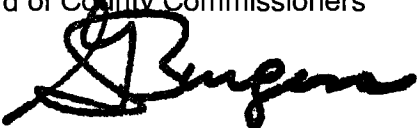


Memorandum



Date: September 17, 2009

To: Honorable Chairman Dennis Moss
and Members, Board of County Commissioners

From: George M. Burgess
County Manager 

Subject: Supplemental Information for Second Budget Hearing – FY 2009-10 Proposed Budget

This item has been amended to reflect the correction of a scrivener error in the Cultural Program and Library System paragraph on page four line six of this memorandum associated with the funding distribution for cultural grants. The sentence was corrected to read as follows: “This funding will restore 70 percent funding for cultural grants (~~\$2,988~~ 5,976 million from library district and ~~\$479,000~~ \$480,000 from the Countywide general fund).” In addition, the Revenue Adjustments table below was missing the description for the grants associated with elderly and veteran services and other proprietary revenues which was numerically listed.

This memorandum describes adjustments that have been developed to address the priorities identified by the Board at your Committee of the Whole meetings and in meetings we have held with individual Commissioners. We have balanced the priority buybacks against the reductions that were agreed to via straw vote at the various meetings. While these adjustments do not fully address all of the priorities identified by the Board, we believe they go a long way toward restoring priority programs and services. Programs for the elderly, veterans and the disabled are fully restored. Funding is partially restored to the Park and Recreation Department and to community-based organizations. County Head Start slots are reinstated, and the one day reduction at all libraries is reinstated. Support for cultural groups and facilities and the Sports Commission is provided. Cooperative Extension and the Drug Abuse Resistance Education (DARE) program, Police Athletic League (PAL) and other programs are also restored. The table below details the adjustments required in order to fund these restorations and Attachment 1 provides the adjustments necessary for each department or appropriation and will have to be amended into the appropriate budget ordinances at this final budget hearing.

Revenue Budget Recommendations
(Dollars in Thousands)

| | <u>CW</u> | <u>UMSA</u> | <u>Fire Rescue/ Library</u> | <u>Proprietary/ Other</u> | <u>Total</u> |
|--|------------|-------------|---------------------------------|-------------------------------|-----------------|
| <u>Revenue Adjustments</u> | | | | | |
| Capital Outlay Reserve - Transfer from Fleet Replacement Trust Fund | 0 | 0 | 0 | 2,000 | 2,000 |
| Transfer from Proprietary Departments to Emergency Contingency Reserve | 0 | 0 | 0 | 17,350 | 17,350 |
| Fire Rescue | 0 | 0 | (1,500) | 0 | (1,500) |
| Park and Recreation - Additional Program Revenue | 0 | 0 | 0 | 1,000 | 1,000 |
| Human Services Grants and Other Proprietary Revenue | 0 | 0 | 0 | 6,668 | 6,668 |
| Cultural Programs and Sports Commission | 0 | 0 | 0 | 2,196 | 2,196 |
| Total Revenue Adjustments | \$0 | \$0 | (\$1,500) | \$29,214 | \$27,714 |

Expenditure Budget Recommendations
(Dollars in Thousands)

| | <u>CW</u> | <u>UMSA</u> | <u>Fire Rescue/ Library</u> | <u>Proprietary/ Other</u> | <u>Total</u> |
|--|------------|-------------|---------------------------------|-------------------------------|-----------------|
| Expenditure Adjustments | | | | | |
| Neighborhood Service Centers | 3,543 | 0 | 0 | 0 | 3,543 |
| Departmental Expense Reductions Attachment 1 | (28,325) | (10,562) | (9,192) | (56,172) | (104,251) |
| Emergency Contingency Reserve - Proprietary Department Contributions | 0 | 0 | 5,253 | 12,097 | 17,350 |
| Proprietary Reserves | 0 | 0 | 0 | 63,425 | 63,425 |
| Fire Rescue - Tax Equalization Reserve | 0 | 0 | 139 | 0 | 139 |
| Library Reserve Reduction | 0 | 0 | (10,412) | 0 | (10,412) |
| Head Start/Early Head Start | 3,969 | 0 | 0 | 0 | 3,969 |
| Veteran Services | 348 | 0 | 0 | 0 | 348 |
| Programs for Disabled | 563 | 0 | 0 | 407 | 970 |
| Cooperative Extension | 887 | 0 | 0 | 579 | 1,466 |
| Sports Commission | 0 | 0 | 0 | 250 | 250 |
| Miami-Dade Police - Programs | 0 | 1,564 | 0 | 0 | 1,564 |
| Community Based Organizations | 18,233 | 5,143 | 0 | 526 | 23,902 |
| Cultural Grants | 480 | 0 | 5,976 | 1,946 | 8,402 |
| Park and Recreation - Operating Expenses | 5,308 | 2,275 | 0 | 1,000 | 8,583 |
| Capital Outlay Reserve - General Fund Transfer | (14,374) | 2,917 | 0 | 0 | (11,457) |
| Elderly Program Expenses | 12,821 | 0 | 0 | 5,156 | 17,977 |
| Library - Restore Day | 0 | 0 | 6736 | 0 | 6,736 |
| Non-Departmental - Various Expenditure Allocation Reductions | (3,069) | (1,337) | 0 | 0 | (4,406) |
| Non-Departmental - Separation Reserve | (384) | 0 | 0 | 0 | (384) |
| Total Expenditure Adjustments | \$0 | \$0 | (\$1,500) | \$29,214 | \$27,714 |

