MEMORANDUM

Agenda Item No. 4(S)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: November 28, 2006

FROM: Murray A. Greenberg
County Attorney

SUBJECT: Ordinance relating to budget procedures and accountability

The accompanying ordinance was prepared and placed on the agenda at the request of Commissioner Carlos A. Gimenez.

Murray A. Greenberg
County Attorney

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MEMORANDUM
(Revised)

TO: Honorable Chairman Joe A. Martinez and Members, Board of County Commissioners

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Please note any items checked.

_____ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Bid waiver requiring County Manager's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 4(S)
11-28-06

ORDINANCE NO. _____

ORDINANCE STANDARDIZING RESOURCE ALLOCATION AND RESERVE PROCEDURES TO BE FOLLOWED IN THE PREPARATION AND ADOPTION OF THE COUNTY'S ANNUAL BUDGET; REQUIRING BUDGET FORMAT TO PROVIDE CLEAR BASES ON WHICH TO HOLD MANAGEMENT ACCOUNTABLE FOR OPERATING WITHIN ADOPTED BUDGET; REPEALING SECTIONS 2-11.22, 2-11.24.1, AND 2-11.25 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA, AND TRANSFERRING THEIR PROVISIONS TO NEW SECTION 2-1799; REPEALING SECTION 2-11.31 AND TRANSFERRING ITS PROVISIONS TO SECTION 2-1795; AMENDING SECTIONS 2-1795 AND 2-1796; PROVIDING SEVERABILITY, INCLUSION IN THE CODE AND AN EFFECTIVE DATE

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA that:

Section 1. The Code of Miami-Dade County, Florida, is amended as follows: [1]

[[~~**Sec. 2-11.22. Expenditures of municipal service area contingency reserve funds.**~~

~~(a) The monies allocated by the County Commission to the countywide and unincorporated municipal service area contingency reserve funds in the County's annual budget shall only be utilized to meet countywide and unincorporated area emergencies such as natural disasters and civil disturbances.~~

[1] Words stricken through and/or [[double bracketed]] shall be deleted. Words underscored and/or >>double arrowed<< constitute the amendment proposed. Remaining provisions are now in effect and remain unchanged.

~~(b) Additionally, this Board may use contingency reserve monies to fund extraordinary demands on County operations upon favorable recommendation from the County Manager and the affirmative vote of two-thirds (2/3) of the Commission members present; provided, however, such expenditure has been previously reviewed by the Budget and Rules Committee.~~]]

* * *

[[~~**Sec. 2-11.24.1. Omnibus general discretionary reserve fund expenditures made by Commissioners leaving office.**~~

~~A Commissioner who will be leaving office as a County Commissioner in October of any even-numbered year shall be prohibited from proposing or making an expenditure in excess of ten (10) percent from his or her Omnibus general discretionary reserve funds for the fiscal year commencing in the month he or she is scheduled to leave office.~~]]

[[~~**Sec. 2-11.25. Countywide general fund reserve for federal and state funding cuts.**~~

~~(1) The funds allocated by the County Commission to the countywide reserve for federal and state cuts in the County's annual budget shall be used to offset reductions in federal or state funding when that funding was included in the approved budget.~~

~~(2) The Board will determine the amount of individual allocations from the reserve pursuant to reports from the County Manager, with no allocation exceeding the total amount of the shortfall between the budgeted amount of federal or state funds and the actual amount to be received by the County. The County Manager's report will include a discussion of the past use of the grant funds, the reasons for the federal or state cuts, audit findings, if any, and potential cuts in other areas or programs that may require future allocations from this reserve.~~

~~(3) Allocations shall be made on a fiscal year basis and annual reserve amounts should consider recurring federal or state funding reductions anticipated as part of the regular budget process~~

~~(4) In determining allocations from the reserve, on-going direct service programs will be given priority over studies or demonstration projects.~~

~~(5) Allocations from the countywide reserve for federal and state cuts require a favorable recommendation from the County Manager and the affirmative vote of two-thirds (2/3) of the Commission Members present.~~

~~(6) This section shall not contain a sunset provision.~~

~~(7) This section shall become effective ten (10) days after the date of enactment.~~]]

* * *

[[~~**Sec. 2-11.31. Budget process.**~~

~~The County Manager shall, no later than January 31 of each year, transmit to the Board of County Commissioners no more than twenty (20) of his or her top recommendations to be reflected in the coming year's budget. These recommendations shall be presented in measurable, quantifiable terms to the extent possible and shall be considered by the appropriate committees of the County Commission. Each committee shall formulate its top priorities and policy objectives and forward those recommendations to the County Commission. The County Commission shall no later than the first meeting in April of each year consider the Committees' priorities and policy objectives and, by motion, approve up to twenty (20) priorities and policy objectives for the coming year's budget. This list shall guide the Commission when adopting the budget.~~]]

