

# Memorandum



**Date:** September 23, 2010

**To:** Honorable Dennis C. Moss Chairman  
And Members, Board of County Commissioners

**From:** George M. Burgess  
County Manager

**Subject:** Information for Second Budget Hearing – FY 2010-11 Proposed Budget

This memorandum accompanies the FY 2010-11 Budget Ordinances for your consideration at the Second Budget Hearing on September 23, 2010. This document provides information requested and details all adjustments necessary from what was included in the FY 2010-11 Proposed Budget and any actions taken by the Board of County Commissioners at the September 13, 2010 First Budget Hearing, as well as making recommendations for other adjustments for your consideration. The total value of new allocations contained in this document is \$15.037 million.

During the First Budget Hearing on September 13, 2010, the Board of County Commissioners (BCC) approved the following tentative millage rates: Countywide 5.4275, Unincorporated Municipal Services Area 2.2980, Fire Rescue Service District 2.5753, and Library System 0.3500 mills. At these millage rates, the Proposed Budget is funded and the adjustments included in this memorandum may be supported.

As we have advised the Board on various occasions, as a result of the various concessions made by the County's collective bargaining units, we were able to realize over \$225 million in personnel savings over the three-year life of the agreements. In addition, through the five percent contribution by employees toward health insurance costs, the County will be saving an estimated \$80 million on a recurring basis annually. Specifically as it pertains to FY 2009-10 and FY 2010-11, the anticipated savings are \$137 million and \$100 million, respectively. Said another way, without these agreements in place, an additional \$237 million (\$130 million from the property tax supported budget and \$107 million from proprietary revenues) in expenditure reductions would have been necessary to balance the FY 2010-11 budget. The statement that this budget raised taxes to fund pay increases is simply inaccurate. The impact to individual employees was salary reductions ranging from 11 to 21 percent for the first year and, even after the restoration of certain benefits frozen for 12 months, a total salary reduction of more than eight percent for the two years combined.

We have visited each BCC member and reviewed a draft list of Building Better Communities Bond Program projects to be included in the next two bond sales. Ultimately a final list will be approved with the series resolution approving the bond sale. Be reminded that through the approval of the series resolution previous resolutions passed may be superseded. The higher debt service millage rate will generate \$187 million more in bond proceeds for capital projects over the next two bond sales to support projects that will bring an average of 1,870 new jobs a year for the next five years. Attachment A is a memorandum that contains more detailed information regarding the benefits of maintaining the tentatively adopted debt service millage. We will continue to work with Commissioner Barreiro to develop legislation to allow for the expediting of these projects.

**Recommended Actions**

**Operating Budget Adjustments**

The recommended budget adjustments are outlined in the table below and detailed in the following paragraphs. The table is divided into “sources” – the revenue increases or expenditure decreases being used to fund the adjustments – and “uses” – the recommended allocations.

| Recommended Adjustments<br>(Dollars in Thousands)  |                |                |                |                  |                  |
|--|----------------|----------------|----------------|------------------|------------------|
| Sources  | CW             | UMSA           | Fire           | Proprietary/     | Total            |
|  |                |                | Rescue/Library | Other            |                  |
| Aviation - Operating and Non-Operating Expenses  | 0              | 0              | 0              | 25,052           | 25,052           |
| Community Action Agency - Grant Funding  | 0              | 0              | 0              | 11,027           | 11,027           |
| Community Action Agency - Federal and State Grants and Program Income                          | 0              | 0              | 0              | 153,808          | 153,808          |
| Fire Rescue - Contract Services Funding  | 0              | 0              | 60             | 0                | 60               |
| General Fund - Unallocated Carryover   | 1,062          | 842            | 0              | 0                | 1,904            |
| General Fund - Park and Recreation Unallocated Carryover                                       | 1,600          | 0              | 0              | 0                | 1,600            |
| General Fund - Fire Rescue Department  | 230            | 0              | 0              | 0                | 230              |
| General Services Administration - Program Income (HOME and SHIP) and Contract Services Funding | 0              | 0              | 0              | 64,573           | 64,573           |
| Library - Future Services Reserve  | 0              | 0              | 6,127          | 0                | 6,127            |
| Non-Departmental - Enabling Strategies - Future Services Reserve                               | 5,459          | 1,352          | 0              | 0                | 6,811            |
| Non-Departmental - Enabling Strategies - Sustainability Reserve                                | 500            | 0              | 0              | 0                | 500              |
| Procurement Management - Unallocated Carryover and Additional User Access Program Revenues     | 0              | 0              | 0              | 415              | 415              |
| Small Business Development - UAP and Capital Working Fund Transfer                             | 0              | 0              | 0              | 765              | 765              |
| <b>Total Sources</b>   | <b>\$8,851</b> | <b>\$2,194</b> | <b>\$6,187</b> | <b>\$255,640</b> | <b>\$272,872</b> |
| <b>Uses</b>  |                |                |                |                  |                  |
| Board of County Commissioners - Office of Community Advocacy Operating Expenses                | 325            | 108            | 0              | 0                | 433              |
| Building Neighborhood Compliance - Foreclosed Home Program                                     | 0              | 500            | 0              | 0                | 500              |
| Community Action Agency - Greater Miami Service Corps, Head Start/Early Head Start, and LIHEAP | 0              | 0              | 60             | 11,297           | 11,357           |
| County Attorney - Operating Expenses   | 675            | 225            | 0              | 0                | 900              |
| Cultural Affairs Department - Community-Based Funding (includes Miami Children's Museum)       | 1,867          | 622            | 0              | 0                | 2,489            |
| Election - Operating Expenses  | 770            | 0              | 0              | 0                | 770              |
| Government Information Center - Operating Expenses   | 513            | 171            | 0              | 0                | 684              |
| Housing and Community Development - Operating Expenses   | 0              | 0              | 0              | 218,111          | 218,111          |
| Juvenile Services - Operating and GAL Program Expenses   | 613            | 0              | 0              | 0                | 613              |
| Library - Operating Expenses   | 0              | 0              | 6,127          | 0                | 6,127            |
| Miami-Dade Police - Operating Expenses   | 0              | 0              | 0              | 25,052           | 25,052           |
| Non-Departmental - Enabling Strategies - Community-Based Funding (Health and Human Services)   | 1,703          | 568            | 0              | 0                | 2,270            |
| Park and Recreation - Operating Expenses   | 1,600          | 0              | 0              | 0                | 1,600            |
| Procurement Department - Operating Expenses  | 0              | 0              | 0              | 415              | 415              |
| Public Health Trust - Maintenance of Effort Payment  | 679            | 0              | 0              | 0                | 679              |
| Small Business Development - Wage Theft and Certification Activities                           | 107            | 0              | 0              | 765              | 872              |
| <b>Total Uses</b>  | <b>\$8,851</b> | <b>\$2,194</b> | <b>\$6,187</b> | <b>\$255,640</b> | <b>\$272,872</b> |

