

# Memorandum



**Date:** August 29, 2013

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

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

**Subject:** Audit Report – Charter County Transportation System Surtax Review –  
North Bay Village

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## PURPOSE AND SCOPE

We performed a review of North Bay Village's use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County (County) for the five years ended September 30, 2012. The primary objective was to ensure that Surtax Proceeds were used in compliance with the *Interlocal Agreement for Distribution, Use and Reporting of Charter County Transit System Surtax Proceeds Levied by Miami-Dade County* executed on July 10, 2007 (Interlocal Agreement). Additionally, we assessed resolution of prior audit findings referenced in our Audit Report dated July 29, 2008 (Exhibit I).

## BACKGROUND

Miami-Dade County Ordinance No. 02-116, enacted on July 9, 2002, imposed a one-half of one percent Surtax on eligible sales transactions for Transportation-related projects. However, at least 20% of the Proceeds received by the County must be distributed to municipalities incorporated as of November 5, 2002, on a pro-rata basis using population statistics (Schedule I). The Surtax Program is administered by the Citizens' Independent Transportation Trust (CITT), a group comprised of 15 members appointed by the Board of County Commissioners, County Mayor, and Miami-Dade League of Cities.

Pursuant to the Interlocal Agreement, North Bay Village (the Village) must annually continue the same level of General Fund support for Transportation as appropriated in its Fiscal Year 2002 Budget (Maintenance of Effort), which totaled \$55,248 (Table I). Surtax monies may be used to develop, construct, equip, maintain, operate, or expand County-wide bus systems, fixed guide-way rapid transit systems, roads, and bridges, as well as secure bonds or pay debt service for such systems. Further, the Village must apply at least 20% of the Proceeds to Transit-related projects, such as circulator buses, bus shelters, bus pullout bays, or other related infrastructure.

**SUMMARY RESULTS**

For the five years ended September 30, 2012, the Village received \$1 million in Surtax Proceeds, and claimed expenditures of \$1.3 million (Table I). After adjusting claimed costs for the Fiscal Year (FY) 2002 Maintenance of Effort (MOE) amount, and applying 20% of the Surtax Proceeds to Transit-related costs, the Village was unable to use \$40,543 and \$318,302 that was apportioned for Transit and Transportation-related projects, respectively (Schedule II).

**Table I  
 Surtax Statistics**

Description	Fiscal Year Ended September 30,					All Years
	2008	2009	2010	2011	2012	
Surtax Proceeds <sup>1</sup>	\$ 186,169	\$ 167,474	\$ 200,385	\$ 214,742	\$ 242,190	\$ 1,010,960
Maintenance of Effort	\$ 55,248	\$ 55,248	\$ 55,248	\$ 55,248	\$ 55,248	\$ 276,240
Claimed Surtax Expenditures:						
Transit	\$ 49,926	\$ 37,394	\$ 30,820	\$ 28,490	\$ 31,610	\$ 178,240
Transportation	45,511	419,040	414,236	47,397	201,962	1,128,146
	\$ 95,437	\$ 456,434	\$ 445,056	\$ 75,887	\$ 233,572	\$ 1,306,386

Source: OCITT and the Village

<sup>1</sup>In 2012, amount includes \$22,146 due from OCITT for September 2012.

Within 90 days, the Village should submit an updated Five-Year Transportation Plan reflecting how the unused funds will be used, pursuant to CITT Resolution No. 09-055, adopted July 30, 2009. These and other matters are presented in the remainder of this report.

The Village’s written response is incorporated herein, and the full text is presented as Attachment I. Overall, we are pleased with the actions taken and/or planned, and now consider the audit closed. We appreciate the courtesies and assistance extended to our staff during the audit process. Please contact Jacqueline Williams, Audit Manager, at 305-349-6100, if you have any questions.

