

**FY 2007-08
CAPITAL BUDGET
SUBMISSION
MANUAL**



Prepared by the Office of Strategic Business Management

Introduction

Like the Operating Resource Allocation Plan, the Capital Plan is the annual implementation mechanism for the County's Strategic Plan specifically delineating the construction and infrastructure needed to support operations. It will serve a both an annual plan for FY 2007-08 as well as a multi-year plan through FY 2012-13 (and beyond in some cases). The Capital Resource Allocation Plan is a communication tool for departments to convey their prioritized projects, timelines, funding sources, expenditures, and their operating impacts to: residents and visitors, elected officials, other governmental entities (including other departments within the County), and the bond community at large.

Like the Operating Resource Allocation Plan Submission Manual, the Capital Budget Submission Manual (the Manual) shows how to approach the County's capital budgeting process and use the County's online capital development program tool (CDPWeb).

While similar in many ways, capital planning and budgeting departs from operating budgeting in two main ways. First, prior year expenditures have very little bearing on future expenditures. Unlike the cyclical nature of the operating budget, the capital budget contains discreet, independent projects that usually must be estimated separately from each other. Second, the revenue sources are much less fungible. That is, most revenues can only be used for specific purposes and only for specific project types. As such, there is less competition for dollars between departments, but in many ways more competition within each funding source.

One of the emphases of the FY 2007-08 resource allocation process is to have capital recommendations, just as has been done with operating recommendations, reflect the County's Strategic Plan and the department's individual Business Plans.

Key Dates

January 12, 2007: Departmental Capital Resource Allocation Plan submission is due

Using this Manual

Please note the following icons below will be used throughout the Manual to highlight important issues.



Tip

Tips provide suggestions that simplify, shorten, or improve a process



Warning

Common errors and/or problems



Important

Keynotes and essential points

Organization of the Manual

Section I – Overview of the Capital Resource Allocation Process

- The Timeline
- Changes from Prior Years

Section II – Estimation and Prioritization

- Start with the Revenue Sources
- Estimate Expenses
- Prioritize

Section III – Considerations

- Definitions
- Other Thoughts

Section IV – Using CDPWeb

Section V – Requesting Funding from the Capital Outlay Reserve (COR)

Section VI – Style Guidelines

Section VII – Resources and Next Steps

- The Best Resource
- Information on the Web
- CDPWeb Training
- Next Steps

Section I – Overview of the Capital Resource Allocation Process

The Timeline

As in prior years, OSBM is attempting to decompress the budget preparation workload by scheduling the development of the Capital Resource Allocation Plan ahead of the Operating Resource Allocation Plan.



Important

Departmental capital resource allocation plan submissions must be completed and entered into the capital database by Friday, January 12, 2007

It is essential to the resource allocation plan process that department's adhere to the schedule for submitting their completed capital resource allocation plan. If an unforeseen circumstance arises and your department is not able to complete their capital submission as required, please contact the Budget and advise your budget analyst as soon as possible.

Once your departmental capital resource allocation plan has been completed, please contact your OSBM budget analyst accordingly so that they can begin the initial review process.



Important

Each departmental capital plan submission will be discussed at that department's scheduled resource allocation meeting.

Capital submissions will be viewed in relation to the department's operating submission and Business Plan. Specific attention will be given to those requests requiring COR funding.



Important

Please note that, your departments' capital submission will also be discussed at your departmental meeting with the Manager and Assistant County Managers.



Important

Departments will be kept up-to-date, by their OSBM budget analyst, as final decisions are made toward the end of the FY 2007-08 Proposed Resource Allocation Plan process and book

production is in the finalizing stages. As is standard practice, OSBM will provide the Department Director the opportunity to sign their budget narrative to be included in the County Manager's Proposed Resource Allocation Plan.

Changes from Prior Years

For those of you familiar with the capital resource allocation process and the CDPWeb system, the following below are some of the initial changes that have taken place since the FY 2006-07 budget cycle. All are intended to either make the system user friendly and/or easier to extract information from.