**General Fund Adjustments**

The Proposed Budget included the funding for a Future Services Reserve (\$6.811 million) and Sustainability Projects Reserve (\$500,000). The various adjustments detailed below have been funded through the reallocation of these reserves, as well as higher than anticipated FY 2009-10 carryover (\$3.504 million) identified through updated projections performed this week based on the most recent actual expenditures and revenue collections.

**Housing and Community Development (HCD)**

In light of the concerns raised relating to the reorganization of the Department of Housing and Community Development (HCD), it is recommended that the Proposed Budget be amended to restore HCD, so that the administration of the federal, Documentary Stamp Surtax, and SHIP programs remain consolidated under the same entity. However, in order to address the issue of reliance on one-time revenues and flat CDBG and HOME grants, we recommend that the Community Action Agency (CAA) provide back office support, including personnel, procurement, information technology, accounting and other general office assistance. Both HCD and CAA will continually assess the optimal level of support and may recommend changes as the implementation progresses. To restore funding to HCD, CAA's budget will be reduced by \$153.808 million and 31 positions; GSA's budget will be reduced by \$64.303 million and 34 positions. HCD's budget will be funded at

\$217.107 million and 67 positions (65 positions transferred from CAA and GSA and the restoration of two positions). HCD's budget has been adjusted to reflect the elimination of an interagency transfer of \$1.004 million. The CAA's budget will adjust appropriately to reflect the interagency transfers from HCD.

Subsequent to the release of the Proposed Budget, Miami-Dade County received \$20.036 million from the third round of Neighborhood Stabilization Program (NSP) (Attachment B). Like the first round of funding, NSP Round 3 is designed to acquire and rehabilitate foreclosed properties, demolish blighted structures, and redevelop vacant land. As such, HCD's budget will increase by an additional \$20 million in federal funds, for a total of \$237.143 million in revenues. Among other projects, it is anticipated that this grant could provide funding to address the homes in Brownsville damaged by a tornado in March 2003. Rehabilitation began and several homes were demolished. Allocating this funding will allow for conclusion of this project. As more information is gathered on NSP Round 3, we will bring appropriate agenda items to the Board for consideration to utilize this funding.

### **Community Action Agency (CAA)**

The County will receive an additional allocation of Low Income Home Energy Assistance Program (LIHEAP) funding in the amount of \$7.5 million, which will allow the Department to provide another 15,000 utility payments to low-income households. This funding is an increase to the original allocation from the Department of Community Affairs. In addition, due to a lawsuit by other grantees, the Alliance for Aging must reallocate some of its awards. For this reason the CAA grant for transportation services will be reduced by \$177,500, potentially impacting three Driver Attendant positions. These positions may need to be converted to part-time if the Department is unable to use other revenues, such as Community Service Block Grant (CSBG), to offset the loss.

### ***Greater Miami Service Corps***

For the upcoming fiscal year, the Greater Miami Service Corps (GMSC) contract with the Water and Sewer Department was not renewed. The General Services Administration will now contract for services from the GMSC during FY 2010-11. The contemplated services and functions include landscaping and mowing at various locations, boarding up and maintenance of some homes and vacant lots, custodial services at newly-acquired properties, and painting (\$270,000). The Fire Rescue Department will also contract for services with GMSC for custodial services at the new training facility and food service functions (\$60,000). These actions allow for the reinstatement of two positions. In addition, the Department of Housing and Community Development will also contract with the GMSC for landscaping and mowing at various locations (\$50,000).

### ***Head Start / Early Head Start***

In October 2010, Community Action Agency will receive final recommendations from Western Kentucky University for improving the services, administration, and financial stability of the County's Head Start/Early Head Start (HS/EHS) program. Based on Western Kentucky's progress report dated September 10, 2010, recommendations may include reorganization of administration and service delivery. CAA will work diligently to implement all improvements recommended by Western Kentucky University in order to achieve all possible savings; however, it is unknown if the savings will amount to the additional \$3.705 million necessary to maintain the current program structure. Per conversations with Commissioner Barbara Jordan, the Chair's appointed Liaison to Head Start, Mr. Jeff Fredericks from the Head Start Regional Office in Atlanta has advised that should the HS/EHS program implement the Western Kentucky University recommendations and still face a funding gap in FY 2010-11, his office will provide sufficient federal funding to cover the shortfall. Based on this assurance, we now propose restoring 15 educational days in Head Start and 16 days in Early Head Start, restoring both the 240 delegated and 500 partnered slots to County operation, restoring

contracted health services, and not instituting four days of furloughs. This maintains the current number of educational days for Head Start at 175 and Early Head Start at 226, the current number of delegate operated Head Start slots at 4,042 (64 percent) and County operated slots at 2,268 (36 percent), and the current number of delegate operated Early Head Start slots at 192 (43 percent) and County operated slots at 254 (57 percent). The Department will restore 94 full-time positions and budget an extra \$3.705 million in federal Head Start/Early Head Start funds.

