Memorandum

MIAMI-DADE COUNTY

GOE
Agenda Item No.
2(N)

Date: July 8, 2008

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: *Building Better Communities* (BBC) General Obligation Bond (GOB) Program - Adoption of Implementing Order Relating to the Use of Surplus Funds, Premium Funds and Unspent Bond Proceeds

---

Recommendation

It is recommended that the Board of County Commissioners (Board) adopt the attached resolution approving an Implementing Order (IO) placing into effect an administrative process for the use of *Building Better Communities* General Obligation Bond (BBC-GOB) Program Surplus Funds, Premium Funds and Unspent Bond Proceeds ("BBC-GOB Funds"), as defined in the attached IO. It is further recommended that the Board rescind Resolution No. R-1208-06, approved by the Board on October 10, 2006, which granted the County Manager the authority to accelerate projects with Unspent Bond Proceeds because this resolution accomplishes the same and more.

Scope

This item impacts funds generated from the sale of BBC bonds for the expected 15 – 18 year life of the program.

Fiscal Impact/Funding Source

There is no fiscal impact from the implementation of this recommendation. The funding source is BBC-GOB Funds.

Track Record/Monitor

The responsible party for monitoring BBC-GOB funds is the Office of Capital Improvements (OCI).

Delegation of Authority

This item authorizes the County Manager to accelerate projects that are ready to move forward using certain bond funds as prescribed in the accompanying IO. The Board will be informed of these actions through quarterly reports.

Background

Pursuant to Resolution No. R-67-08 approved by the Board at the January 10, 2008 meeting, the accompanying IO recommends an administrative process for the allocation of BBC-GOB Funds.

The BBC program is a $2.9 billion, multi-year capital improvement program funded by the periodic issuance of general obligation bonds. BBC-GOB Funds may be generated as part of the program. While it is difficult to predict how much Surplus and Premium Funds may be available at any given time, these funds are not expected to yield significant dollars relative to the magnitude of the bond program.

The Office of Capital Improvements manages the BBC Bond Program. A primary responsibility of administering the program is to apply bond proceeds to Projects that are ready to move forward. On October 10, 2006, via Resolution No. R-1208-06, the Board authorized the County Manager, with certain limitations, to allocate Series 2005 bond proceeds from Projects that were not moving as quickly as expected to fund Projects that were ready to start. To further implement the Board's policy of

expediting projects that are ready to move forward by accelerating funding, this IO will authorize the Mayor/Manager or his designee to accelerate projects that are ready to move forward. The Board will be informed of these actions through quarterly reports. For the purposes of this memorandum, the definition of "Projects", "New Projects", "Surplus Funds", "Premium Funds", Unspent Bond Proceeds" and "BBC-GOB Funds" shall be as stated in the accompanying IO.

We recommend the use of BBC-GOB Funds be subject to the limitations and processes outlined in this proposed IO. The underlying premise of the IO is that BBC-GOB Funds will be used primarily to fund Budget Shortfall in Projects, subject to Board approval, and to accelerate Projects, through the administrative process described in the IO. BBC-GOB Funds may also be used to retire debt, again, subject to Board approval. The IO ensures public input by requiring that recommendations on the use of BBC-GOB Funds be submitted to the Citizens' Advisory Committee in accordance with CAC Ordinance No. 05-70. Absent a waiver of the application of the IO by an affirmative vote of 2/3 of the Board of County Commission members in office, no New Projects shall be funded with Surplus Funds until all Projects have been completed or until all the necessary funding for completion of all Projects has been identified to the satisfaction of the Board. The status of Surplus and Premium Funds will be detailed in the BBC/GOB Quarterly reports to the Board.

This recommendation was presented to the Building Better Communities Citizens' Advisory Committee at their meeting of May 1, 2008. After hearing an explanation of the subject item at this meeting, there was a consensus among the members of the Building Better Communities Citizens' Advisory Committee that the item should be considered by the Board after committee review.

Assistant County Manager

cmo18208

MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: September 2, 2008

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No.