- OSBM will no longer be collecting the "Status" (acquisition, construction, etc.) and/or the "Project Type" (equipment acquisition, expansion, etc.) of funded projects
- OSBM will no longer be collecting the "Taxing Jurisdiction" (Countywide, UMSA, Fire, Library, etc.) of funded projects. This information is being collected in the revenue source section associated with each project
- OSBM will no longer be requiring the entire "Next Screen" of each funded project. On a case-by-case basis, some of this information may be requested of certain projects. The operating impact has been simplified to one number and moved to the first page
- For unfunded projects, OSBM will no longer collecting the "Project Type", the "Strategic Theme" ("People," "Service," "Technology," etc.), the "CIE Info," the "Taxing Jurisdiction," the "Building Type," the "Project Occupancy Level," the "Size of Building in Sq. Ft.," and the "Size of Site in Acres"
- There are several reports that have been removed from the system. If you should find that there is a report you need no longer available, please contact your OSBM budget analyst.

Section II – Estimation and Prioritization

Start with the Revenue Sources

To start the process, begin by dividing out the revenue sources that are available to your department for those capital projects that are to be included in your FY 2007-08 Proposed Resource Allocation Plan. By revenue source, estimate the new revenues that are anticipated for FY 2007-08 and the amount of carryover anticipated at the end of FY 2006-07. Both of these amounts should be justifiable based on prior year amounts (or have a logical reason for departing from prior year amounts). This procedure should be repeated for each available funding source.

Enterprise funds should show transfers from operating accounts as capital revenues. Operating and capital budgets will be viewed together in these instances.

If there is no available funding source available for a project, use COR as the funding source.

Estimate Expenses

In many cases, departments will need to make a best guess estimate of project expenses and timelines until a formal estimate is completed. OSBM understands that estimates change over time. Nonetheless, departments should use all available information (including recent bidding experience, other departments' experiences, trade publications, and institutional knowledge) to arrive at reasonably accurate estimates for capital projects. Part of the effort in estimating capital project costs is the estimation of expenditures by fiscal year. Departments should not anticipate allocating more funds than they need to a particular capital project other than what they can reasonably spend in a given fiscal year.



Tip

Once these estimates have been completed, revenues and expenses should be compared. The easiest way to accomplish this is by listing all projects by revenue source in an Excel spreadsheet, by year (much like the input screens I-1 in RFRO). By doing this, a clear picture is presented to OSBM and the department as to whether or not there is a funding surplus or shortfall within each departmental funding source.

If it is clear that a project will not be completed in the current fiscal year, the funding will need to be re-appropriated in the next fiscal year, even if it has been appropriated already.

An example of the above mentioned Excel the spreadsheet will be emailed to departmental budget liaisons shortly after release of this manual.

Prioritize



Important

If there is a funding shortfall within any given funding source, departments must prioritize the projects that can and should be done in any given fiscal year. Even if there is a funding surplus, departments will need to prioritize those projects that can and should be done in which order.

Of the utmost importance is the integration of the Capital Resource Allocation Plan with Departmental Business Plans. If a project is included in the Capital Resource Allocation Plan, then it should be supporting the Departmental Business Plan. Likewise, if a capital initiative is described as important in the Departmental Business Plan, it should be included in the Capital Resource Allocation Plan. This is particularly true of projects that include a funding request from the COR. Only those projects with a strong tie to a Department's Business Plan will be recommended for funding.

Section III – Considerations

Definitions

Capital Project: A project which results in the acquisition or addition of permanent fixed assets such as land, buildings, public infrastructure, building improvements, and equipment. The project should be at least \$5,000 and have a usable life of at least five years.

Funded Project: A capital project for which funding has been identified and for which some activity is expected between October 1, 2007 and September 30, 2012. Proprietary departments that periodically issue revenue bonds and have revenue streams sufficient to cover future debt obligations should assume future revenue bond projects are funded. Departments that can realistically anticipate continued grant funding should do so and program future year grant revenues for funded projects.

Capital Outlay Reserve (COR) Request: A request for funding from the COR for a capital project. The COR is an annual set-aside partially funded from the General Fund operating budget used to fund needed, capital improvement projects. Funding requests should be for FY 2007-08 and should be included as a funded project. Approved COR funding requests will be included in the Capital Budget as funded projects. Certain disapproved requests may be included in the Capital Budget as unfunded projects.