It should be noted that in order to offset increased costs in HS/EHS, the FY 2009-10 Adopted Budget included increased revenues of \$1.323 million generated by an aggressive campaign to boost Voluntary Pre-Kindergarten (VPK) capacity, enrollment, and reimbursement. The VPK program is projected to bring over \$1.4 million into HS/EHS by the end of this fiscal year. The FY 2010-11 Proposed Budget already includes \$1.642 million in VPK revenue, maximizing the revenue stream for HS/EHS.

We will carefully monitor the implementation of the recommendations proposed by Western Kentucky University and keep in close contact with the Regional Office. In the event anticipated savings cannot be achieved and HHS is unable to make up the difference, services will be adjusted at the end of the school year. As well, any recommendation requiring changes in FY 2011-12 will be pursued in a timely manner.

### ***Emergency Housing***

The CAA Proposed Budget included the phase out of the Emergency Housing Program, which was designed to assist families in need of short-term housing. The Community Action Agency (CAA) administers the program, providing the staff that assists families into and out of the units. The Department of Human Services (DHS) owns the facilities, pays operating costs, and provides necessary maintenance. The program has two locations, Emergency Housing North at 2301 NW 54 Street in Miami and Emergency Housing South at 825 West Palm Drive in Florida City. The northern location consists of a single building with 11 units, all of which are currently vacant. The southern location consists of four buildings with four units each, for a total of 16 units, three of which are currently occupied. In FY 2009-10, the program assisted 32 families, a volume that the homeless continuum can absorb through its Homeless Assistance Centers (HAC) or temporary hotel accommodations. The HAC at 1550 North Miami Avenue in Miami is five miles away from Emergency Housing North; and, the HAC at 28205 SW 125 Avenue in Homestead is less than 10 miles away from Emergency Housing South. Although budget constraints eliminated the DHS operating and maintenance funds, requiring the CAA to complete the phase-out of the program, DHS, CAA, and Homeless Trust are cooperating to find a new role for both facilities, perhaps as permanent supportive housing, so that these assets continue to productively serve housing needs in both the north and south of the county.

### **Procurement Management and Small Business Development**

As part of the FY 2009-10 Adopted Budget, the Certification Unit was transferred from Small Business Development (SBD) into the Department of Procurement Management (DPM) in order to support the implementation of the County's effort to consolidate vendor services. As a result of delayed capital technology project implementation and in conjunction with a realignment of resources available for small businesses, it is recommended that the Certification Unit be transferred back to SBD. The transfer of User Access Program (UAP) revenues to the general fund will be reduced by \$175,000 to support the additional resources in both departments. After all of the following adjustments, the transfer from DPM to SBD will be increased from \$408,000 to \$972,000, the transfer to the General Fund from DPM will decrease from \$2.618 million to \$2.443 million, and SBD will receive an increased transfer from the Capital Working Fund of \$3.0 million from \$2.799 million.

### ***Procurement Management***

DPM will realize additional carryover into FY 2010-11 as a result of increased UAP revenues and savings due to attrition and decreased general expenditures in FY 2009-10 and anticipates \$165,000 in additional UAP revenue for FY 2010-11, based on our most recent projections. The department's FY 2010-11 carryover should be increased by \$250,000 and five positions will be restored to provide resources for the procurement of goods and services. In addition, as a result of operational realignment in SBD discussed further in this memo, DPM will realize savings of \$201,000, which will be used to restore two additional positions. In the event that revenues projected from UAP are not realized, the Department will need to make additional reductions during FY 2010-11.

### ***Small Business Development (SBD)***

The Office of Strategic Business Management (OSBM) has worked with SBD's management team to develop several operational adjustments that would enable the department to reassign work effort to high priority functions due to reductions realized from reduced indirect cost reimbursements and elimination of positions in the proposed budget. These operational adjustments include: conducting compliance monitoring through a representative sampling of projects, replacing routine payroll reviews with complaint-driven wage monitoring, conducting the 48-hour review of incoming bids and proposals as part of the pre-award compliance review, cross training staff to handle contract disputes for construction/A&E contracts as well as general procurements, and reorganizing the delivery of financial and bond assistance programs through the development of informational brochures that will be made available to interested companies. The transfer will include six positions from DPM to SBD to manage the small business certification function for five programs (\$486,000). In addition, three positions and realigned operational funding will be added to SBD in order to provide additional resources to manage the backlog on re-certifications (\$279,000). In addition, one SBD Technical Assistance Coordination position will be restored and funded through General Fund to assist with complaints on Wage Theft and Living and Responsible Wage Ordinances, support Review Committee and Advisory Boards, provide staff support debarment, and assist with certification appeals (\$107,000).