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 Agenda Item No.
Veto _____
Override _____

RESOLUTION NO.

RESOLUTION RESCINDING RESOLUTION NO. R-1208-06; APPROVING IMPLEMENTING ORDER _____ TO PROVIDE A PROCESS FOR ALLOCATION OF BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BOND PROGRAM SURPLUS FUNDS, PREMIUM FUNDS AND UNSPENT BOND PROCEEDS; AND AUTHORIZING COUNTY MANAGER TO EXERCISE ANY AND RIGHTS CONFERRED IN IMPLEMENTING ORDER

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum and implementing order, copies of which are incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The foregoing recital is incorporated in this resolution and is approved.

Section 2. Resolution No. R-1208-06 is hereby rescinded.

Section 3. This Board approves Implementing Order 3-47: Process for Allocation of Surplus and Other Funds from Building Better Communities General Obligation Bond Program and authorizes the County Manager to exercise any and all rights conferred therein.

The foregoing resolution was offered by Commissioner ,

who moved its adoption. The motion was seconded by Commissioner

and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman
Barbara J. Jordan, Vice-Chairwoman

Jose "Pepe" Diaz	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Joe A. Martinez	Dennis C. Moss
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 2nd day of September, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. GBK

5

I.O. No.: 3-47
Ordered:
Effective:

MIAMI-DADE COUNTY
IMPLEMENTING ORDER

PROCESS FOR ALLOCATION OF SURPLUS AND OTHER FUNDS FROM BUILDING BETTER COMMUNITIES-GENERAL OBLIGATION BOND (BBC-GOB) PROGRAM

AUTHORITY

Section 5.02 of the Miami-Dade County Home Rule Amendment and Charter.

POLICY

Resolution No. R-67-08, approved by the Board of County Commissioners (the "Board" or "BCC") on January 10, 2008, directed the Mayor or his designee to recommend a process to allocate surplus, premium, and other bond funds received from the sale of Building Better Communities General Obligation Bonds ("BBC-GOB"). This resolution also directed the Mayor or his designee to submit quarterly reports to the Board regarding such premium, interest earnings and surplus bond funds.

By the Board's approval of this IO, the Board acknowledges that: 1) the implementation of BBC-GOB projects is of paramount importance to the community's economy and quality of life, 2) the priority of the Board is to ensure the timely completion of the projects approved in the authorizing resolutions (defined below) and 3) it is in the County's best interest to advance the BBC-GOB program as quickly as possible and minimize the risk of arbitrage by applying bond proceeds to those projects that are ready to move forward.

PURPOSE

The BBC-GOB Program is a multi-year capital improvement program which will generate $2.9 billion to fund more than 360 capital improvement projects in thousands of sites throughout the County over the next 15 to 18 years. Funding for these projects is secured through the periodic sale of general obligation bonds on an as-needed basis. This program is being administered by the Miami-Dade Office of Capital Improvements (OCI). The following is the procedure for the allocation of the aforementioned BBC-GOB Program funds:

DEFINITIONS

A. *Building Better Communities – General Obligation Bond Funds ("BBC-GOB Funds")*

1) Surplus Funds mean: Net Interest Income and Unused Proceeds;

2) Net Interest Income means: interest earnings on unspent bond proceeds that accrue from the time bonds are sold to the time the

bond proceeds are spent, less administrative expenses and any arbitrage liability set-asides;

3) Premium Funds mean: the amount by which the price paid for a bond exceeds the bond face value.

4) Unspent Bond Proceeds mean: bond proceeds available because funded Projects for which the bond proceeds were allocated are not ready to move forward.

5) Unused Proceeds mean: bond proceeds or allocation not used because a project is completed for less than the authorized allocation or from the deletion or "significant modification" of a project by the Board.

The sources of funds described in 1-5 above shall be collectively referred to as "BBC-GOB Funds". (See Attachment 1, a matrix explaining these sources of funds.)

