

FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

Finance

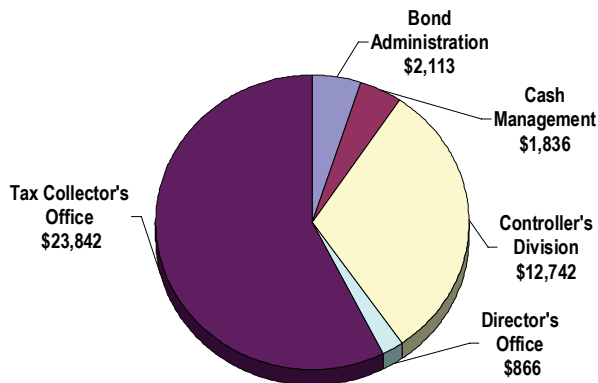
The Finance Department delivers financial services for sound management decision-making and is responsible for centralized accounting, cash management, financial and debt management services, tax collection and distribution, and the collection of delinquent accounts for various County departments.

As part of the Enabling Strategies strategic area, the Finance Department provides fiscal and accounting controls over resources. The Department collects and distributes current and delinquent real and personal property taxes, non-ad valorem special assessments for all local taxing authorities within Miami-Dade County, local business tax receipts, and convention and tourist taxes. The Department also acts as an agent on behalf of the State of Florida to issue automobile, boat, hunting and fishing licenses; invests surplus funds and maintains sufficient cash balances in compliance with Florida Statutes and County ordinances; and manages the County's debt financing and debt issuances.

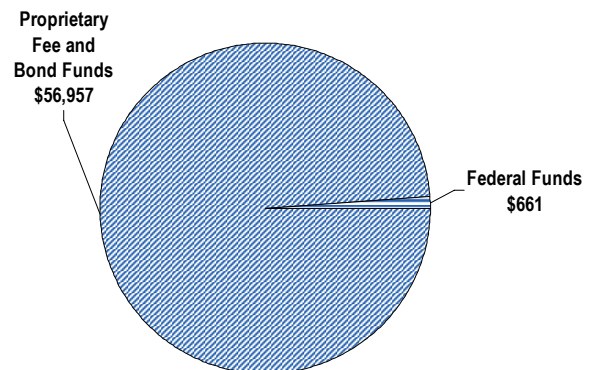
The Finance Department serves all County departments as well as those entities conducting financial transactions with Miami-Dade County. The Department works closely with the County Executive Offices, the County Attorney's Office, the Office of the Clerk, the Office of Strategic Business Management, and outside financial consultants.

FY 2008-09 Proposed Budget

Expenditures by Activity
(dollars in thousands)