Departmental Adjustments

As directed at yesterday's Committee of the Whole meeting, rather than apply across-the-board adjustments to departmental budgets, which would be contrary to our results-oriented management framework and would in many cases have a dire impact on County service, we have identified reductions to many departments that will impact some services, but will allow us to preserve and restore other priority services for our community. These adjustments total \$4.542 million in countywide general fund revenue and \$1.220 million in unincorporated municipal service area (UMSA) general fund revenue. A minimum of 49 additional positions will be reduced from the departments indicated in the Attachment. Adjustments include further reductions to Strategic Business Management, Audit and Management Services, Animal Services, Public Works, Elections, the Government Information Center, Enterprise Technology Services, and Miami-Dade Police departments. Service impacts include reductions to operating expenditures, longer response times for stray animal calls, the reduction of one landscape cycle and one fertilization cycle, a reduction of one of two sidewalk repair crews, a reduction of one of two tree trimming crews and one of four pot-hole crews, reductions in our Elections Department, the reduction of one position from Countywide Healthcare Planning, and other reductions to administrative and support positions.

Personnel Benefits Adjustments

At the Committee of the Whole meeting, a majority of the Board supported the elimination of premium pay and flexible benefits payments to employees. Both of these benefits are contractually provided and changes to these benefits are subject to negotiation with our bargaining units. Flexible benefits payments were implemented when the County moved from an indemnity health insurance program to a point of service program in the 1990s. The average annual per employee flexible benefit payment is \$1,100. With the transition to the current self-insured health insurance program, over the past three years, employees have experienced average annual savings in excess of these payments. Premium pay similarly was negotiated as part of the collective bargaining agreements. Employees in certain bargaining units receive a bi-weekly payment of \$50. Total saving associated with the elimination of these benefits is \$15.973 million in the countywide general fund budget, \$5.816 million in the UMSA budget, \$3.612 million in the Fire District budget, \$1.651 million in the Library System budget; and \$40.97 million in the proprietary departments' budgets. It is also recommended that executive benefits be reduced by eliminating the parking or rail pass benefit. This will save \$1.166 million across the entire County budget.

An adjustment has also been made to the per employee contribution from each County department for health insurance premiums. By reducing the contribution, department budgets are reduced by a total of \$24.008 million. The projected remaining balance at the end of FY 2009-10 in the Health Insurance Trust Fund of approximately \$80 million is the minimum amount we are comfortable having in place given claims coverage, financial reporting requirements and necessary resources for any higher than anticipated claims payments. We believe this is a sound recommendation but want the Board to be aware that should claims exceed available reserves we may need to access the emergency contingency reserve.

Other Adjustments

At the Committee of the Whole issues were raised relative to travel, publications and subscriptions, comprehensive planning assessments, memberships, legal ads, publicity and advertising expenditures, management consulting, allocations for lobbying and outside legal assistance, and new employee physicals. Recognizing the will of the Board, we are recommending certain wholesale reductions to these line items. We have also eliminated a reserve for special district assessments and reduced the funding allocated to employee training. The total reduction for all of these categories is \$8.035 million across the County budget.