B. *Other Definitions* -

1) Projects mean: unless otherwise noted, "Projects" refers to projects identified as of the effective date of this IO in Appendix A to Resolution Nos. R-912-04, R-913-04, R-914-04, R-915-04, R-916-04, R-917-04, R-917-04 and R-919-04 (the "Authorizing Resolutions"), as each may be amended from time to time by the Board after a public hearing, respectively. Once a new project is approved for BBC-GOB funding as provided in this IO, this definition shall be deemed to include such new project.

2) New Project means: a project not included in Appendix A to the Authorizing Resolutions as of the effective date of this IO.

3) Budget Shortfall means: An estimated or actual deficiency in the funds required to complete a Project. The deficiency may be caused by a variety of reasons including, but not limited to, an underestimation in the original cost estimate, an increase in scope, unforeseen conditions, steep escalation in cost of materials or services or other increase in costs during project implementation.

USE OF FUNDS

A. Premium Funds – Premium Funds are part of the total $2.9 billion authorized proceeds. They do not represent "new" funds to the bond program. Therefore, Premium Funds shall only be used to accelerate Projects and not to fund Budget Shortfalls in Projects, retire debt or fund New Projects.

B. Unspent Bond Proceeds - Unspent Bond Proceeds shall be used to accelerate Projects as set forth in this IO.

C. Surplus Funds - Surplus Funds may be used to accelerate Projects, fund Budget Shortfalls, fund New Projects but only after all Projects have been completed or when all the necessary funding for completion of all Projects

has been identified to the satisfaction of the Board. and retire bond debt, subject to BCC approval, as set forth in this IO.

PROCEDURE

A. Accelerating Projects using BBC-GOB Funds

1) OCI shall work with stakeholders to identify Projects which are not ready to move forward and shall identify other Projects ready to move forward.

2) No Project will be de-funded or delayed as a result of an acceleration of another Project, if such Project is ready to proceed.

3) OCI shall keep records of all administrative accelerations.

4) In the event that there are multiple Projects ready to proceed that exceed the available BBC-GOB Funds, OCI shall apply the evaluation factors included in Section E below.

5) The use of Surplus Funds to accelerate Projects shall be presented to the BBC/GOB Citizens' Advisory Committee (the "CAC") so it may advise the County Manager regarding such use of Surplus Funds as provided in Ordinance No. 05-70.

6) The County Manager shall approve the use of BBC-GOB Funds to accelerate Projects without approval by the Board.

7) The status of Net Interest Income and Premium Funds and the acceleration of Projects shall be reported to the BCC as part of each BBC/GOB Quarterly Report.

B. Funding Budget Shortfalls in Projects using Surplus Funds

1) Throughout the year OCI may become aware of Budget Shortfalls in Projects.

2) OCI will work with stakeholders of the Projects and the Office of Strategic and Business Management (OSBM) to determine if the application of Surplus Funds, complemented by other available non-bond related funds, as necessary, may be used to eliminate the Budget Shortfall.

3) OCI shall prepare recommendations to the County Manager on the application of Surplus Funds and other non-bond related funds to cover Budget Shortfalls in Projects.

4) In the event the need for Surplus Funds to cover Budget Shortfalls for multiple Projects exceeds the available funds, OCI shall apply the evaluation factors included in Section E below. The application of the evaluation factors shall be explained in the County Manager's recommendation to the BCC on the use of Surplus Funds.

5) The County Manager's recommendation regarding which Projects will use Surplus Funds to cover Budget Shortfalls shall be presented to the CAC so it may advise the Board regarding such use of Surplus Funds as provided in Ordinance No. 05-70. The advice of the CAC shall be included in the agenda item submitted to the BCC. In accordance with the Ordinance, all requests for the use of Surplus Funds shall be presented to the CAC prior to committee and BCC consideration.

6) The County Manager shall make recommendations to the BCC on the use of Surplus Funds for Budget Shortfalls on a case-by-case basis.

7) The BCC shall approve the use of Surplus Funds to cover Budget Shortfalls by a majority vote of those members present.