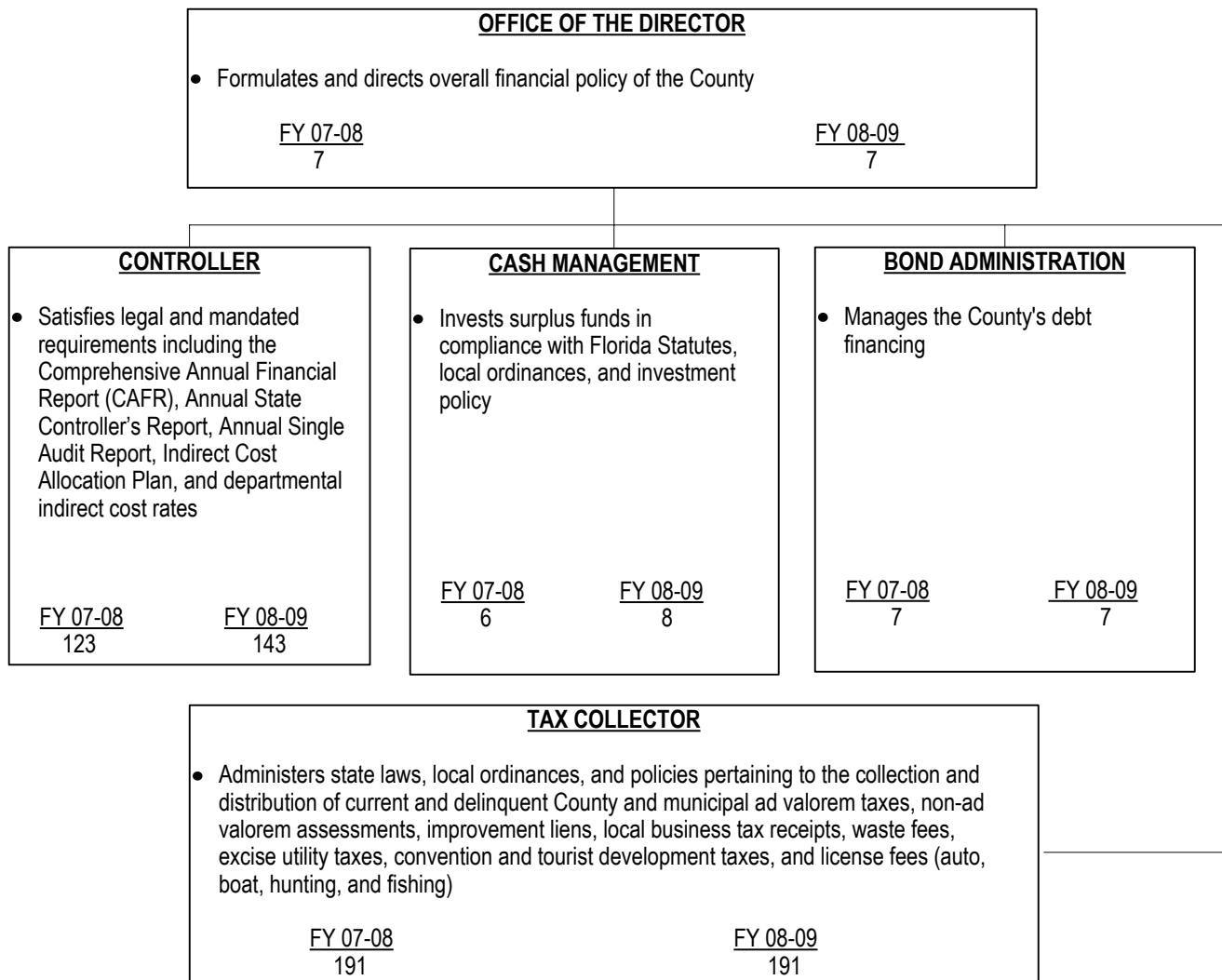


Revenues by Source
(dollars in thousands)



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TABLE OF ORGANIZATION



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FINANCIAL SUMMARY

(dollars in thousands)	Actual FY 06-07	Budget FY 07-08	Proposed FY 08-09
Revenue Summary			
Ad Valorem Fees	16,960	11,819	17,197
Auto Tag Fees	11,782	12,714	11,950
Bond Transaction Fees	1,350	1,145	947
Carryover	8,349	7,900	12,795
Credit and Collections	3,795	3,237	5,252
Local Business Tax Receipt	1,135	3,579	3,350
Other Revenues	2,398	2,458	2,640
QNIP Bond Proceeds	100	100	100
Tourist Tax Fees	2,328	2,495	2,726
Federal Funds	406	667	661
Total Revenues	48,603	46,114	57,618
Operating Expenditures Summary			
Salary	18,116	18,984	21,053
Fringe Benefits	5,757	6,119	6,829
Other Operating	7,636	8,317	9,598
Capital	370	3,147	3,919
Total Operating Expenditures	31,879	36,567	41,399
Non-Operating Expenditures Summary			
Reserve	0	921	4,447
Transfers	4,800	8,626	11,772
Total Non-Operating Expenditures	4,800	9,547	16,219

(dollars in thousands) Expenditure By Program	Total Funding		Total Positions	
	Budget FY 07-08	Proposed FY 08-09	Budget FY 07-08	Proposed FY 08-09
Strategic Area: Enabling Strategies				
Bond Administration	2,073	2,113	7	7
Cash Management	1,568	1,836	6	8
Controller's Division	10,683	12,742	123	143
Director's Office	820	866	7	7
Tax Collector's Office	21,423	23,842	191	191
Total Operating Expenditures	36,567	41,399	334	356