**FINDINGS AND RECOMMENDATIONS**

**Use of Surtax Proceeds**

As presented in Table II, the Village claimed Transit and Transportation-related expenditures of \$1.3 million, primarily comprised of roadway resurfacing projects (\$788,237), street lighting (\$185,215), and the cost of operating its fixed-route Mini Bus Service (\$178,240). We adjusted such expenditures for unclaimed administrative costs (\$30,548), even though substantiating records were not available. The Village may charge up to 5% of its annual Surtax Proceeds as administrative costs, per the Interlocal Agreement. Based upon our discussions with Village

staff, the additional \$30,548 appears reasonable. Notwithstanding, after applying the MOE and adjusting claimed costs, the Village was unable to spend \$358,845 (Schedule II).

**Table II**  
**Summary of Claimed Expenditures, as Adjusted**

Description	Fiscal Year Ended September 30,					All Years
	2008	2009	2010	2011	2012	
<b>Transit Projects:</b>						
Mini Bus Related Expenditures:						
Driver Salary and Benefits	\$ 37,701	\$ 30,937	\$ 24,467	\$ 20,984	\$ 21,420	\$ 135,509
Gas and Oil	7,254	4,430	4,966	4,587	3,192	24,429
Maintenance and Repairs	4,057	1,255	842	2,592	6,641	15,387
Driver Uniforms	914	772	545	327	357	2,915
Total, As Claimed	49,926	37,394	30,820	28,490	31,610	178,240
<b>Transportation Projects:</b>						
Treasure and Harbor Islands Roadway Milling/Resurfacing	2,430	368,583	369,251	7,288	40,685	788,237
Street Lights	39,231	40,457	33,604	35,830	36,093	185,215
Kennedy Causeway Streetscape Improvements <sup>1</sup>	-	-	-	-	125,184	125,184
Administrative Expenses	-	10,000	10,000	-	-	20,000
Roadway Restriping Costs	3,850	-	1,381	4,279	-	9,510
Total, As Claimed	45,511	419,040	414,236	47,397	201,962	1,128,146
<b>AMS Adjustment for:</b>						
Administrative Expenses Unclaimed/(Exceeding Limitation) <sup>2</sup>	9,308	(1,626)	19	10,737	12,110	30,548
Total Eligible Expenditures, After Adjustment	54,819	417,414	414,255	58,134	214,072	1,158,694
<b>Total Eligible Expenditures</b>	<b>\$ 104,745</b>	<b>\$ 454,808</b>	<b>\$ 445,075</b>	<b>\$ 86,624</b>	<b>\$ 245,682</b>	<b>\$ 1,336,934</b>

Source: Village General Ledgers and Supporting Documentation

<sup>1</sup> The Village Commission approved \$135,000 in Surtax Proceeds for this project, however, only \$125,184 was expended.

<sup>2</sup> The Interlocal Agreement allows a maximum of 5% of annual Surtax Proceeds for Administration Expenses.

### **Recommendation**

Prospectively, the Village should maintain adequate records substantiating administrative expenses to maximize use of its Surtax Proceeds. Additionally, the Village should submit an updated Five-Year Transportation Plan reflecting how the unspent Surtax Proceeds will be used.

### **Auditee Response**

*The Village was aware of the unspent funds as of September 30, 2012. The Village Commission on January 8, 2013 approved, by Resolution 2013-03, the expenditure of \$192,394 for the completion of the Kennedy Causeway reconstruction project. This project is currently in the final stages and should be completed by September 30, 2013.*

*The FY 2014 Annual Budget is being prepared with recommendations for projects that will utilize the remaining balance of the prior years' CITT funding. This includes the Transit as well as the Transportation revenues. The FY 2014 Annual Budget will also include the elements of the Village's Five-Year Transportation Plan.*

### **Mini Bus Service**

The Village allocates 15% of its fueling costs to the Mini Bus operation, as the vehicle is fueled at the Village diesel fuel pump station that is also used by other authorized vehicles. However, Village personnel could not substantiate how the allocation percentage was derived. Further, the Interlocal Agreement requires posting of conspicuous signage for all projects funded in whole, or in part, with Surtax Proceeds. We found no evidence of such posting on the Village Mini Bus.

### **Recommendation**

Maintain dispensing or other records to substantiate fueling costs and/or cost allocation percentages. Further, the Village should be reminded to comply with the signage requirement.