Additionally, SBD staff will continue to explore alternative work flow approaches to further improve operations and ease workload burden without compromising services to small businesses. Those alternatives could include a re-engineered work flow where individual SBD staff members manage projects from their inception to their completion, and a dual organizational emphasis on small business case management and employee protection. Process changes will also be developed including placing accountability for compliance on the vendor through an affidavit submission and moving from an annual recertification cycle to a multi-year cycle. These adjustments will require revisions to the Code and sections of respective Implementing Orders, which will be brought back to the Board for approval. These adjustments, along with an administrative realignment, will enable SBD to accomplish operational priorities with the positions proposed in the FY 2010-11 budget.

### **Community-Based Organization (CBO) Funding**

Funding is recommended to address priority service areas including categories for services for children and elderly, basic needs, and health programs. Allocations for the areas of basic needs; children and adults with disabilities; children, youth and families; criminal justice; elder needs; health; and special needs will be increased to 100 percent of FY 2009-10 funding. An additional \$2.27 million of funding is recommended to be made available for allocation. By approving this recommendation the Board is amending the percentage allocations referenced in Resolution R-380-10 relating to the Human and Social Services CBO Funding Process to those reflected in the following table:

**Community Based Organizations  
 Reallocation**

| Categories                                   | Percent | Funding From<br>Apr. 2011 - Sep. 2011 |
|--|---------|---------------------------------------|
| 1 Basic Needs                                | 12.9%   | \$ 1,275,000                          |
| 2 Children & Adults with Disabilities        | 6.7%    | 663,000                               |
| 3 Children, Youth & Families                 | 22.1%   | 2,192,000                             |
| 4 Criminal Justice                           | 15.4%   | 1,530,000                             |
| 5 Elder Needs                                | 13.9%   | 1,377,000                             |
| 6 Health                                     | 4.1%    | 408,000                               |
| 7 Immigrants/New Entrants                    | 3.1%    | 306,000                               |
| 8 Other                                      | 1.5%    | 153,000                               |
| 9 Special Needs                              | 16.5%   | 1,632,000                             |
| 10 Workforce Development                     | 3.1%    | 306,000                               |
| 11 Evaluation Plan                           | 0.8%    | 76,000                                |
| <b>GF Available</b>                          | 100.0%  | 9,918,000                             |
| Environmental Grants (DERM)                  |         | 184,562                               |
| <b>Available Amount 04/01/11 -- 09/30/11</b> |         | <b>\$ 10,102,562</b>                  |

The Department of Cultural Affairs has concluded its scheduled competitive review processes for several of its grant programs for non-profit cultural organizations. The funding available for allocation to cultural programs has also been restored to FY 2009-10 levels (\$2.238 million increase, for a total of \$12.873 million). The recommended allocations are included in Attachment C. In addition, it is recommended that an additional \$251,000 for a total of \$530,000 be allocated to the Miami Children's Museum to support operations in this facility on par with other County major institutions.

**Memorandum of Understanding for Police Service at Miami International Airport**

The Miami-Dade Police Department (MDPD) will require expenditure authority to account for a Memorandum of Understanding (MOU) with the Miami-Dade Aviation Department (MDAD) for uniformed police services at the Airport. This technical adjustment is required to bring uniformity in the treatment of out-stationed police officers to be reflected as MDPD's employees. The expenditure authority is required to support the transfer of 157 positions that are currently on MDAD's table of organization that are going to be transferred to MDPD and billed back to MDAD via this MOU. Services currently being provided through this MOU by MDPD for MDAD will remain unchanged and will be transparent as this technical adjustment takes place. The total budget allocation that will be billed back to MDAD is \$25.052 million and includes projected salaries, fringes, overtime, as well as other operating expenditures.

**Building and Neighborhood Compliance**

The FY 2010-11 Proposed Budget recommends the merger of the Building Code Compliance Office into the Department of Building and Neighborhood Compliance. Although the County maintained the Building Code Compliance Office as a separate department, after the adoption of the statewide Florida Building Code (FBC) in 2002, it was no longer necessary. With the adoption of the statewide building code, the South Florida Building Code was eliminated and the state assigned the responsibility for the adoption, modification, update, and maintenance of the code to the Florida

Building Commission. Further, the Florida Building Commission has the authority to review decisions of local building officials and local enforcement agencies. The merger will eliminate administrative support positions that will generate savings to provide adequate funding to support direct service activities. Reduction of direct service personnel will impact the County's ability to enforce building code and building permitting activities and performance of regular and post disaster inspections.

#### ***Unlicensed Contractor Enforcement***

Subsequent to the release of the FY 2010-11 Proposed Budget, concerns were expressed by the public and members of the Board regarding the proposed elimination of the Miami-Dade Police Department (MDPD) Unlicensed Contractor Criminal Investigation Unit and the delegation of this function to the police district stations. To address this concern, MDPD will designate one sworn officer from the Uniformed Services Division, Departmental Coordination Section, as the departmental liaison to address issues and violations with the Districts, in conjunction with Building and Neighborhood Compliance Department.

#### ***Foreclosed Homes***

The social and economic impact of the foreclosure crisis is creating a heavy burden on our community. Foreclosures are weakening our real estate market and impacting our local economy. Foreclosed homes adversely affect sellers as well, adding to the inventory of homes competing for buyers and negatively affecting the perceived value of nearby property. Inventories of unsold homes devalue our local property value, which reduces the taxable revenue that the County relies on. Because of these concerns, it is my recommendation that \$500,000 be appropriated to support a pilot foreclosure home buying program to be administered by the Department of Building and Neighborhood Compliance. This pilot program will attempt to purchase foreclosed homes that are degrading UMSA neighborhoods, make any necessary improvements, and prepare the home for sale. It is hoped this program will help stabilize property values and improve our neighborhoods.