CAPITAL BUDGET SUMMARY

(dollars in thousands)	PRIOR	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FUTURE	TOTAL
Revenue									
Department Operating Revenue	1,350	2,850	2,905	1,150	0	0	0	0	8,255
Total:	1,350	2,850	2,905	1,150	0	0	0	0	8,255
Expenditures									
Strategic Area: Enabling Strategies									
Computer and Systems Automation	950	2,650	2,625	1,150	0	0	0	0	7,375
Computer Equipment	400	200	200	0	0	0	0	0	800
Facility Improvements	0	0	80	0	0	0	0	0	80
Total:	1,350	2,850	2,905	1,150	0	0	0	0	8,255

SELECTED ITEM HIGHLIGHTS AND DETAILS

Line Item Highlights	(dollars in thousands)				
	Actual	Actual	Budget	Projection	Proposed
	FY 05-06	FY 06-07	FY 07-08	FY 07-08	FY 08-09
Contract Temporary Employees	437	375	259	348	337
Rent	1,148	1,220	1,331	1,331	1,438
Travel	79	82	105	107	115
Transfers and Reimbursements					
• Office of Strategic Business Management - Bond Administration Support	175	175	175	175	175
• County Attorney's Office - Legal Services	450	450	450	450	450
• Capital Outlay Reserve Fund - Pay-as-you-go Capital Projects	4,195	4,800	8,626	8,626	9,773
• Surtax Accounting Support	0	0	0	75	150

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DIVISION: DIRECTOR'S OFFICE

This Division is responsible for formulating and directing overall financial policy of the County.

- Controls accounting and automated financial systems to provide the fiscal integrity depended upon by the public, private sector, and financial markets
- Provides overall administration to departmental operations

Strategic Plan Outcome - Measures

- ES5-3: Motivated, dedicated workforce team aligned with organizational priorities

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Implement Succession Plan	Number of mission critical positions needed within the next year	N/A	N/A	2	2	3

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DIVISION: TAX COLLECTOR'S OFFICE

The Tax Collector's Office primary responsibility is to collect, account for, and distribute current and delinquent real and personal property taxes, and non-ad valorem special assessments for all local taxing authorities.

- Administers state laws, local ordinances, and policies pertaining to the collection and distribution of taxes and distributes all tax revenues and assessment fees to the taxing authorities
- Collects and distributes Tourist and Convention Development taxes and all tourist taxes (including bed, food, and beverage taxes), and issues Local Businesses Tax Receipts for business located in the County
- Serves as an agent of the Florida Department of Highway Safety and Motor Vehicles and the Florida Fish and Wildlife Conservation Commission by issuing State motor vehicle, vessel and mobile home licenses, tag renewals and title applications for automobiles, trucks, and mobile homes, in addition to collecting and remitting sales tax to the State for the above transactions and selling various hunting and fishing licenses and permits
- Provides oversight to all twenty-five private auto tag agencies in the County

Strategic Plan Outcome - Measures

- ES8-4: Cohesive, standardized countywide financial systems and processes

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Enhance Tax Collector customer service	Certificates sold	35,000	46,100	50,000	55,000	50,000
	Online vehicle/vessel registration renewals	243,000	316,707	366,000	360,000	360,000
	Percentage of real estate payments processed as exceptions	25%	40%	15%	10%	8%

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Achieve projected Convention and Tourist Tax Collections	Convention Development Tax (CDT) collected (in millions)	\$42.3	\$44.6	\$48.7	\$49.0	\$51.5
	Homeless and Domestic Violence Tax collected (in millions)	\$14.9	\$14.0	\$15.2	\$14.3	\$15.0
	Professional Sports Tax Revenues (PST) collected (in millions)	\$8.4	\$8.6	\$9.5	\$9.5	\$9.7
	Tourist Development Room Tax Revenues (TDT) collected (in millions)	\$16.9	\$17.3	\$19.0	\$18.3	\$19.5
	Tourist Development Surtax collected (in millions)	\$5.7	\$5.6	\$5.8	\$5.8	\$5.8

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BUDGET PRIORITIES

Strategic Plan Outcome	Programs/Initiatives	Impact
ES8-5: Effective County tax collection and property appraisal process	Purchase a new tax system over three years to replace the current legacy system (\$5 million)	Improve connectivity to other County financial systems, enhance reporting capabilities, and reduce staff time required to research tax refunds
ES8-5: Effective County tax collection and property appraisal process	Purchase an Electronic Data Management System (EDMS) for the Tax Collector's Office (\$800,000)	Reduce staff time required to respond to taxpayer and other customer inquiries and facilitate the reporting and data management of tax payment information

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DIVISION: BOND ADMINISTRATION

This Division is responsible for managing the County's debt financing and coordinating all debt issuances, including swap transactions.