### **Auditee Response**

*The Village staff, after discussion with the on-site auditors, has adopted a fuel card system that is used by all other Village vehicles except the diesel garbage trucks. The Mini Bus operator has been issued a Wright Express Fueling System charge card. With this new system in place, the fuel usage will no longer be comingled with the other diesel vehicles of the Village. The fuel card will provide the Village monthly reports on the consumption of the bus vehicle, along with other management reports including time and date of fueling, as well as the miles per gallon, for proper tracking information.*

*Also, last week the Village received the official bus decals from Mr. Nestor Toledo. They have been installed on the current CITT-funded bus (Photo attached).*

### **Certification and Reporting Requirements**

The Village did not forward certain required reports, as summarized in Table III. Also, various other reports were submitted late, and the Five-Year Transportation Plans submitted for FY 2009-13 and FY 2012-16 were incomplete.

**Table III**  
**Summary of Missing Reports and Certifications**

Reporting Requirement	For Fiscal Year Ended September 30,				
	2008	2009	2010	2011	2012
Certification <sup>1</sup>			x		
Quarterly Reports: <sup>2</sup>					
1st Quarter	x	x			
2nd Quarter	x	x			
3rd Quarter	x	x			
4th Quarter	x	x		x	x

Source: OCITT, the Village, and the Interlocal Agreement

<sup>1</sup> Certification of MOE, listing of projects, Budgets, and the Five-Year Transportation Plan are due annually by November 1st.

<sup>2</sup> Quarterly Reports are due by the 10th day following the quarter-end.

### **Recommendation**

Prospectively, the Village should be more diligent in complying with the reporting requirements, or distributions of Surtax Proceeds withheld until full compliance is achieved.

### **Auditee Response**

*The Village has set up a new reporting system with the Public Works Department to ensure that all quarterly and annual reports are submitted timely. We are preparing a new up-to-date Five-Year Transportation Plan. This will be submitted to the Village Commission, and upon their approval, we will provide CITT with the new plan. We believe that with this new reporting procedure, the Village will meet all of our reporting timeframes.*

CJ:ag

### Attachments

- c: Honorable Harvey A. Ruvin, Clerk of the Courts
- Robert A. Cuevas, Jr., County Attorney
- Edward Marquez, Deputy Mayor
- Jennifer Moon, Director, Office of Management and Budget
- Charles Anderson, Commission Auditor
- Frank Rollason, Interim Village Manager, North Bay Village

**Charter County Transportation System Surtax  
Summary of Payments to Municipalities  
For the Ten Fiscal Years Ended September 30, 2012**