Capital Projects and Furniture

As part of the actions to finalize the FY 2009-10 Proposed Budget, \$9.457 million of subsidy to the Capital Outlay Reserve (COR) may be redirected to support other activities. Several projects for the Corrections and Rehabilitation (C&R) Department will be delayed, including the communications infrastructure expansion (\$500,000), kitchen equipment (\$500,000), and inmate housing improvements (\$500,000) and window replacements (\$300,000) in the Metro West Detention Center. The expansion of the MDPD Training Bureau facility will also be delayed (\$1 million). A portion of the radio replacement project funding will be provided by appropriate proprietary agencies as part of a proposed rebanding project that will be required due to FCC required radio frequency band changes and will be brought to the Board later this year (\$1.2 million). Areawide park capital projects will be reduced by \$500,000. Funding for lot clearing (\$625,000) and litter bin replacement (\$25,000) will also be reduced. The remaining funding for new furniture for Audit and Management Services (\$100,000) and for the Clerk of the Board (\$57,000) and for the development of a tracking database for community-based organizations will be recaptured (\$150,000). Savings has also been identified in the Turner Guilford Knight smoke chase assembly project, funded by Series 2007 Capital Asset Acquisition Bonds, as reported to the Board last year. The FY 2008-09 Capital Budget programmed \$6.05 million for various C&R projects and reserved \$4.75 million for project closeout costs. At this time, we can release \$4 million of the project closeout reserve to fund C&R projects included in the COR in the FY 2009-10 Proposed Budget. To accommodate these recommended adjustments, the COR countywide general fund transfer will be decreased by \$12.306 million and the UMSA general fund transfer increased by \$2.849 million. Program schedules for the projects identified above will be updated accordingly in the Capital Improvement Plan database for FY 2009-10.

We will also be delaying all furniture purchases anticipated in the FY 2009-10 Proposed Operating Budget, saving \$1.88 million across the County budget for all departments.

After careful analysis of the vehicles scheduled to be replaced in FY 2009-10, we have revised our plans and now will not be replacing \$500,000 of vehicles. Additionally, a portion of a repayment to the Fire District will be delayed. Therefore, a transfer of \$2,000,000 will be made from the Fleet Replacement Trust Fund to the Capital Outlay Reserve, further reducing the subsidy from the General Fund.

Cultural Programs and Library System

At the first budget hearing, the Board adopted a tentative millage rate for the Library System that provides \$24.067 million in additional revenue beyond the funding included in the Proposed Budget. Utilizing this revenue, we are recommending that the one-day service reduction be restored for all

libraries \$6.736 million (120 full-time and 73 part-time positions). We are also recommending funding be provided to support cultural grants for programs. This funding will restore 70 percent of the funding for cultural grants (\$5.976 million from library district and \$480,000 from the Countywide general fund). To restore funding for the County affiliated major cultural institutions – Fairchild Gardens (\$418,000), Historical Museum of Southern Florida (\$178,000), Miami Art Museum (\$346,000), Museum of Science (\$414,000), Vizcaya (\$265,000), and the Zoological Society (\$326,000) – and the Sports Commission (\$250,000), \$2.196 million of convention development tax will be re-appropriated from the South Dade Performing Arts Center operating budget to these facilities. Other major institutions grant funding has been included in the cultural grants program mentioned previously. Tourist Development Tax funding will be used to reinstate nine positions (\$922,000) in the Cultural Affairs Department in order to monitor and assist cultural organizations with grant programs and opportunities.

Human Services

Elderly Services

It is recommended that funding for Elderly Services be restored at 100 percent of the funding reduced in the Proposed Budget. An increase of \$17.977 million and 191 full-time positions to the Department of Human Services (\$11.237 million Countywide General Fund and 134 full-time positions; \$4.677 million in Federal and State Grants and Other Revenues and 30 full-time positions) and Community Action Agency (\$1.584 million in Countywide General Fund and 22 full-time positions; \$479,000 in Federal and State Grants and Other Revenues and five full-time positions) are allocated in order to continue providing services to the elderly. This funding level will restore Home Care Services for 356 elders, Meals for the Elderly (833 elders and 195,789 meals), Meals on Wheels (275 elders and 100,375 meals), High Risk Elderly Meals (2,416 elders and 424,324 meals), Senior Centers (180 elders and 44,820 meals), Adult Day Care (300 elders and 144,000 meals), Care Planning (356 elders), Foster Grandparents (90 elders), Retired Services Volunteer Program (900 elders), and transportation services.

Veterans' Programs

It is recommended that funding be restored (\$348,000 from the Countywide general fund) to the Department of Human Services (5 full-time positions), in order to continue assisting 2,250 veterans in Miami-Dade County with preparing and submitting claims for veteran benefits.

Programs for the Disabled

It is recommended that \$970,000 and 12 full-time positions be restored to the Department of Human Services (\$563,000 Countywide general fund and 10 full-time positions; \$207,000 Federal and State Grants and two full-time positions; \$200,000 other revenues) in order to continue providing life skills to 495 individuals with disabilities in Miami-Dade County.