- Provides administrative support to peripheral debt issuing authorities of the County including the Educational Facilities Authority and Health Facilities Authority
- Makes payment of bond debt service
- Accesses the capital markets to provide capital funding as needed by County departments in the most effective manner while providing for stable debt coverage levels
- Analyzes outstanding debt and the needs of the departments to determine the most advantageous financing vehicle
- Prepares and submits the Annual Report to Bondholders encompassing all of the County's outstanding bond issues from inception through the fiscal year end

Strategic Plan Outcome - Measures

- ES8-1: Sound asset management and financial investment strategies

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Ensure sound asset management and financial investment strategies	Bond ratings evaluation by Fitch	AA-	AA-	AA-	AA-	AA-
	Bond ratings evaluation by Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
	Bond ratings evaluation by Standard and Poor's	AA-	AA-	AA-	AA-	AA-

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DIVISION: CONTROLLER'S DIVISION

The Controller's Division is responsible for providing support functions to County operations through fiscal and accounting controls over resources and related appropriations.

- Records and reports on the County's financial activities
- Collects money on delinquent accounts for various County departments and the Public Health Trust
- Processes invoices on a countywide basis

Strategic Plan Outcome - Measures

- ES8-3: Compliance with financial laws and generally accepted accounting principles, etc.

Ensure compliance with Financial Laws and Generally Accepted Accounting Principles (GAAP)	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
	Incidence of IRS penalties/interest (payroll)	0	0	0	0	0
	Compliance of special audits and reports	100%	100%	100%	100%	100%

Enhance collection efforts	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
	Daily accounts worked per collector	105	96	95	85	95
	Portfolio fees collected (in thousands)	\$3,480	\$3,795	\$3,237	\$3,822	\$4,060
	Outside agency collections*	238	90	20	20	50

* Outside agency collections decreased from FY 2006-07 to FY 2007-08 due to the recall by Jackson Memorial Hospital (JMH) of accounts pursuant to the sale of JMH's accounts receivables; for FY 2008-09 the increase is due to placement of additional accounts from various departments

- ES9-3: Achievement of performance targets (priority outcome)

Continue to improve Accounts Payable process countywide	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
	Timely payment of invoices	87%	85%	87%	89%	89%

BUDGET PRIORITIES

Strategic Plan Outcome	Programs/Initiatives	Impact
ES8-4: Cohesive, standardized countywide financial systems and processes	Complete the installation of a data warehouse for the Controller's Division (\$750,000)	Facilitate reporting and data management of financial information; reduce staff time necessary to pull customized financial reports; and create dashboard reports for management analysis

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DIVISION: CASH MANAGEMENT

The Cash Management Division is responsible for investing surplus funds in compliance with Florida Statutes, ordinances, and the County's investment policy while maintaining sufficient cash balances to honor the obligations of the County.

- Handles all banking transactions for the County and is responsible for investing County funds, from \$3 billion to \$4 billion annually
- Monitors the daily diversification of the County's portfolio and distributes earnings on investments

Strategic Plan Outcome - Measures

- ES8-1: Sound asset management and financial investment strategies

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Optimize earnings and portfolio size	General Fund interest earnings (in millions) *	\$15.5	\$22.7	\$18.0	\$14.7	\$11.0
	Total portfolio interest earnings (in millions)*	\$211.0	\$215.0	\$204.6	\$146.8	\$92.0
	Securities lending earnings (in thousands)**	\$455.8	\$821.5	\$2,397	\$2,063	\$1,226
	Average value of total portfolio size (in billions)	\$4.228	\$4.102	\$4.176	\$4.004	\$4.064

* FY 2007-08 projection is less than target due to sharp decline in interest rate