Municipality	Fiscal Year Ended September 30,										All Years
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
City of Miami	\$ 6,905,410	\$ 10,580,915	\$ 11,208,930	\$ 12,562,541	\$ 12,855,629	\$ 12,574,719	\$ 11,545,439	\$ 11,946,673	\$ 13,113,576	\$ 13,555,331	\$ 116,849,163
City of Hialeah	4,382,718	6,715,483	7,014,990	7,730,686	7,656,151	7,336,976	6,672,306	6,709,589	7,117,975	7,623,497	68,960,371
City of Miami Beach	1,686,079	2,583,517	2,719,756	3,029,839	3,108,056	2,960,734	2,736,361	2,765,507	2,916,205	2,978,728	27,484,782
City of North Miami	1,136,965	1,742,129	1,805,505	1,989,253	2,004,095	1,919,328	1,759,840	1,755,291	1,836,714	1,994,866	17,943,986
City of Homestead	621,791	952,745	1,051,671	1,208,129	1,275,853	1,387,011	1,681,886	1,747,262	1,809,949	2,053,440	13,789,737
City of Coral Gables	810,009	1,241,148	1,298,953	1,467,752	1,480,710	1,426,754	1,302,297	1,346,817	1,429,343	1,587,452	13,391,235
City of North Miami Beach	799,300	1,224,740	1,267,423	1,402,019	1,366,735	1,307,355	1,195,378	1,202,159	1,260,998	1,409,058	12,435,165
City of Miami Gardens <sup>4</sup>	-	-	-	-	-	-	-	-	-	10,352,937	10,352,937
City of Aventura	495,408	759,096	818,788	933,612	947,021	946,296	887,089	912,935	977,774	1,213,562	8,891,581
Town of Miami Lakes <sup>2</sup>	460,331	705,348	737,093	822,002	822,114	876,926	760,175	774,921	810,925	996,347	7,766,182
Village of Palmetto Bay	459,612	704,246	745,086	824,252	823,908	807,842	734,476	740,194	789,514	794,405	7,423,535
City of Hialeah Gardens	373,801	572,763	604,331	676,565	681,956	657,921	598,273	615,769	659,652	737,631	6,178,662
City of Sunny Isles Beach	293,299	449,411	486,866	548,772	555,020	582,250	547,355	593,184	613,819	706,920	5,376,896
Village of Pinecrest <sup>1</sup>	361,540	553,977	579,684	639,364	646,631	627,523	14,305	572,099	612,279	618,387	5,225,789
City of Opa-Locka	291,102	446,045	468,652	533,416	513,020	497,615	448,435	445,408	480,123	516,448	4,640,264
City of Miami Springs	259,738	397,985	412,534	456,196	459,353	440,937	398,334	398,681	421,632	468,600	4,113,990
City of Sweetwater <sup>2</sup>	270,238	414,075	429,218	472,215	477,595	458,867	418,273	419,090	350,048	368,080	4,077,699
Town of Cutler Bay <sup>4,5</sup>	-	-	-	-	-	-	-	-	-	3,886,873	3,886,873
City of Doral <sup>4</sup>	-	-	-	-	-	-	-	-	-	3,642,653	3,642,653
Village of Key Biscayne	202,733	310,644	333,638	369,378	379,639	368,354	333,808	339,806	358,459	418,886	3,415,345
City of South Miami	203,889	312,415	323,655	360,476	351,494	338,279	308,347	328,868	357,423	395,573	3,280,419
Miami Shores Village	197,655	302,860	313,826	346,278	348,437	335,963	301,400	313,310	340,930	345,317	3,145,976
City of Florida City	153,748	235,582	254,464	288,454	291,983	295,447	272,056	299,755	320,951	381,591	2,794,031
<b>North Bay Village</b>	<b>126,762</b>	<b>194,231</b>	<b>198,770</b>	<b>218,913</b>	<b>215,921</b>	<b>186,169</b>	<b>167,474</b>	<b>200,385</b>	<b>214,742</b>	<b>242,190</b>	<b>1,965,557</b>
City of West Miami	113,307	173,613	185,212	202,961	194,190	184,561	167,123	167,329	180,093	202,418	1,770,807
Town of Surfside	95,908	146,959	157,799	184,160	144,185	223,419	168,610	170,243	180,473	194,919	1,666,675
Town of Bay Harbor Islands	96,989	148,613	155,936	172,145	173,190	167,339	150,306	151,009	160,052	190,982	1,566,561
Village of Biscayne Park	62,045	95,070	104,750	117,666	110,586	106,676	97,167	96,222	100,460	103,670	994,312
Bal Harbour Village	62,707	96,085	99,550	112,832	105,834	95,526	89,285	97,016	104,292	85,278	948,405
Village of El Portal	47,795	73,232	76,045	84,400	84,367	82,000	73,663	73,579	77,875	78,896	751,852
Village of Virginia Gardens	44,592	68,325	70,576	77,979	78,619	76,184	68,729	67,579	71,151	80,594	704,328
Town of Medley	21,186	32,464	33,963	37,170	37,616	41,385	33,052	33,111	35,277	28,436	333,660
Town of Golden Beach <sup>2</sup>	17,511	26,830	27,952	32,999	24,732	7,016	37,226	27,846	29,686	31,187	262,985
Indian Creek Village <sup>3</sup>	625	955	931	1,093	-	-	-	-	-	-	3,604
	<b>\$ 21,054,793</b>	<b>\$ 32,261,501</b>	<b>\$ 33,986,547</b>	<b>\$ 37,903,517</b>	<b>\$ 38,214,640</b>	<b>\$ 37,317,372</b>	<b>\$ 33,968,468</b>	<b>\$ 35,311,637</b>	<b>\$ 37,732,390</b>	<b>\$ 58,285,152</b>	<b>\$ 366,036,017</b>

Source: Office of the Citizens' Independent Transportation Trust (OCITT) and the County's Financial Accounting Management Information System

<sup>1</sup> Amount in 2009 is net of \$551,589 returned by the Village of Pinecrest for their unspent transit portion of funding as of September 30, 2007.