Unfunded Project: A capital project for which no funding has been identified that can be completed within the same time frame as the funded projects (between now and fiscal year 2011-12).

New Project: A capital project that is not in the current year (FY 2006-07) Capital Budget.

Other Thoughts

As each department's capital resource allocation plan is assembled, the following guidelines should be taken into account.

- One of the emphases of the FY 2007-08 resource allocation process is to have capital recommendations, just as has been done with operating recommendations, reflect the County's Strategic Plan and the department's individual Business Plans



Important

All information in the CDP will be shared with the Office of the Commission Auditor throughout the process. Commission Auditor staff may have additional questions or requests for departmental staff based on the information contained therein.

- As with prior year submissions, each department's Capital Resource Allocation Plan should be consistent with any current strategic capital improvement plans and should be developed hand-in-hand with the Transportation Improvement Plan (TIP), the current schedule of Building Better Communities projects and timelines as maintained by the Office of Capital Improvements (OCI), the Comprehensive Development Master Plan, the People's Transportation Plan Pro-Forma, or the Community Development Block Grant Work Plan, or any other plans as adopted by the BCC (such as the Aviation Capital Improvement Program), if applicable
- The Capital Improvement Element of the Comprehensive Development Master Plan will be updated with information from the FY 2007-08 Capital Budget.



Important

It remains critical that the budget information accurately reflects estimates for current year expenses and milestones (e.g., start dates or completion dates) and accurately projects information for next year's budget and for longer-range capital plans.

- Complete information should be provided for all capital projects including, but not limited to, designating the County Commission District(s) and Community Council District(s) in which projects are located, the County Commission District(s) that the projects will serve, project completion dates, the strategic area, and reasonable estimates of operating impacts of planned capital projects

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- Expenditures in the current year capital budget should not be overestimated. Anticipated expenditure levels should be projected realistically. Many departments have traditionally been optimistic regarding expenditures. Please be realistic with each project. Revenues should match the years that the funds were/will be appropriated; expenditures should match the years that the funds were/will be expended
- Anticipated project cash carryover should be realistic and based on a review of actual prior year expenditure and carryover levels. Such a review should help reveal any unrealistic forecasting. Please be prepared to substantiate estimates of cash carryover into FY 2007-08 as well as anticipated FY 2006-07 and FY 2007-08 project expenditure levels
- We will not be continuing Capital Working Fund into FY 2007-08. Departments should continue to anticipate this charge in FY 2006-07 as part of their carryover calculations
- Information will be forthcoming regarding requesting funding for technology projects. OSBM and the Chief Information Officer will be working together to strengthen this process for the FY 2007-08 Resource Allocation cycle



Important

One of the main criteria for being included in the Capital Expedite Process is that a project be included in the Adopted Budget. Please ensure that everything that a department desires to be expedited be included at the funding level anticipated. This will facilitate expedition in the future.

- The time value of money should be addressed in a consistent fashion. For new expenditure commitments, assume five percent inflation each year. If there is a proper reason for assuming a higher or lower percentage, please indicate such in the justification/comments section of that project
- Capital projects funded through the Community Development Block Grant (CDBG) program appear in the Office of Community and Economic Development's (OCED) capital budget as well as the department allocated the funding. Departments should work with OCED and the appropriate budget analyst to ensure that all discrepancies are resolved.



Tip

Departments should contact their budget analyst with any questions regarding the process, the system, or style concerns. The list of budget analysts can be found on the web at www.miamidade.gov/budget or by calling (305) 375-5143.

Section IV – Using CDPWeb

The Funded Project/COR Request screen, allows the addition of a new project, or the improvement of or deletion of an existing project.

Dept: Consumer Services 11/30/2005 6:09:38 PM

FUNDED PROJECT / COR REQUEST

Chg Proj Name: Project: 288350 – COOPERATIVE EXTENSION DIVISION AG CENTER FENCE

Description: To finish remainder of chain link fence with two cantilever gates and two Smart Card operators and approximately 770 feet of fencing. This project would complete the Ag Center fence to secure property.

