,390,298	1,056,768	494,436	474,542	469,797	1,825,649	1,864,840	1,526,564

Value of One Percent Reduction

(10,674)

(4,745)

Total

(15,420)

*Departments not included in reduction due to
 MOE Agreements