<sup>2</sup> Amounts are net of withholdings of \$76,553 from the Town of Miami Lakes, \$172,500 from the City of Sweetwater, and \$21,058 from the Town of Golden Beach, due to specific instances of noncompliance.

<sup>3</sup> A total of \$11,511 has been withheld from Indian Creek Village, at their request, since Fiscal Year 2007.

<sup>4</sup> Amount paid is pursuant to a Settlement and/or Interlocal Agreement, for Municipalities incorporated after November 5, 2002.

<sup>5</sup> As per OCITT, Municipality received \$3,000 in excess of amounts due for Fiscal Year 2012.

**Charter County Transportation System Surtax - North Bay Village**  
**Surtax Proceeds Usage Analysis, as Restated<sup>4</sup>**  
**For the Ten Fiscal Years Ended September 30, 2012**

Description	Fiscal Year Ended September 30,										All Years
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
<b>Surtax Proceeds (Schedule I)</b>	\$ 126,762	\$ 194,231	\$ 198,770	\$ 218,913	\$ 215,921	\$ 186,169	\$ 167,474	\$ 200,385	\$ 214,742	\$ 242,190	\$ 1,965,557
<b>Surtax Uses:</b>											
<b>Eligible Claimed Transit Expenditures<sup>1,3</sup></b>	\$ 11,781	\$ 25,406	\$ 54,100	\$ 50,206	\$ 105,684	\$ 49,926	\$ 37,394	\$ 30,820	\$ 28,490	\$ 31,610	\$ 425,417
<b>Eligible Claimed Transportation Expenditures<sup>3</sup></b>	\$ 46,741	\$ 157,800	\$ 177,263	\$ 89,870	\$ 103,407	\$ 54,819	\$ 417,414	\$ 414,255	\$ 58,134	\$ 214,072	\$ 1,733,775
Transit Expenditures Applied to Meet the Maintenance of Effort (MOE) Amount <sup>1</sup>	8,507	-	-	-	-	429	-	-	-	-	8,936
Less: MOE Amount (Table I)	(55,248)	(55,248)	(55,248)	(55,248)	(55,248)	(55,248)	(55,248)	(55,248)	(55,248)	(55,248)	(552,480)
Expenditures Available (Unavailable) For Surtax Use	\$ -	\$ 102,552	\$ 122,015	\$ 34,622	\$ 48,159	\$ -	\$ 362,166	\$ 359,007	\$ 2,886	\$ 158,824	\$ 1,190,231
<b>AMS Analysis:</b>											
<b>Transit-Related Expenditures:</b>											
Expenditures Available for Surtax Use <sup>1</sup>	\$ 3,274	\$ 25,406	\$ 54,100	\$ 50,206	\$ 105,684	\$ 49,497	\$ 37,394	\$ 30,820	\$ 28,490	\$ 31,610	\$ 416,481
Less 20% Minimum Amount <sup>2</sup>	(25,352)	(38,846)	(39,754)	(43,783)	(43,184)	(37,234)	(33,495)	(40,077)	(42,948)	(48,438)	(393,111)
Amount Used to Reduce (Increase) Unspent Rollover Funds and/or Apply to Transportation-Related Expenditures Available for Surtax Use	\$ (22,078)	\$ (13,440)	\$ 14,346	\$ 6,423	\$ 62,500	\$ 12,263	\$ 3,899	\$ (9,257)	\$ (14,458)	\$ (16,828)	\$ 23,370
<b>Analysis of Unspent Rollover:</b>											
Beginning Balance	\$ -	\$ 22,078	\$ 35,518	\$ 21,172	\$ 14,749	\$ -	\$ -	\$ -	\$ 9,257	\$ 23,715	\$ -
Increase In Unspent Amounts	22,078	13,440	-	-	-	-	-	9,257	14,458	16,828	76,061
Amount Applied to Reduce Unspent Rollover Funds	-	-	(14,346)	(6,423)	(14,749)	-	-	-	-	-	(35,518)
<b>Remaining Unspent Amount</b>	\$ 22,078	\$ 35,518	\$ 21,172	\$ 14,749	\$ -	\$ -	\$ -	\$ 9,257	\$ 23,715	\$ 40,543	\$ 40,543
<b>Transportation-Related Expenditures:</b>											
Expenditures Available for Surtax Use	\$ -	\$ 102,552	\$ 122,015	\$ 34,622	\$ 48,159	\$ -	\$ 362,166	\$ 359,007	\$ 2,886	\$ 158,824	\$ 1,190,231
Excess Transit Expenditures Applied	-	-	-	-	47,751	12,263	3,899	-	-	-	63,913
Less Remaining 80% Minimum <sup>2</sup>	(101,410)	(155,385)	(159,016)	(175,130)	(172,737)	(148,935)	(133,979)	(160,308)	(171,794)	(193,752)	(1,572,446)
Amount Applied to Reduce (Increase) Unspent Rollover Funds	\$ (101,410)	\$ (52,833)	\$ (37,001)	\$ (140,508)	\$ (76,827)	\$ (136,672)	\$ 232,086	\$ 198,699	\$ (168,908)	\$ (34,928)	\$ (318,302)
<b>Analysis of Unspent Rollover:</b>											
Beginning Balance	\$ -	\$ 101,410	\$ 154,243	\$ 191,244	\$ 331,752	\$ 408,579	\$ 545,251	\$ 313,165	\$ 114,466	\$ 283,374	\$ -
Increase In Unspent Amounts	101,410	52,833	37,001	140,508	76,827	136,672	-	-	168,908	34,928	749,087
Amount Applied to Reduce Unspent Rollover Funds	-	-	-	-	-	-	(232,086)	(198,699)	-	-	(430,785)
<b>Remaining Unspent Amount</b>	\$ 101,410	\$ 154,243	\$ 191,244	\$ 331,752	\$ 408,579	\$ 545,251	\$ 313,165	\$ 114,466	\$ 283,374	\$ 318,302	\$ 318,302