* * *

Sec. 2-1795. Allocation of County Resources

* * *

[[~~(b) On an annual basis, the County Manager shall present the proposed budget, including the proposed resource allocation plans, to the Board of County Commissioners for approval in accordance with the requirements of Section 4.03 of the Home Rule Charter.~~

~~(c)~~]]>>(b)<< Departmental resource allocation plans shall include, but not be limited to, the following components:

1. Proposed staffing levels;
2. Proposed revenues and appropriations;
3. Proposed adjustments to existing service levels; and
4. Proposed new or increased fees.

>> Proposed departmental appropriations shall be specified by the following line items:

1. Personnel services;
2. Court costs;

3. Contractual services;
4. Other Operating Costs;
5. Charges for county services
6. Distribution of funds in trust;
7. Transfers out;
8. Debt payments;
9. Depreciation, amortizations and depletion;
10. Capital; and
11. Grants to outside organizations.<<

[[~~(d)~~]]>>(c)<<The proposed resource allocation plan shall clearly show the relationship between resources, departmental activities, and the expected level of performance.

>>(d) The County Manager shall, no later than January 31 of each year, transmit to the Board of County Commissioners no more than twenty (20) of his or her top recommendations to be reflected in the coming year's budget. These recommendations shall be presented in measurable, quantifiable terms to the extent possible and shall be considered by the appropriate committees of the County Commission. Each committee shall formulate its top priorities and policy objectives and forward those recommendations to the County Commission. The County Commission shall no later than the first meeting in April of each year consider the Committees' priorities and policy objectives and, by motion, approve up to twenty (20) priorities and policy objectives for the coming year's budget. This list shall guide the Commission when adopting the budget. On an annual basis, the County Manager shall present the proposed budget, including the proposed resource allocation plans, to the Board of County Commissioners for approval in accordance with the requirements of Section 4.03 of the Home Rule Charter.

(e) The Board shall adopt on an annual basis a five-year financial plan by September 30 of each year, reflecting as the base year, the current year's budget.

(f) The County shall adopt budgets and develop its long and short-term financial and capital improvement plans containing estimates developed utilizing a professional revenue estimating process. Participants in the process shall include, but not be limited to: the Director of the Office of Strategic Business Management or his/her designee; the Director of the Finance Department or his/her designee; the Commission Auditor or his/her designee, and the Chairperson of the Social and Economic Development Council.<<

Sec. 2-1796. Managerial Accountability and Performance >>, authority to make certain intradepartmental budget amendments <<.

(a) Managers shall be held accountable for the achievement of performance objectives, as outlined in the strategic plan and departmental business plans, through performance evaluation and other appropriate managerial tools.

(b) Management and staff shall employ progressive techniques to ensure continuous efficiency and effectiveness in County operations.

>>(c) The County Manager, any responsible Assistant County Manager and the department directors shall not allow a department's expenditures for any line item (as specified in Section 2-1795(b)) to exceed the total amount appropriated for such line item by the approved budgets providing revenues to that department, as same may be administratively amended in accordance with subsection (d) below.

(d) The County Manager or his or her designee shall have the authority to make intradepartmental budget amendments that reallocate appropriations amongst a department's line item appropriations in any fund in an amount not to exceed ten percent of that line item's total appropriations to the department, provided that that fund's total appropriations to the department may not be changed. The County Manager shall report on a quarterly basis any adjustments to a line item in excess of ten percent of the total amount appropriated to a department for such line item. Adjustments to a line item in excess of ten percent of the total amount appropriated to a department for such line item, or which transfer appropriations from the personnel services line item to any other line item, or which cause an increase in the total amount appropriated to a department must be approved by the Board.<<

* * *

>>**Sec. 2-1799. Reserve funds.**

(a) *Expenditures of Emergency Contingency Reserve Funds*

1. The monies allocated by the County Commission to the countywide, unincorporated municipal service area, and fire rescue district emergency contingency reserve funds in the County's annual budget shall only be utilized to meet emergencies such as natural disasters and civil disturbances.

2. Moneys from these funds may be utilized upon a favorable recommendation of the County Manager and the Internal Management and

Fiscal Responsibility Committee and a two-thirds (2/3) vote of the Board members in office. A plan for replenishing the reserve within seven (7) years of accessing such funding must be adopted at the time of approval.