Community Action Agency

Neighborhood Service Centers

It is recommended that \$2.999 million in countywide general fund be restored to the Community Action Agency for the Neighborhood Service Centers including restoring 29 full time positions. Additionally, it is recommended that \$544,000 in countywide general fund be restored to the Department of Human Services for the maintenance of the centers including restoration of seven full time positions. The Neighborhood Service Centers will continue to provide various services including the provision of space for elderly services, enrollment of children in child development services, self-sufficiency services, LIHEAP and emergency assistance.

Head Start and Early Head Start

It is recommended that \$3.969 million be provided from the Countywide General Fund to restore Head Start/Early Headstart programs. As a result, rather than transfer 2,268 Head Start and 230 Early Head Start slots to delegates, it may be necessary to transfer only up to 800 Head Start slots to delegate

agencies. This will allow for the restoration of 297 of the 416 positions that were to be reduced in the Proposed Budget. If sufficient voluntary pre-kindergarten voucher revenues has been identified by the end of the first quarter of the fiscal year no slots will be transferred, and all positions will be restored. This plan maintains the full allotment of 6,210 slots for Head Start children for 175 days, the same number of days as in the current year.

Community-Based Organizations (CBOs)

It is recommended that 70 percent of the current year funding (\$21.992 million) be reinstated for CBOs and county services to be monitored and administered by the Office of Grants Coordination. There will be 24 positions reinstated in the department (\$1.38 million) and the funding for environmental CBOs will be distributed as follows: \$187,000 Water and Sewer Department (WASD); \$165,000 Solid Waste; \$174,000 Department of Environmental Resources Management (DERM). At a subsequent meeting a recommended distribution of these funds will be presented to the Board for your consideration.

Consumer Services Department

Funding is provided to restore the Cooperative Extension Division at 75 percent or \$887,000. This will restore 13 positions in the Cooperative Extension Division and three positions in the 4H Program. Eight Extension Agent positions are funded 40 percent by the County and 60 percent by the state at a value of \$579,000. There is no impact to service at this level of restoration.

Fire Rescue

Anti-Venom Unit

It is recommended that in addition to the two positions included in the Proposed Budget for the Anti-Venom Unit of the Miami-Dade Fire Rescue Department that two additional positions be reassigned from the relief pool to support this function.

Park and Recreation

It is recommended that \$7.583 million of General Fund support and be restored to the Park and Recreation Department, equaling 50 percent of the reduction included in the Proposed Budget. This funding will restore 80 full-time positions and support to the African Heritage Cultural Center, the Deering Estate, senior and after school programming, maintenance, nature centers and pools. These programs will generate an estimated additional \$1.0 million in fees and charges.

Miami-Dade Police Department

The Miami-Dade Police Department budget has been adjusted to allow for the implementation of a modified DARE program and the PAL program. It is recommended that the Miami-Dade Police Department reinstate the DARE program at approximately 90 private and public schools (\$1.132 million, 10 positions), the PAL at two centers and the Join A Team not a Gang program at 85 schools (\$216,000, two positions), and the Don't Let Alcohol Be Your Last Taste of Life program (\$216,000, two positions).

Reserves

Funding has been allocated to enhance reserves in the Fire Rescue Department and the Library District and to restore the reduction to the Countywide Emergency Contingency Reserve taken at the first budget hearing. As a result of the additional revenue available from the adjusted millage rates and the expenditure reductions as mentioned earlier in this memorandum, the Fire Rescue District tax equalization reserve will be increased by \$139,000 to \$997,000 from \$858,000 included in the Proposed Budget. When combined with the Fire Rescue District Emergency Contingency Reserve (\$17.210 million), total District reserves (\$18.207 million) represents 5.3 percent of the operating budget. As well, the additional revenue in the Library District, net of the adjustments included in this memorandum, allows for the operating service reserve to be increased by \$13.053 million to \$62.131 million. In addition, the Library System Proposed Budget includes a contingency reserve of \$4.239 million, or 5.5 percent of its operating budget.

The Countywide Emergency Contingency reserve is increased by \$17.350 million to \$33.771 million. When combined with other general fund reserves, the total represents 4.02 percent of the general fund operating budget. The Countywide Emergency Contingency reserve has been recognized by rating agencies as an important element of the County's financial status and has lead to an improvement in bond ratings for the County's general segment. These ratings are not only applicable when issuing debt backed by the general fund, but also for proprietary departments when issuing revenue bonds. Improved ratings have lead to decreased issuance costs, allowing for proprietary rates and charges to be held lower than would have otherwise been possible therefore a one-time contribution from the proprietary departments of 1.265 percent of their operating budgets will fund \$17.350 million of the increase.

Attachment

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