Location: 18710 SW 288 Street

Location Code: Unincorporated Miami-Dade County

Comm. District Physically Located: 1 2 3 4 5 6 7 8 9 10 11 12 13 CW UM TD NA SY

Comm. District(s) served: 1 2 3 4 5 6 7 8 9 10 11 12 13 CW UM TD NA SY

Comm. Council: Council District 08

Strategic Area: Neighborhood And Unincorporated Area Municipal Services

Function: Facility Improvements

Desired Outcome: Choose One

Est. Start Date: 7/1/2005

Est. Completion Date: 11/1/2005

CIE Info: Not-Applicable

Taxing Jurisdiction: Countywide

MARK FOR DELETION?: JUSTIFICATION/COMMENTS: Will secure remainder of Agricultural Center property from theft of plant materials, valuable palm seeds, and potential vandalism of county property, including emergency generator.

PROJECT COMPLETED?:

PTP PROJECT?:

TIP PROJECT?:

BBC PROJECT?:

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The fields included in this screen are as follows:

- **Project** – The project name will automatically be all CAPITAL LETTERS. The project number, which appears before the project name, is automatically assigned by the system
- **Chg Proj Name** – Check this box if the name of the project needs to be changed and enter the new name in the appropriate field
- **Description** – Describe the size, scope, and use of the project. It must begin with a verb, i.e., Construct, Design, Add, Waterproof, Replace, Modify, Expand, Provide, etc. The description may be extended with phrases separated by semicolons, beginning with verbs. Describe all years' activities, not just FY 2007-08. This field is limited to 255 characters. Do not put a period at the end of the description. The description is not a sentence or a paragraph; it is a phrase or series of phrases
- **Location** - Physical location of the project: use these abbreviations, as applicable: NW, SW, Ave, St, Blvd, Ln, Ct, US1, etc. (do not use periods in the abbreviations). If a specific street address is not available, provide as specific a location as possible, (e.g., a boundary – North, South, East and West; the beaches from 41 St to 79 St; Vicinity of Tamiami Airport, Port of Miami, Miami International Airport, etc.)
- **Strategic Area** – Indicate which strategic area this project falls within from the following list: Policy Formulation, Public Safety, Transportation, Recreation and Culture, Neighborhood and Unincorporated Area Municipal Services, Health and Human Services, Economic Development, and Enabling Strategies
- **Function** – Use the most accurate and descriptive function available. Projects will be grouped by function in the expenditure summary, which appears at the bottom of each department's narrative section. If function does not exist and must be added, contact the appropriate budget analyst
- **Est. Start Date** – Enter the date the project started or is expected to start
- **Est. Completion Date** – Enter the date the project was completed or is expected to be complete
- **Location Code** – This is the general location of the project. It may be a municipality in which a project is located (City of Miami), an area (Unincorporated Miami-Dade), or a departmental-defined

operational area (Public Housing Region 1). If the project is located in more than one municipality or area, but not the entire County, use "Various Sites". If the project is located in most or all areas of the County, use "Throughout Miami-Dade". If the location of the project hasn't been determined, select "To Be Determined". Use "Not Applicable" as necessary

- **Commission District Located** – Select the district(s) where the project is located. If the project is truly in all districts, then select CW. If it is throughout the entire UMSA area, select UM. If it is throughout the Fire System, select FR. If it is throughout the Library System, select LB. If it is Systemwide (as in the case of the Water and Sewer Service System), select SW. If the location of the project hasn't been determined, select "To Be Determined"
- **Commission District Served** – Select the district(s) that will be served by the project. If the project is truly in all districts, then select CW. If it is throughout the entire UMSA area, select UM. If it is throughout the Fire System, select FR. If it is throughout the Library System, select LB. If it is Systemwide (as in the case of the Water and Sewer Service System), select SW. If the location of the project hasn't been determined, select "To Be Determined"
- **Community Council** – Designate Community Council only if the project is located in Unincorporated Miami-Dade. Otherwise, select "Not Applicable"
- **Estimated Annual Operating Costs** – The system will automatically calculate this amount. It is the sum of the "Annual Costs of Additional FTEs" and "Other Annual Operating Costs"
- **CIE Info** – This information is required for the Capital Improvement Element (CIE), which is a component of the Comprehensive Development Master Plan. Departments included in the CIE are Aviation, Transit, Public Works, Seaport, Park and Recreation, the Department of Environmental Resources Management (DERM), Water and Sewer, and Solid Waste. Select one of the following: Combined/Other, Existing Deficiency, Future Growth, Not-Applicable (for all other departments not mentioned above)
- **CIE Element** – Choose the element in which each project be included
- **Mark Project for Deletion** – Check this box if the project is being deleted for reason(s) other than being completed. The project will not appear in the Funded Project Report or the departmental capital budget submission if this box is checked