<sup>1</sup> When Transportation expenditures are insufficient to meet the MOE, Transit-related expenditures are applied so that the amount is met.

<sup>2</sup> At least 20% of the Surtax Proceeds must be used on Transit-related projects, such as circulator buses, and the remaining funds (80%) are earmarked for eligible Transportation projects.

<sup>3</sup> See the July 29, 2008 Audit Report for details of claimed amounts for Fiscal Years 2003 through 2007, and Table II for succeeding years.

<sup>4</sup> Certain amounts prior to Fiscal Year 2008 have been reclassified to conform to the current years' presentation.

**Charter County Transportation System Surtax Review - North Bay Village  
Status of Prior Audit Findings**

Finding <sup>1</sup>	Recommendation	Auditee Response	Current Status
<b>General Fund Support</b>			
North Bay Village (the Village) reported its Fiscal Year (FY) 2002 Maintenance of Effort (MOE) as \$25,327. AMS identified other qualifying expenditures totaling \$29,921 that should have been reported as MOE.	Require the Village to certify a revised MOE within 30 days.	On August 8, 2008, the Village certified \$55,248 as the MOE.	<b><u>Resolved</u></b>
<b>Use of Surtax Proceeds</b>			
The Village did not expend or appropriate all of its Surtax Proceeds on eligible projects, and thus \$408,579 was deemed unspent.	OCITT should recapture or withhold \$408,579 from subsequent remittances.	The Village concurred.	<b><u>Resolved</u></b> The Citizens' Independent Transportation Trust adopted Resolution No. 09-055 on July 30, 2009, which allows for the rollover of unspent Surtax Proceeds for a maximum of five years, provided the Five-Year Transportation Plan is updated to reflect how the monies will be spent.
<b>Certification and Reporting Requirements</b>			
Certain required annual financial and compliance reports were not submitted to OCITT, or made available for our inspection.	The Village should implement more formal recordkeeping procedures and submit accurate reports to OCITT.	The Village presented a List of Qualifying Project Expenses for FYs 2003 to 2007. Additionally, the Village created a separate Transportation Fund in its general ledger for recordkeeping and reporting purposes.	<b><u>Unresolved</u></b> The Village did not submit prior delinquent required reports. Further, certain reports due during the current audit period were submitted late, incomplete, or were not available for review.