3. Upon declaration of a county emergency, funding may be made available from the countywide emergency contingency reserve to reimburse the costs of sheltering and other storm preparation activities. In the base year of FY 2004-05, this funding was equivalent to $500,000 and grows at the same rate as the property tax roll each year.

4. Upon declaration of a county emergency, funding may be made available from the countywide emergency contingency reserve to provide income and other assistance to victims of such emergency. In the base year of FY 2005-06, this funding was equivalent to $500,000 and grows at the same rate as the property tax roll each year.

5. The funding in the countywide emergency contingency reserve shall continue to accumulate in the fund until the size of the reserve is equivalent to seven (7) percent of the total countywide general fund budget, to be accomplished within five years of the adoption of this ordinance.

(b) *Expenditures of the Contingency Reserve Funds*

1. The monies allocated by the County Commission to the countywide and unincorporated municipal service area contingency reserve funds in the County's annual budget shall only be utilized to address unusual circumstances, including but not limited to natural disasters or other emergencies or unexpected revenue reductions or extraordinary demands on County operations that cannot be absorbed through historical methods.

2. Additionally, authorization for use of funds from this reserve would require favorable recommendation from the County Manager and the Internal Management and Fiscal Responsibility Committee and the affirmative vote of two-thirds (2/3) of the Commission members present.

(c) *Countywide general fund reserve for federal and state funding cuts.*

(1) The funds allocated by the County Commission to the countywide reserve for federal and state cuts in the County's annual budget shall be used to offset reductions in federal or state funding when that funding was included in the approved budget.

(2) The Board will determine the amount of individual allocations from the reserve pursuant to reports from the County Manager, with no allocation exceeding the total amount of the shortfall between the budgeted amount of federal or state funds and the actual amount to be received by the County. The County Manager's report will include a discussion of the past use of the grant funds, the reasons for the federal or state cuts, audit findings, if any, and potential cuts in other areas or programs that may require future allocations from this reserve.

(3) Allocations shall be made on a fiscal year basis and annual reserve amounts should consider recurring federal or state funding reductions anticipated as part of the regular budget process

(4) In determining allocations from the reserve, on-going direct service programs will be given priority over studies or demonstration projects.

(5) Allocations from the countywide reserve for federal and state cuts require a favorable recommendation from the County Manager and the affirmative vote of two-thirds (2/3) of the Commission members present.

(d) *District and Mayor discretionary reserve fund expenditures made by officials leaving office.* A Commissioner or Mayor who will be leaving office in October of any even-numbered year shall be prohibited from proposing or making an expenditure in excess of ten (10) percent from his or her district or mayor discretionary reserve funds for the fiscal year commencing in the month he or she is scheduled to leave office.

(e) *Disposition of unexpended District or Mayor Discretionary Reserves and Commission District Office or Mayor's Office Budgets.* Unexpended district or mayor discretionary reserves and commission district and mayor's office budgets shall be reflected as designated reserves at the end of the fiscal year in which the funds were unexpended and added to budget respective district or mayor discretionary reserve or commission district or mayor's office budget as part of the mid-year budget amendment in the following fiscal year.

(f) *Disposition of unallocated carryover funding in the countywide general fund and unincorporated municipal service area general fund budgets.* Unallocated carryover funding in the countywide general fund and unincorporated municipal service area general fund budgets shall be allocated as follows:

1. Fifty percent (50%) shall revert to the capital outlay reserve fund in the fiscal year following the fiscal year the funds were

identified to support County services, including information technology needs and facility repair and replacement requirements

2. Fifty percent (50%) shall be available for profit sharing with the departments who generated additional revenues or underexpended authorized budgets as a result of departmental initiatives resulting in unallocated carryover. Fifty percent (50%) of the amount available for profit sharing will revert to the general fund for allocation in the following fiscal year. Allocations to departments from profit sharing will be at the discretion of the County Manager.<<

Section 2. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected thereby.

Section 3. It is the intention of the Board of County Commissioners, and it is hereby ordained, that the provisions of this ordinance shall become and be made a part of the Code of Miami-Dade County, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

Section 4. This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board. This ordinance shall apply to the preparation and implementation of the budgets for fiscal 2006-2007 and for subsequent fiscal years.

PASSED AND ADOPTED:

Approved by County Attorney as
to form and legal sufficiency:

Prepared by:

R. A. Cuevas, Jr.

Sponsored by Commissioner Carlos A. Gimenez