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- **Project Completed** – Check this box if the project is complete or expected to be complete by September 30, 2006. The project will not appear in the Funded Project Report or the department's capital budget submission if this box is checked
- **PTP Project** – Check this box if the project is part of the People's Transportation Plan
- **TIP Project** – Check this box if the project is part of the Transportation Improvement Plan
- **BBC Project** – Check this box if the project part of the Building Better Communities General Obligation Bond Program
- **Justification/Comments** – Use this field to indicate the reason a project is being deleted and for all other comments

Dept: Consumer Services 12/8/2005 4:47:18 AM

PROJECT REVENUE

Project:
Description: Update telephone system at the Cooperative Extension Hialeah Office

	Records:	Prior:	Current:	2006-07:	2007-08:	2008-09:	2009-10:	2010-11:	2011-12:	Future:	Total:
TOT PROJ REV:	1	15	15	0	0	0	0	0	0	0	15

Revenue Category:

Prior:	<input type="text" value="15"/>	2009-10:	<input type="text" value="0"/>
2006-07:	<input type="text" value="0"/>	2010-11:	<input type="text" value="0"/>
2007-08:	<input type="text" value="0"/>	2011-12:	<input type="text" value="0"/>
2008-09:	<input type="text" value="0"/>	Future:	<input type="text" value="0"/>
Current Year Projection(2005-06)		<input type="text" value="15"/>	

(\$ In 000's) Total:

(Record 1 of 1)

Done Local intranet

Start 4:48 AM Thursday

FUNDED PROJECT - MI... Microsoft PowerPoint - [...]

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Revenues, expenditures and donations may have occurred or will occur for a project in prior years and FY 2007-08 through FY 2012-13 and beyond. The revenue, expenditure and donation screens include the project name and number, as well as the project description fields. The other fields are:

- **Revenue Category, Expenditure Category or Donation Category** – Make the appropriate selection. If a category does not exist (for instance, a new grant), contact the appropriate budget analyst. To select a category, do one of the following: type the first letter of the revenue, expenditure or donation category in the selection box; press the down arrow in the selection box; click anywhere in the selection box; with the mouse pointed in the selection box, press the down arrow on the keyboard
- **Prior** – Include all years actual revenues, expenditures, or donations through FY 2005-06. It is the sum of all actual revenues, expenditures or donations from the beginning of the project through September 30, 2005 plus actual revenues, expenditures or donations from October 1, 2005 through December 31, 2005 plus projected revenues, expenditures or donations from January 1, 2006 through September 30, 2006. Stated another way, it is all years' actual revenues, expenditures or donations through December 31, 2005 plus projected revenues, expenditures or donations from January 1, 2006 through September 30, 2006. All dollars should be entered in thousands
- **2007-08 through Future** – For each year enter the appropriate revenue, expenditure, or donation amount. All dollars should be entered in thousands
- **Current Year Projection (2006-07)** – Enter the amount of revenue, expenditure, or donation allocated in FY 2006-07 only. This amount is not included in the total project amount because it is already included in the "Prior" field. All dollars should be entered in thousands
- Always check project totals whenever revenues, expenditures, or donations are added, modified, or deleted.

The unfunded projects have the same fields as funded projects. The only difference is that there is only a total project cost (not revenues and expenditures) and that each project must be prioritized.

Please ensure that work is saved as each step is inputted.

Section V – Requesting Funding from the Capital Outlay Reserve (COR)

Departments are encouraged to submit requests for funding from the COR. If it is the department's opinion that a project warrants COR funding, and the project will be initiated during FY 2007-08, it should be included in the funded portion of the departmental capital budget submission. OSBM will review each request, and, to the extent funding is available, priority projects will be included in the FY 2007-08 Capital Budget. If the project is not funded, it will be moved to the unfunded portion of the capital submission.