#### **Office of Community Advocacy**

It is recommended funding be allocated to restore four overage positions within the Office of Community Advocacy (\$433,000) and reclassify the vacant Assistant to the Executive Director position to an Executive Director.

#### **County Attorney's Office**

The Proposed Budget recommends increasing the County Attorney's Office general fund allocation by \$900,000 to restore funding to support personnel expenses.

#### **Elections**

The 2010 Primary Election in August reemphasized some important operational necessities. These include our highly trained poll workers performing multiple functions, the benefit to the voters from our outreach efforts, as well as retaining an adequate level of technical staff in the Department to assist with troubleshooting election equipment and software. The reductions included in the Proposed Budget would have stripped our Elections Department of these vital functions. Although there is a monetary savings associated with the proposed reductions of 28 positions (including two positions during the mid-year), we would be putting the success of future elections in jeopardy that will undercut any short term savings. It is therefore recommended to restore ten positions (\$770,000) in order to maintain a level of outreach services as well as the technical expertise required to ensure the continued success in upcoming elections.

### **Fire Rescue**

After the release of the FY 2010-11 Proposed Budget the Miami-Dade Fire Rescue Department (MDFR) completed an analysis of the Fire Boat 1 response to service calls by locations. The available data shows that of the responses to incidents that can be clearly allocated to a taxing jurisdiction, about half of the calls were dispatched outside the Fire District, and half to areas within the Fire District. MDFR proposes to reallocate staff currently assigned to two Emergency Medical Transportation units (nine per unit, including relief, for a total of 18) to operate Fire Boat 2 out of the Haulover Beach Fire Station (Station 21) providing much needed services to the area. In order to accommodate the Fire Boat 2 crew during evening hours at Station 21, MDFR is exploring the lease or purchase of a recreation type vehicle that can be parked adjacent to the fire station. This vehicle can be used in the future to accommodate displaced crews, in lieu of temporary station closings, when a facility requires major renovations due to obsolescence, mold remediation or emergency repairs.

In making this service adjustment, we are also reassessing the allocation of funding to address the split of service calls by taxing jurisdictions. Based on the location of calls for the fire boat services and the support functions for fire boat service, the funding will be allocated from the fire district (50 percent) and the countywide general fund (50 percent). Because of this reallocation, \$230,000 of countywide general fund is released to fund other priority allocations.

### **Government Information Center**

At the First Budget Hearing and at the Committee of the Whole the issue of restoring MDTV programming and a photographer was raised. It is recommended that \$684,000 and seven full-time positions be restored to the Government Information Center in order for the Department to continue providing programming for shows including but not limited to Mom & Pop Success Stories, Miami-Dade Now/Ahora; Get to Know Your County Commissioner, County Connection, Green Scene, Inside County Jobs, My Name Is..., County Commercials, and various special features; to produce Public Service Announcements; provide the Daily News Clip service; and restore the Department's ability to provide more photographic coverage of county events.

### **Guardian Ad Litem**

Based on concerns expressed at the First Budget Hearing, it is recommended that support to the Guardian Ad Litem program be fully restored to the Juvenile Services Department (five positions and \$613,000).

### **Library**

In order to balance both tax relief and core services provided by the Miami-Dade Public Library System, we recommend that the Board reduce the Library Taxing District millage to 0.2840 mills. This rate saves taxpayers \$11.020 million compared to the 0.3500 mills tentatively adopted on August 20, 2010, but provides \$6.127 million to restore core services. We recommend that the Board use the additional funding to restore six days of service at non-regional libraries and seasonal Sundays (60 full-time positions, operating costs and \$4.325 million) and two hours of service system-wide (150 part-time positions and \$1.802 million).

### **Park and Recreation**

Due to extraordinary spending reductions and higher than anticipated revenues over the summer, the Park and Recreation Department projects \$1.6 million in additional carryover. It is recommended that the department use these funds to restore 22 full-time positions, part-time hours, and operating costs in grounds maintenance (nine positions and \$600,000), park operations (seven positions and \$500,000), and facility maintenance (six positions and \$400,000 plus \$100,000 in life cycle maintenance). The restoration of nine grounds maintenance position will restore 15 percent of the

proposed reduction of grounds maintenance staff system-wide, which will increase custodial services from one cycle per day to two on weekends at district and community parks. It will also restore on-site staff at some district and community parks, increasing litter control and trash pick-up from two to three times per week, and mowing at active use facilities by one extra cycle during the summer growing season. The restoration of seven positions in park operations reduces the impact of proposed cuts to management and supervision staff by 27 percent, allowing for longer office hours at some parks, increased security, and improved customer service with CBO partners, contract/permit providers, and the general public. The positions in facility maintenance restore the facility maintenance technician program by 50 percent, ensuring the capacity to effect emergency repairs, restoring three life cycle maintenance visits per year for park facilities, and restoring two annual playground safety inspections at 128 playgrounds.

### **Public Health Trust**

The Public Health Trust will receive \$679,000 in additional Maintenance of Effort (MOE), which is generated from the revised projections for General Fund carryover. As a result of this increased MOE, in addition to \$945,000 of funding from an adjustment to the PHT's capital budget, the Trust will be able to restore funding to Community Health of South Dade (CHI) at the same level as in FY 2009-10.

### **Water and Sewer**

The FY 2010-11 Proposed Budget contemplates the closing of the Miami-Dade Water and Sewer Department (MDWASD) satellite office at the South Dade Government Center. After further consideration, it is recommended that MDWASD continue to operate this office. This will be accomplished by achieving additional operational efficiencies equal to \$460,000. This option will prevent the layoff of seven employees.