C. Adding New Projects to the program using Surplus Funds

1) Prior to adding a New Project to be funded using Surplus Funds in accordance with the process set forth in the Authorizing Resolutions, the Board shall consider the following factors:

a) All Projects have been completed or all the necessary funding for all Projects has been identified to the satisfaction of the Board.

b) The New Project is within the general scope of one of the eight voter-approved bond questions as determined by the County Attorney's Office.

c) The New Project is ready to proceed. Project readiness is established when a stakeholder has demonstrated that the New Project scope is completely defined, all the necessary remaining resources are in place or can be obtained and the project delivery system will start within the next 270 days or less.

d) The New Project shall be fully supported with adequate operational funds as demonstrated by the proposed stakeholder through the use of a business plan, pro forma and/or other supporting documentation as the County's professional staff may reasonably require.

2) The County Manager's recommendation regarding the application of Surplus Funds to fund a New Project shall be presented to the CAC so it may advise the Board regarding such use of Surplus Funds as provided in Ordinance No. 05-70. The advice of the CAC shall be included in the agenda item submitted to the BCC. In accordance with the Ordinance, all requests for the use of Surplus Funds shall be presented to the CAC prior to committee and BCC consideration.

3) The status of Surplus Funds and Premium Funds and the addition of any New Project shall be reported to the BCC as part of each BBC/GOB Quarterly Report.

D. Retiring bond debt using Surplus Funds

In the event no uses of Surplus Funds are identified, the Board, by the affirmative vote of a majority of those members present, may authorize the County Manager to apply Surplus Funds and/or Unused Proceeds to retire bond debt.

E. Evaluation factors to apply when the need for BBC-GOB Funds exceed available funds

The following evaluation factors shall be applied whenever the need for BBC-GOB Funds exceeds the available funds for the purpose listed above.

1) Does the Project or New Project have a positive impact on crime in the project area? (in accordance with Resolution No. R-67-08)
2) Does the Project or New Project have a positive impact on the poverty in the project area? (in accordance with Resolution No. R-67-08)
3) Does the Project or New Project have positive impact on the safety of a particular facility or area?
4) Does the Project or New Project have a positive impact on the housing needs in the project area?
5) Does the Project or New Project spur economic development in the project area?
6) Does the Project or New Project have a positive impact on the healthcare of the population of Miami-Dade County?

F. Reporting –

1) The status of surplus and premium and unspent proceeds will be reported to the BCC as part of each BBC/GOB Quarterly Report.
2) Accelerations of approved projects will be reported to the BCC as part of each BBC/GOB Quarterly Report.

WAIVER PROVISION

The provisions of this implementing order may be waived by an affirmative vote of two-thirds of the Board of County Commission members in office.

This Implementing Order is hereby submitted to the Board of County Commissioners of Miami-Dade County, Florida.

BBC-GOB FUND CATEGORY	FUND DEFINITION	NEW FUNDS (YES/NO)	POSSIBLE USES OF FUNDS			
			ACCELERATE PROJECTS	BUDGET SHORTFALLS	RETIRE DEBT	NEW PROJECTS
SURPLUS FUNDS	Net Interest Income and Unused Proceeds	YES	YES	YES *	YES *	YES *
NET INTEREST INCOME	interest earnings on unspent bond proceeds that accrue from the time bonds are sold to the time the bond proceeds are spent, less administrative expenses and any arbitrage liability set-asides	YES	YES	YES *	YES *	YES *
UNUSED PROCEEDS	bond proceeds or allocations not used because a project is completed for less than the authorized allocation or from the deletion or "significant modification" of a project by the Board of County Commissioners	YES	YES	YES *	YES *	YES *
PREMIUM FUNDS	the amount by which the price paid for a bond exceeds the bond face value	NO	YES	NO	NO	NO
UNSPENT BOND PROCEEDS	bond proceeds available because funded projects are not ready to move forward	NO	YES	NO	NO	NO

* Requires BCC Approval

11