



MEMORANDUM  
BOARD OF COUNTY COMMISSIONERS  
COMMISSIONER CARLOS A. GIMENEZ  
DISTRICT 7

Memorandum

Committee of the Whole

Agenda Item No. 1(D)1

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TO: Honorable Bruno Barreiro, Chair  
and Members of the County Commission

DATE: August 23, 2007

FROM: Carlos A. Gimenez  
Commissioner

SUBJECT: Proposed Budget process

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The past month has been extremely challenging while the Board of County Commissioners has worked to review the proposed FY07/08 budget. We have spent significant time focusing on individual positions and allocations for departments or programs, and have been unable to impact the overall direction and prioritization of the budget.

Now, thanks to the efforts of Chairman Bruno Barreiro, the Administration has agreed to re-engage in the budgetary process with the Board. I believe our duty is clear – we are here to protect our citizens.

Under our form of government, the budgetary process needs to be clearly defined by this Board. As such, I believe the Board needs to:

- Set overall policy direction. The Board, as a body, needs to clearly define and state to the Administration our **guiding principles and priorities**.
- Provide clear direction to the Administration on the financial framework within which they have to implement our guiding principles and priorities.
- Approve a Resolution clearly stating our intent and guidelines, and providing specific direction to the Administration.
  - This resolution should direct the Administration to deliver the details of this Board's directives via a Change Memo to the proposed budget.
  - The Change Memo shall be presented with two columns that clearly delineate the differences between the Administration's proposed budget and the Board's directed changes.
  - The Change Memo shall be delivered no later than August 30, 2007, in order to allow for review by the BCC and the Commission Auditor.

At this week's Committee of the Whole meeting, it is vital that a resolution be approved that incorporates these points. The details will emerge from input and suggestions during our discussions that day.

### Specific Recommendations

After listening to my colleagues at the budget workshops held this summer, and from remarks made at BCC meetings, I believe five principles have emerged. All of them are aimed at getting us back to basics and delivering better services to our citizens. I recommend the following be our guiding principles. Again, these can be discussed and modified at our workshop on Thursday.

## Guiding Principles

- **Lowering taxes by cutting government waste** – Our constituents are struggling with a series of pocketbook issues: homeowners' insurance, gasoline prices, an economic slowdown, property taxes. Of these, we can only provide property tax relief – and we should. The budget should reflect a greater millage reduction without a concurrent increase in non-ad valorem fees and charges.
- **Direct services to citizens** – We have all repeatedly stated the need to focus on direct services to citizens. We need more police on patrol in our neighborhoods; public works staff to inspect bridges, repair sidewalks, potholes and streetlights; staff to keep libraries open; staff to maintain and provide security in our parks, etc.
- **Putting people to work** – As the housing and construction industries slow and more and more workers are either on the verge of or already out of work, now is the time to truly energize our Building Better Communities / General Obligation Bond program. Capital projects, in particular those that do not require additional operation and maintenance costs, should be accelerated and expedited, much like the approved Water and Sewer projects. The benefits are two-fold. This will provide construction-related jobs at a time work is becoming scarce and will continue to provide opportunities until the private sector begins to recover. Additionally, as the economy continues to slow, competition for County contracts will increase and construction costs will be lower than they have been for the past few years.
- **Helping the elderly and young** – Now more than ever, we need to focus on those in our community who are most vulnerable. There is great concern that many Community Based Organizations will be unable to absorb the drastic cuts in the proposed budget in such a short period of time and will be forced to close their doors. Funding cuts to CBOs should be phased, so that viable organizations will have the opportunity to make the necessary adjustments to continue to provide valuable services to those most in need.
- **Protecting our environment** – We have made great strides in protecting our environment and natural resources. Reallocating our budget and protecting our environment are not conflicting objectives, indeed they can go hand in hand.

## Direction for the Administration

Once we have established our guiding principles, we need to give specific directions to the Administration. Below are my specific recommendations.

I would recommend that the first element of direction to the Administration is to reallocate the Countywide and UMSA General Fund (GF) budgets by \$100 million (approximately 5 percent).

