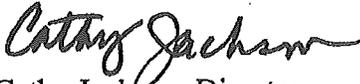


# Memorandum



**Date:** September 3, 2009

**To:** Charles D. Scurr, Executive Director  
Office of the Citizens' Independent Transportation Trust

**From:**   
Cathy Jackson, Director  
Audit and Management Services Department

**Subject:** Final Audit Report – Charter County Transit System Surtax Review –  
City of South Miami

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We have reviewed the Response to the subject Audit Report dated August 18, 2009 and are pleased that the City of South Miami has revised its Maintenance of Effort and will be reporting interest earned on Surtax proceeds to your Office on a periodic basis. Using the recently revised guidelines approved by Members of the Citizens' Independent Transportation Trust, we understand that the \$485,301 in unspent Transit Surtax amounts cited in our Audit Report may be eligible for rollover.

Based on the foregoing, the audit has been closed, however, follow up reviews will be conducted to assure that the City has been formally notified regarding resolution of the unspent funds and new spending rules are adhered to. If you have any questions, please contact Nancy McKee, Deputy Director, at 305-349-6100.

CJ:zg

Attachment

c: Honorable Harvey A. Ruvlin, Clerk of the Courts  
George M. Burgess, County Manager  
Robert A. Cuevas, Jr., County Attorney  
Ysela Llort, Assistant County Manager  
Jennifer Glazer-Moon, Special Assistant/Director, Office of Strategic Business Management  
Charles Anderson, Commission Auditor  
W. Ajibola Balogun, City Manager, City of South Miami



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AUG 18 2009

DIRECTOR'S OFFICE  
AUDIT & MANAGEMENT  
SERVICES DEPARTMENT

August 14, 2009

*City of South Miami*

Ms. Cathy Jackson, Director  
Audit and Management Services Department  
Miami-Dade County  
One S.E. Third Avenue, Suite 1100  
Miami, Florida 33131

Dear Ms. Jackson:

We have reviewed the audit report issued by your office of the Charter County Transit System Surtax Review and have prepared the following responses to the findings:

General Fund Support:

The City originally reported its Fiscal Year 2002 MOE as \$173,871. However, based on the audit findings and our review of the original calculation we have determined that the correct Fiscal Year 2002 MOE to be \$115,668.

Use of Surtax Proceeds:

It is important to note that even though over the past few years the City has been very aggressive in implementing its People's Transportation Plan projects, it has been difficult to spend the transit and transportation system surtax proceeds allocated within a single fiscal year, since most city projects go through a planning preparation and design phase which develops into a long process where the majority of project expenses are at a minimum as compared to the greater expense of surtax funds that the City incurs during the construction phase of a project. For example, one of the City's largest projects is Sunset Drive Improvements for which a master plan was prepared and developed which would allow for the proper management and budgeting of the construction phase of the project as funds became available. As of 2008, the City has aggressively begun to implement the master plan for Sunset Drive Improvements by completing construction for (3) three phases of the project from US 1 to SW 63<sup>rd</sup> Avenue with a fourth phase presently out to bid, which the City intends to fund the construction with the use of federal stimulus and transit system surtax funds. In addition, this project master planning method that requires carryover surtax funds, was authorized by the staff of Citizen Independent Transportation Trust. As a result, we ask that you please consider qualifying \$516,719, which is the difference from all year's net transportation expenditures and all years remaining 80% balance from transportation expenditures (Table III) to offset

South Miami



recommended recapture funds for both transit and transportation items in the amount of \$485,301 as per Table III.

Interest Earned on Surtax Proceeds:

All interest earned on the unspent Surtax proceeds remain in the fund and are solely used for eligible transit and transportation projects. The City will annually report interest earned from unspent Surtax proceeds to the Office of Citizen Independent Transportation Trust (OCITT) once the reporting requirements have been established.

Certification and Reporting Requirements:

The City has been submitting certification letters and a spreadsheet to OCITT as a means of reporting expenditures on a quarterly basis for each fiscal year. Attached please find a copy of our report that was provided to OCITT with quarterly expenditures for the third quarter FY08-09. The City will continue to provide to OCITT all expenditure and certification reports required as per the inter-local agreement.

In conclusion, for the Fiscal Years 2003-2008, the City did received \$1,890,208 in Surtax proceeds and expensed a total \$2,969,446 in transit and transportation projects during this same period. After adjusting the total transit and transportation expenditures for this period by the revised MOE of \$115,668, the total expenditures for the Fiscal Years 2003-2008 exceed the Surtax proceeds by \$385,230. While the recapture of Surtax proceeds is calculated on a year by year basis, the City's transit and transportation projects usually span over various fiscal years. Therefore, we kindly request that the OCITT not require us to recapture or repay the \$485,301 as recommended in the audit, but rather take into account that our City has always been actively implementing transit and transportation projects since the inception of the Transit Surtax.

Sincerely,



W. Ajibola Balogun  
City Manager  
City of South Miami

Attachments

Cc: Charles D. Scurr, Executive Director, Office of the Citizens' Independent Transportation Trust; Matilde G. Menendez, Director of Finance, City of South Miami; Jose Olivo, Public Works Director, City of South Miami







MIAMI-DADE COUNTY, FLORIDA



AUDIT AND MANAGEMENT SERVICES DEPARTMENT  
SUNTRUST INTERNATIONAL CENTER  
ONE S.E. THIRD AVENUE - SUITE 1100  
MIAMI, FLORIDA 33131  
TELEPHONE: 305 349-6100  
FAX: 305 349-6190

June 19, 2009

Mr. W. Ajibola Balogun, City Manager  
City of South Miami  
6130 Sunset Drive  
South Miami, Florida 33143-5093

Re: Charter County Transit System Surtax Review – City of South Miami

Dear Mr. Balogun:

Enclosed is the above captioned audit report that was discussed with you in draft form on April 28, 2009. A written response is requested no later than Monday, July 31, 2009.

We appreciate the courtesies and assistance provided to our staff during the audit process. Please contact Nancy McKee, Deputy Director, at 305-349-6100 if you have any questions or require further information.

Sincerely,

A handwritten signature in cursive script that reads "Cathy Jackson".

Cathy Jackson  
Director

CJ:zg

Attachments

c: Charles D. Scurr, Executive Director, Office of the Citizens' Independent Transportation Trust  
Matilde G. Menendez, Director of Finance, City of South Miami