** Due to the housing market problems and investors moving away from Mortgage Backed securities, the expectation is that the demand (and therefore the earnings on) securities lending should be about 85 percent of current levels for FY 2007-08 and about 55 percent for FY 2008-09

	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
Ensure sound asset management and financial investment strategies	Compliance with investment policy and guidelines	100%	100%	100%	100%	100%
	Average rate of return earned from County investments*	5.0%	5.24%	4.9%	3.7%	2.0%

* FY 2007-08 projection is less than target due to sharp decline in interest rate

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Budget Enhancements or Reductions and Additional Comments

- The FY 2008-09 Proposed Resource Allocation Plan includes full year funding for two additional positions; two positions in the Controller's Office (\$150,000) funded through Housing Surtax dollars and responsible for performing extensive reviews of loan payment packages related to Surtax and SHIP related programs
- As part of the Department's succession plan, a Cash Management Division Director Designee position (\$149,000) and an Assistant Portfolio Manager (\$72,000) position have also been included in the FY 2008-09 Proposed Resource Allocation Plan; these positions are responsible for the investment and safeguarding of the County's portfolio of approximately \$4 billion
- During FY 2008-09, the Tax Collector's Office will continue to streamline the existing mail and payment processes by replacing the two fast payment processors (\$200,000)
- In FY 2008-09, the Department will transfer \$9.773 million to the Capital Outlay Reserve (COR) to fund pay-as-you-go capital projects in other County departments; this amount represents an increase of \$1.147 million over the \$8.626 million transfer in FY 2007-08; the increase is due to a projected revenue increase from the FY 2007-08 property tax sale
- The FY 2008-09 Proposed Resource Allocation Plan includes \$1.007 million in reimbursements from other County departments and funding sources: Metropolitan Planning Organization (\$40,000), Quality Neighborhood Improvements Program (\$100,000), Federal Emergency Management Agency grant revenue for administrative services (\$667,000), Tourist Development Tax (\$20,000) and Housing Surtax (\$150,000) for accounting support; and Non-Departmental General Fund (\$30,000) for audit support
- During FY 2008-09, the Department of Human Services will fund the following eight positions in the Controller's Division: one Accountant 3, one Accountant 2, one Accountant 1, four Account Clerks, and one Clerk 3; these positions support the vendor payment processing associated with two state-funded subsidized childcare programs (School Readiness and Voluntary Pre-Kindergarten)
- The Credit and Collections Section continues operating under a performance Memorandum of Understanding (MOU) that provides financial incentives to collectors; from April 1, 2007 through March 31, 2008, collectors generated \$4.979 million from qualifying payments resulting in eligible employees receiving bonuses totaling \$45,770
- Due to the demands being placed on the Controller's Payroll Unit due to increased reporting requirements, payroll related research, and garnishment support, the FY 2008-09 Proposed Resource Allocation Plan includes two Payroll Personnel Support positions for the Payroll Unit of the Controller's Office (\$33,000)
- In an effort to better align lien collection activities countywide, the FY 2008-09 Proposed Resource Allocation Plan reflects the transfer of the Lien Collection unit, previously located in the Team Metro, to the Finance Department; the transfer includes 17 positions and \$1.192 million in proprietary funding and will be merged into the Credit and Collections Unit of the Controller's Division

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Department Operational Unmet Needs

Description	Startup Costs/ Non Recurring Costs	Recurring Costs	Positions
Hire one Tax Collector Supervisor 2, one Supervisor 1, two Senior Tax Record Specialists, and three Tax Record Specialist 2 positions	\$0	\$549	7
Hire two Compliance Specialists in the Controller's Compliance Unit to assist with the maintenance of internal controls	\$0	\$239	2
Hire one Tax Collector Information Systems Administrator to enhance the Department's technology infrastructure	\$0	\$92	1
Hire one Special Projects Administrator 2, one Special Projects Administrator 1, two Clerks, and one Accountant 3 to develop a workflow process for the accounts payable process for countywide implementation	\$0	\$357	5
Hire nine Accountant 3 positions to improve the Department's internal controls	\$0	\$846	9
Hire one Tax Collector Supervisor 2 to supervise the Enforcement/Collection section	\$0	\$70	1
Hire nine positions to enhance various accounts payable processes	\$0	\$541	9
Total	\$0	\$2,694	34