- The Countywide GF budget of \$1.33 billion (*07/08 Proposed Resource Allocation – volume 1, page 404*) would be reallocated by \$75 million.
- The UMSA GF budget of \$494 million (*07/08 Proposed Resource Allocation – volume 1, page 406*) would be reallocated by \$25 million.
- The combined total reallocation is \$100 million.

The \$100 million reallocated should be distributed as follows:

- \$75 million of the total reallocation to be made available for direct services to citizens, helping our elderly and young, and protecting the environment:
  - \$15 million (20 percent of \$75 million) to CBOs.
  - \$45 million (60 percent of \$75 million) to direct services such as parks security, police patrols in the neighborhoods, public works staff inspecting bridges, fixing sidewalks, replacing streetlights, etc.
  - \$15 million (20 percent of \$75 million) to environmental programs, including additional resources for monitoring water quality, restoration and enhancement of the tree canopy, etc.
- \$25 million of the total reallocation will be used for additional property tax reduction above and beyond the Florida Legislature's mandate and the Administration's recommendation. This is to be distributed in accordance with the amount collected Countywide and in UMSA. The reduction for Countywide would be \$18.75 million and the reduction for UMSA would be \$6.25 million.

To provide perspective, \$25 million is approximately 1.37 percent of the combined Countywide General Fund and UMSA General Fund budget of \$1.82 billion. It is also important to note that property tax revenue for Miami-Dade County (Countywide, UMSA, Fire District, and Library District) has increased by nearly \$500 million since FY 03/04. Our citizens need relief.

The following principles are to be followed by the Administration in order to achieve the \$100 million reallocation:

- Fifteen percent administrative cost reductions across all General Fund programs. Administrative costs are defined as all managerial and support personnel and costs that are not directly involved with delivering services to our citizens.

- Ten percent reduction in the light vehicle fleet (cars and small trucks). This reduction shall not include hybrid vehicles, which will conserve fuel thereby lowering costs.
- The Administration must focus on the reduction or elimination of duplicative and non-essential functions.
- The Administration is instructed to minimize lay-offs to the greatest extent possible through attrition and re-training employees to fill essential positions currently vacant. Future vacancies should be evaluated for re-training opportunities.
- While the Fire Rescue Taxing District is not expected to cut their budget, the Fire Department shall be included in the 15 percent administrative cost reduction process. The savings should be invested in opening those new fire stations that were deferred in the Administration's proposed budget due to lack of staffing and operational funds.
- While the Library Taxing District is not expected to cut their budget, the Library Department shall also be included in the 15 percent administrative cost reduction process. Those savings shall be re-invested in adequate staff to restore and if possible, increase the hours and days of operation that were reduced in the Administration's proposed budget.
- If the reallocation cannot be achieved by the Administration with the aforementioned directives, the Administration shall find additional methods. If other methods are utilized, the Administration shall clearly delineate these in the Change Memo due on August 30, 2007. Senator Souto's excellent memo, dated August 10, 2007, provides numerous options, in great detail, that should be considered.

In light of the proposed state amendment and the declining real estate market, it is quite possible that the coming years will present even bigger challenges. We need to be prepared and I believe that this year's budget is critical in laying the foundation.

It should be made clear that the concepts presented in this are my recommendations and should be viewed as a starting point for our discussion at the Committee of the Whole meeting. I look forward to hearing everyone's valuable input and suggestions at this week's meeting, which will serve to enhance and clarify **our** direction to the Administration. It is vital that **we** reach closure (through a resolution) on this direction to the Administration during our meeting, as time is of the essence.

By establishing a clearly defined budget process, for the Board and for the Administration, the County will be better prepared for the future. I fully support Senator Souto's assertion that this Board needs to be involved with the budget year round. The process for the 2008/09 budget needs to begin immediately beginning with a comprehensive study refining essential and non-essential functions.

I would ask the Chairman to place on the agenda for Thursday's meeting the process addressed in this memo.

Honorable Bruno Barreiro, Chair  
and Members of the County Commission  
August 20, 2007  
Re: Proposed Budget Process  
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I want to take this opportunity to express my appreciation to our Chairman, and all of the members of the Board of County Commissioners for your commitment to resolving these issues.

c: Mayor Carlos Alvarez  
Abigail Price-Williams, Acting County Attorney  
Charles Anderson, Commission Auditor  
Kay Sullivan, Clerk of the Board