The proposed water and sewer rate adjustment of five percent increase is required to fund debt issuances needed to support the department's capital improvement plan and additional pay-as-you-go capital needs related to concrete piping in the system. Operating and maintenance expenses are virtually flat. Actual rates are significantly less than what was projected in the FY 2006-07 Budget when the Water Use Permit was signed with the South Florida Water Management District – about half of what was anticipated for FY 2010-11 at the time. The recommended rate increase will not be applied to the retail lifeline rate and will increase the bill for the average retail water and sewer customer by \$24 for the year.

Rate increases assumed in future years are necessary to fund the Multi-Year Capital Improvement Plan estimated at \$6.9 billion in capital projects in order to meet regulatory requirements. The Department needs to maintain an adequate level of reserves allowing for favorable financing terms in the market, which is achievable by reducing operating expenses. Should the Board not approve the recommended rate adjustments, repair and renovation projects will be delayed and significant numbers of staff will be laid off. For FY 2011-12, the retail rates will be required to increase by approximately 23 percent in order to sustain and maintain daily operations and capital projects that have begun and cannot be stopped.

### **Capital Budget Adjustments**

The Capital Outlay Reserve (COR) ordinance no longer reflects a debt service payment for the Tennis Center Retractable Bleachers-Sunshine Loan (Project # 292600), the debt service payment will be made from interest earnings and proceeds from Project 367030.

The Debt Service Fund (416 and 417) for Miami-Dade Transit requires a technical adjustment of \$21.328 million to reflect interest and reserve payments due on the Series 2009 A and B (\$12,240

million) as well as the Series 2010 A and B (\$9.088 million) bond issuances, as approved by Resolutions R-1041-09 and R-803-10. This adjustment is required to properly reflect the use of capitalized interest as well as Build American Bonds Federal Subsidy that is funding the first two years interest payments for each issuance. Use of Charter County Transit System Surtax proceeds will not begin until after the capitalized interest period is over, which is in FY 2011-12 for the Series 2009 and FY 2012-13 for the Series 2010, at which time both interest and principal payments will commence.

### **Implementing Orders/Fee Schedules**

There are several implementing orders and/or fee schedules that, inadvertently, were printed with missing pages or contained scrivener's errors (Water and Sewer, Planning and Zoning, and Vizcaya) as part of the schedules provided in Agenda Item F in the First Hearing package. In accordance with the rates and charges recommended in the County Manager's "Information for First Budget Hearing" memorandum, the Solid Waste implementing order has been adjusted and is included in Attachment D to this memorandum. In addition, the Park and Recreation Proposed Budget narrative provides the Park and Recreation Director with flexibility to reduce or not charge golf related fees based on market conditions however, the implementing order did not contain this provision as a footnote. At the September Recreation and Culture and Tourism Committee meeting, the Park and Recreation Director advised the committee that the Department will not charge parking fees to park users who are registered to participate in a scheduled fee-based programs.

The General Services Administration expects to begin construction of a new multi-use facility on the site of the current West Lot surface parking facility. This construction will run simultaneously with the construction of the Children's Courthouse on the current North Lot surface parking facility. As a result, both surface lots will be closed and their patrons will be transferred to the Hickman Garage. In order to mitigate the financial impact on those patrons, of which approximately 70 percent are County employees, the monthly rate at the Hickman Garage will be lowered from \$58.03 to \$55.00 during construction of the new garage on the west surface lot. The rate for County vehicles will also be \$55.00 per month. Construction is expected to last approximately 18 months, at the end of which, all rates will be need to be readjusted and submitted to the Board for approval.

### **Position Adjustments**

In some instances, the above recommendations will adjust the number of positions in the FY 2010-11 Proposed Budget. The adjustments included in this memorandum increase the total number of recommended positions by 215 to 27,571. This is 948 positions less than authorized in FY 2009-10, of which more than 600 are vacant. Attachment E includes the Tables of Organization reflecting the adjustments listed below.

| Department                        | FY2010-11       |                         | Revised            | Purpose  |
|-----------------------------------|-----------------|-------------------------|--------------------|--|
|                                   | Proposed Budget | Recommended Adjustments | FY2010-11 Proposal |  |
| Aviation                          | 1,412           | (157)                   | 1,255              | Transfer 157 positions to MDPD   |
| Board of County Commissioners     | 196             | 4                       | 200                | Adding 4 positions for Community Advocacy  |
| Community Action Agency           | 589             | 65                      | 654                | Transfer 31 positions to HCD and Restore 96 positions  |
| Elections                         | 81              | 10                      | 91                 | Reinstate 10 positions   |
| General Services Administration   | 831             | (34)                    | 797                | Transfer 34 positions to HCD   |
| Government Information Center     | 187             | 7                       | 194                | Reinstate seven positions  |
| Housing and Community Development | -               | 67                      | 67                 | Transfer from CAA and GSA 65 positions and Restore two positions   |
| Juvenile Services                 | 102             | 5                       | 107                | Reinstate five positions   |
| Library                           | 561             | 60                      | 621                | Reinstate 60 positions   |
| Park and Recreation               | 981             | 22                      | 1,003              | Reinstate 22 positions   |
| Police                            | 4,216           | 157                     | 4,373              | Transfer 157 positions from Aviation   |
| Procurement                       | 91              | (1)                     | 90                 | Transfer six positions to SBD, reinstate 5 positions<br>Transfer six positions from DPM, reinstate one position, and add three positions |
| Small Business Development        | 26              | 10                      | 36                 | positions  |
| Other County Departments          | 18,177          | -                       | 18,177             |  |
| <b>Total</b>                      | <b>27,450</b>   | <b>215</b>              | <b>27,665</b>      |  |

Upon approval of the recommendations reflected in this memorandum and the September 13, 2010 "Information for First Budget Hearing-FY 2010-11 Proposed Budget" memorandum, the Board authorizes the Office of Strategic Business Management to incorporate the adjustments into the funding schedules in Agenda Items B, D, and F included as part of the Second Budget Hearing documents.