As COR requests are prepared, be as specific as possible in defining projects and try to relate the project to each department's strategies for delivering services. Describe how the project, if funded, will enhance performance and the furtherance of strategic departmental goals. Please request as much COR as can be spent within a given fiscal year. Again, the linkage to the Departmental Business Plan will be critical in this regard.



Important

The way to request funding from COR is by including the project as a funded project with COR as the funding source. Putting a project on the list of unfunded capital projects does not request funding from COR. Sending an email to a budget analyst does not request funding from COR. Mentioning the project in the RFRO forms does not request funding from COR. **The way to request funding from COR is by including the project as a funded project with COR as the funding source.** Treat the project as funded unless otherwise informed.



Tip

The highest consideration will be given to projects that:

- Link to the Department's business plan and the County's Strategic Plan
- Cannot be funded from other sources
- Can be spent within the fiscal year in which the funds are allocated
- Have the best business case as presented by the department. This argument should show the impact of this project being funded in measurable terms.



Tip

Please include as much information as possible in the "Justification/Comments" section. There is no limit on the number of characters that can be input in this section.

Section VI – Style Guidelines

Since the information inputted into CDPWeb will directly be printed in the FY 2007-08 Proposed Resource Allocation Plan (Volume 2), it is important to standardize the information as much as possible.

Project names should be consistent within each department. That is, all Road Widening Projects should start with “Widen . . .”, all Fire Stations should have the Station Number in Parentheses after the station name, all Corrections Projects should start with the facility in which the improvement will be done, etc.



Tip

Keep in mind that the projects will be ordered alphabetically by function. It is easiest for the reader to keep all similar projects together.

If a roadway descriptor (“Street”, “Avenue”, “Road”, etc.) appears in the Project name, then spell it out. All other instances of a roadway descriptor should be abbreviated (St, Ave, Rd, Ln, Ter, etc.).

The description should begin with a verb and have no periods (semicolons should be used if necessary).

The second location code should be the municipality in which a project is physically located (unless there is a more descriptive location, such as a Road Impact Fee District).

Style is not important in the “Justification/Comments” section.

If location is typed in (such as Various Sites, Countywide, or Dante B. Fascell Port of Miami-Dade), please make sure that it matches the drop down menu of the same information.

Please be consistent with the style and project descriptions in the current year capital budget documents.

Capital documents may be spelled checked by pasting the information from any webpage in the CDPweb into a Word document.

Section VII – Resources and Next Steps

The Best Resource

By far, the best resource while preparing a capital submission is your budget analyst. The questions that they ask and the information that they provide will smooth the process for a department more than anything else. Please keep in contact with her or him throughout the process.

Information on the Web

Many useful documents are available at www.miamidade.gov/budget. These include all submission manuals (capital and operating), prior year budget documents (books, memos, reports, etc.), and the County Manager's Priorities for the next fiscal year.



Tip

New information will be posted at both the CDPWeb introductory screen and the RFRO introductory screen. Schedules of Resource Allocation Meetings will be kept here. A list of contact names and numbers within OSBM is also included at this site.

CDPWeb Training

As in prior years, OSBM will be conducting several training sessions. This training will provide a step-by-step explanation of how to enter, change, delete, and retrieve data into/from CDPWeb. Topics include: the importance of each report, inputting and updating funded projects (including COR requests), inputting and updating unfunded projects, and prioritizing unfunded reports.

Available Training Dates:

December 4, 2006
December 14, 2006

December 20, 2006
January 9, 2007

Each training session lasts about one hour from 2pm to 3pm. Departments are encouraged, but not required to attend these trainings.

Where:

Office of Strategic Business Management
Stephen P. Clark Center
111 Northwest First Street
22nd Floor
Back Conference Room.

Parking is available downtown for a charge.

How to Register:

Call Lana Floyd of OSBM at 305-375-5143 and provide the trainee name, position title, and department. Seating is limited and classes will be filled on a first come first served basis.

Materials Needed:

Handouts of the presentation will be provided.

Next Steps

The CDPWeb will be opened for use on Wednesday, November 29, 2006. Please contact the appropriate budget analyst with the names of those staff members to whom access should be given. Access from last year will be discontinued.



Important

As in prior years, access to CDPWeb must be requested on an annual basis.