<sup>1</sup> For the full text, see the Audit Report dated July 29, 2008.



## North Bay Village

Village Hall 1666 Kennedy Causeway,  
Suite 300 North Bay Village FL 33141

Ms. Cathy Jackson, Director  
Audit and Management Services Department  
Miami Dade County

August 27, 2013

Ms. Jackson,

We are in receipt of your recent audit report of the Charter County Transportation System Surtax dated August 14, 2013. I have reviewed this with the Finance Department and my responses are listed below By Finding and Recommendation.

### Use of Surtax Proceeds

The Village was aware of the unspent funds as of September 30, 2012. The Village Commission on January 8, 2013 approved, by Resolutions 2013-03 the expenditure of \$192,394 for the completion of the Kennedy Causeway reconstruction project. This project is currently in the final stages and should be completed by September 30, 2013.

The FY 2014 annual budget is being prepared with recommendations for projects that will utilize the remaining balance of the prior years CITT funding. This includes the Transit as well as the Transportation revenues. The FY 2014 annual budget will also include the elements of the Village's five year transportation plan.

### Mini Bus Service

The Village staff has, after discussion with the on site auditors adopted a fuel card system that is used by all other Village vehicles except the diesel garbage trucks. The mini bus operator has been issued a Wright Express Fueling System charge card. With this new system in place the fuel usage will no longer be comingled with the other diesel vehicles of the Village. The fuel card will provide the Village monthly reports on the consumption of the bus vehicle along with other management reports with such as time and date of fueling as well the miles per gallon for proper tracking information.

Also, last week the Village received the official bus decals from Mr. Nestor Toledo. They have been installed on the current CITT funded bus. (Photo attached)

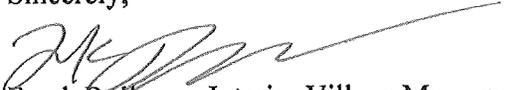
Certification and Reporting Requirements

The Village has set up a new reporting system with the public works department to insure that all quarterly and annual reports are submitted timely. We are preparing a new up to date five year transportation plan. This will be submitted to the Village Commission and upon their approval we will provide CITT with the new plan. We believe that with this new reporting procedure the Village will meet all of our reporting timeframes.

We would like to thank you and your field audit staff for your professional work on the Village's five year audit. I do not think that the Village will be at a point that CITT will have to withhold any funding in the future.

If your office requires any other documents you may direct your request to our Finance Director Bert Wrains. Please feel free to contact me at any time if you have any non compliance items or wish to discuss the program.

Sincerely,



Frank Rollason, Interim Village Manager

Cc: Mayor and Village Commission  
Bert Wrains, Finance Director  
Yvonne Hamilton, Village Clerk  
Rodney Carrero-Santana, Interim Public works Director  
Jennifer Moon, Director, Office of Management and Budget





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

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JL

August 29, 2013

Mr. Frank Rollason  
Interim Village Manager  
North Bay Village  
1666 Kennedy Causeway, Suite 300  
North Bay Village, Florida 33141

**Re: Audit Report - Charter County Transportation System Surtax Review**

Dear Mr. Rollason:

Enclosed is the above-captioned Audit Report, together with the Village's response dated August 27, 2013. Overall, we are pleased with the corrective actions taken and/or planned, and thus the audit has been closed. We appreciate the courtesies and assistance provided to our staff during the audit process. Please contact me at 305-349-6100, if you have questions or require further information.

Sincerely,

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

Cathy Jackson  
Director

CJ:ag

Attachment

c: Edward Marquez, Deputy Mayor  
Charles D. Scurr, Executive Director, Office of the Citizens' Independent Transportation Trust