Attachments

**Information Requested**

***Low Income Senior Assistance Program***

Commissioner Barreiro has proposed a way to provide assistance to low-income senior through a program whereby qualified seniors would receive \$100 to offset County service costs. Seniors have been especially hard hit by the economic crisis our society has been facing. We are sensitive in this budget to preserve senior programs and have identified additional funding for community-based organizations that serve seniors people on fixed incomes are still being challenged. There are currently 46,000 senior citizens who have qualified for the \$25,000 senior exemption for property taxes. In the event this program is approved it is recommended that disbursements be supported by the general fund tax equalization reserve or contingency reserve and that this appropriation be finalized by means of a mid-year budget amendment.

***Public Safety Budget Adjustments***

Comments were made at the Committee of the Whole regarding the initial budgetary shortfalls submitted by the departments and corresponding adjustments associated with the final funding recommendations for the Police and Fire Rescue departments included in the Proposed Budget documents. Both departments made unprecedented reductions to address limited resource levels. Described below you will find the initial budgetary challenges faced by both departments during the beginning of the FY 2010-11 budget development process, including the preliminary budget gap and how it was ultimately addressed.

The MDPD FY 2010-11 initial budget submission was \$69.9 million higher than the final FY 2010-11 Proposed Budget. The Department implemented reductions in personnel (\$36.7 million), operating

The MDPD FY 2010-11 initial budget submission was \$69.9 million higher than the final FY 2010-11 Proposed Budget. The Department implemented reductions in personnel (\$36.7 million), operating expense reductions (\$13.5 million), and capital expense reductions (\$7.0 million). These reductions were itemized in the FY 2010-11 Proposed Budget documents. Funding made available from a reimbursement of the General Fund from the liability trust funds was also used to reduce the subsidy required by MDPD.

As it pertains to Miami-Dade Fire Rescue Department, the FY 2010-11 adjusted budget submission was \$83.3 million higher than the available revenues. In order to close this gap, the Department proceeded to identify additional revenues including adjustments to ad valorem revenues (\$35.5 million), transportation fees (\$2 million), and carryover (\$7.7 million). In addition, \$17.1 million of the Fire Rescue Service District's Emergency Contingency Reserve was made available to balance the budget. Correspondingly, the Department implemented personnel reductions (\$9.7 million), operating expenses (\$2.5 million), capital expenses (\$5.5 million), and transferred activities of countywide service to the General Fund (\$3.3 million). These reductions were itemized in the FY 2010-11 Proposed Budget documents.

#### ***Police Department - Hibiscus Station***

The FY 2010-11 Proposed Budget included the closing of the MDPD Hibiscus Substation, a leased facility located at 9827 Hibiscus Street., which operated five days a week from 8 a.m. to 4 p.m. The annual lease cost for this facility is approximately \$90,000. After the Proposed Budget was released, MDPD secured three sites at no cost to the County to continue providing services to the community within the affected areas, including the same working schedule: the Jose Somohano Community Center, located at 27555 SW 140 Avenue Naranja; the Arthur Mays Station, located at 21451 SW 114 Court Goulds; and the Perrine Gardens Station located at 10155 Circle Plaza West, which is about 1.5 miles from the Hibiscus Station location.

#### ***Illegal Dumping Activities***

The Proposed Budget eliminates funding for the Miami-Dade Police Department (MDPD) Illegal Dumping Unit. This Unit consists of four sworn police officers and ten civilian enforcement employees that enforce illegal dumping in unincorporated Miami-Dade County. Based on the Proposed Budget, the four police officers impacted will be redeployed to other police bureaus. The Department of Solid Waste Management (DSWM) currently employs 45 Waste Enforcement Officers that enforce the provisions of Chapter 15 of the County Code, which includes enforcement of disposal facilities, general waste haulers, waste tire generators and haulers, residential enforcement and commercial/multi-family recycling compliance within unincorporated Miami-Dade County and nine municipalities receiving DSWM garbage and trash collection and Trash and Recycling Center usage. These officers will continue issuing warnings, citations, referrals and/or debris removal orders and are capable of removing illegally dumped debris immediately if necessary. To the extent needed, the officers will also call MDPD to respond to a scene where illegal dumping is taking place. In addition, the MDPD Agricultural Patrol Unit will continue to provide assistance with those violations requiring criminal investigation.

Additionally, the technical and investigative environmental and hazardous material support that was directly housed in the MDPD Illegal Dumping Unit will be transferred back to the Department of Environmental Resources Management (DERM). If a criminal case that is being investigated by MDPD requires environmental technical support, DERM will continue to provide technical support. DERM has four positions that are available to respond to these requests.

### ***Fire Fee***

Questions were raised as to the potential need for the implementation of a fire fee in addition to the ad-valorem revenues collected within the Fire District to cover expenses associated with fire suppression within the Miami-Dade Fire Rescue Department (MDFR) for future years, versus increasing the millage rate to the maximum cap of 3.0 mills allowed under Miami-Dade County Code. The FY 2010-11 Proposed Budget Five-Year Fiscal Outlook projects a deficit for MDFR of \$75.7 million in FY 2011-12 at current service levels. Increasing the millage rate to 3.0 from the proposed millage of 2.5753 will result in an estimated increase of approximately \$43.6 million which leave a gap of \$32.1 million. Absent of an alternative funding source, the Department will be forced to reduce expenses, including fire units providing direct service. We will provide the option of the implementation of a fire fee for the FY 2011-12 budget for the Board's consideration.

### ***Lighting for Commission District 2***

In July 2010, the Public Works Department (PWD) repaired the street lights along the NW 22 Avenue corridor from NW 40 Street to NW 49 Street and from NW 79 Street to NW 103 Street. As of today, PWD performed additional repairs to the street lights from NW 97 Street to NW 103 Street due to storm damages and repaired the street lights from NW 104 Street to NW 135 Street. PWD has a new roadway lighting improvement project in progress along NW 22 Avenue, from NE 79 Street to SR 826 (approximately NW 167 Street). This project is funded by American Recovery and Reinvestment Act (ARRA) at a cost of \$1.285 million for the installation of 188 street lights and a notice to proceed was issued on April 19, 2010 and is to be completed within one year. The Contractor is installing bases in the portion from NW 167 Street to NW 119 Street, so lights are off at this time. Lights are operational along the portion from NW 79 Street to NW 119 Street.

The Holy Redeemer Church (1301 NW 71 Street) is in a special taxing district for lighting on the north, east, and west sides of the property. The portion of the property that bounds to the NW 71 Street (the south end of the property) has arterial lighting, which has been vandalized and repaired on a couple of occasions. Recently, the portion between I-95 and NW 12 Street was vandalized. This has been reported to police and the maintenance contractor. PWD will advise when work is completed.

Additionally, through the Energy Efficiency and Conservation Block Grant program, PWD and the Office of Sustainability are implementing a "Green Roadway" project on North Miami Avenue between NE 135 Street and 159 Street. The "Green Roadway" will include the placement of high-efficiency street lighting. This project will assist in the development of a more carbon-friendly transportation infrastructure by reducing energy consumption, eliminating light pollution (uplight), and improving overall air quality while maintaining County's commitment to designing attractive, safe and accessible roadways. The design plans for the project are scheduled for completion by October 2010 and the Request for Proposals released by December 2010.

### ***Commission on Ethics and Public Trust***

Subsequent to the first budget hearing, the Commission on Ethics (COE) has opted to participate in the five percent employee contribution to group health insurance. Various pay concessions which were previously offered in lieu of the group health insurance contribution have been restored, resulting in a net increase of \$47,000. In order to offset this increase and maintain the same General Fund allocation in the Proposed Budget, COE recommends the freezing of a vacant Investigator position for the entire fiscal year.

### ***Personnel Information***

During FY 2009-10, 309 positions were filled with individuals not previously employed by the County, not including seasonal and temporary positions (of these positions 36 have left County service). Attachment F details the all positions filled by department with an explanation for the circumstances which lead to hiring of those individuals from the outside.

We have previously reported that there are 24 departments that have personnel which have stand alone HR functions. As described in the memorandum to Commissioner Sosa dated August 30, 2010 these functions provide support for larger departments which cannot be provided by the central HR department. Also, as requested, Attachment G details positions eliminated as part of the FY 2010-11 Proposed Budget.

### ***New Fees***

As requested at the September 15 Committee of the Whole, Attachment H is a list of new and increased fees including expected revenues to be generated from the fees and information regarding the fees. Some of the adjustments to fees include modifications to be consistent with a department's fee schedule or to encourage compliance with rules and procedures. Several fees have been established that allow for the decreased charges for those who can establish indigent status.

### ***Parking Fees***

The FY 2010-11 Proposed Budget for Park and Recreation includes \$503,000 in revenue from the implementation of weekend and holiday parking fees at Tropical Park, A.D. Barnes Park, Larry and Penny Thompson Park, Kendall Soccer Park, and Amelia Earhart Soccer Complex, approved in September 2009. Parking fees are already charged at many facilities including Amelia Earhart, Crandon, Greynolds, Haulover, Homestead Bayfront, and Matheson Hammock parks, seven days a week, and generate \$3.5 million in revenue annually. Should the Board of County Commissioners choose to rescind the expanded fees, the loss of this revenue which has been budgeted to support service in the parks where the expanded fee would be implemented will require the elimination of five Park Attendant positions, two Custodial Worker 1 positions, one Laborer position, and 7,142 part-time hours, further deteriorating grounds maintenance in these parks. These cuts represent a 15 to 40 percent reduction in park personnel at these locations, depending on the park. Litter pick-up and trash can emptying will be less frequent, resulting in decreased aesthetics and sanitation levels. The quality of sanitation in the restrooms at the parks will deteriorate significantly and result in customer dissatisfaction and complaints. Hedge pruning, weed eating, edging, trim work and hand mowing will be reduced in frequency and not accomplished during typical mowing/maintenance cycles. Responsiveness to customer complaints about grounds maintenance and litter concerns will be reduced by the same percentage. In order to mitigate the impact, grounds maintenance will be prioritized so that non public/passive areas will receive less grounds and custodial maintenance than areas where customers pay for programs, leagues, and facility rentals.

### ***Trust Funds***

Attachment I includes a list of self insurance trust funds, the projected balances for the end of the fiscal year, and allocations out of the trust fund for FY 2010-11 operations. We continue to make every effort to ensure that each trust fund maintains the appropriate coverage to meet the possible claims associated with each of the funds. In addition, over the past several years we have reduced (improved) the trust funds deficit due to the County's Incurred But Not Reported (IBNR) liabilities from \$114 million to \$22.9 million.