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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

MEMORANDUM

Amended
Agenda Item No. 7(B)

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

DATE: March 1, 2011

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

SUBJECT: Ordinance related to budgeting; creating Section 2-1800 of the Code; providing that the annual budget shall be proposed, considered and adopted in a line item format, all in compliance with Ch. 129, Florida Statutes; amending Sections 2-1795, 2-1796 and 2-1797 of the Code and Rule 9.01 of the Board's Rules of Procedure to make conforming changes and revise references from County Manager to Mayor or designee

Ordinance No. 11-10

The accompanying ordinance was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Rebeca Sosa and Co-Sponsor Commissioner Lynda Bell.

R. A. Cuevas, Jr.
County Attorney

RAC/jls

Memorandum

MIAMI-DADE COUNTY

Date: March 1, 2011

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

From: George M. Burgess
County Manager

Subject: Ordinance relating to budgeting that the annual budget shall be provided, considered and adopted in a line item format

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The proposed ordinance creating Section 2-1800 of the code provides that the annual budget shall be proposed, considered, and adopted in a line item format will not have a fiscal impact to the County.

Jennifer Glazer-Moon, Special Assistant/Director
Office of Strategic Business Management

Fis1611

MEMORANDUM
(Revised)

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

DATE: March 1, 2011

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

SUBJECT: Amended Agenda Item No. 7(B)

Please note any items checked.

_____ **"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**

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

_____ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Amended
Agenda Item No. 7(B)
3-1-11

ORDINANCE NO. **11-10**

ORDINANCE RELATED TO BUDGETING; CREATING SECTION 2-1800 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA; PROVIDING THAT THE ANNUAL BUDGET SHALL BE PROPOSED, CONSIDERED AND ADOPTED IN A LINE ITEM FORMAT WHILE ALLOWING FOR THE USE OF OTHER FORMATS CURRENTLY BEING USED BY THE COUNTY TO SUPPLEMENT THE LINE ITEM FORMAT, ALL IN COMPLIANCE WITH CHAPTER 129, FLORIDA STATUTES; AMENDING SECTIONS 2-1795, 2-1796 AND 2-1797 OF THE CODE AND RULE 9.01 OF THE BOARD'S RULES OF PROCEDURE TO MAKE CONFORMING CHANGES AND REVISE REFERENCES FROM COUNTY MANAGER TO MAYOR OR DESIGNEE; PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

WHEREAS, section 5.03(B) of the Miami-Dade County Charter provides that, between June 1 and July 15, the Mayor shall prepare a proposed budget containing a complete financial plan, including capital and operating budgets, for the ensuing fiscal year; and

WHEREAS, section 5.03(B) further provides that a summary of the budget shall be published and the Board of County Commissioners (the "Board") shall hold hearings and adopt a budget on or before the dates required by law; and

WHEREAS, section (A)11 of the Miami-Dade County Citizens' Bill of Rights provides that, in addition to any budget required by state statute, the Mayor shall prepare a budget showing the cost of each program for each budget year; and

WHEREAS, section (A)11 further provides that, prior to the County Commission's first public hearing on the proposed budget required by state law, the Mayor shall make public a

budget summary setting forth the proposed cost of each individual program and reflecting all major proposed increases and decreases in funds and personnel for each program, the purpose therefore, the estimated millage cost of each program and the amount of any contingency and carryover funds for each program; and

WHEREAS, Chapter 129, Florida Statutes, provides that the County budget shall be prepared, summarized and approved by the Board and that it shall be balanced; and

WHEREAS, Chapter 129 further provides that the adopted budget shall regulate County expenditures, and itemized estimates of expenditures shall have the effect of fixed appropriations and shall not be amended, altered or exceeded except by amendment, and that it shall include itemized appropriations for all expenditures authorized by law, contemplated to be made or incurred for the benefit of the county during the fiscal year; and

WHEREAS, sections 2-1795 and 2-1796, Code of Miami-Dade County, govern the annual County budget and the procedures associated with presentation and adoption of the budget; and

WHEREAS, the review and approval of the budget proposed by the Mayor on an annual basis is one of, if not the most important function of the Board of County Commissioners; and

WHEREAS, while the current budget format complies with state and local law, a line item budget format, in addition to other formats currently being used by the County, would allow the Board as well as the community at large to better see exactly how tax dollars and other government revenues are spent; and

WHEREAS, a line item format, in addition to other formats, would give detailed information about all major individual financial items for each department, office, division or other unit of County government; and

WHEREAS, in a line item format, each budget item could include the last completed fiscal year unaudited actual amount, the current year budgeted amount and the proposed amount for the upcoming fiscal year, along with amount and percentage changes from the prior years; and

WHEREAS, to have meaningful discussions about how taxpayer money will be spent, the Board must have access to the complete, detailed and straightforward budget information that a line-item budget would provide; and

WHEREAS, without a transparent line item budget, it's difficult for residents to know how public money is being spent and whether that spending reflects their priorities; and

WHEREAS, the Florida Constitution sets forth the format for the annual General Appropriations Act for the State of Florida (GAA); and

WHEREAS, the Florida Constitution provides that the GAA shall contain separate sections for each major program area of the state budget; major program areas shall include: education enhancement "lottery" trust fund items; education (all other funds); human services; criminal justice and corrections; natural resources, environment, growth management, and transportation; general government; and judicial branch; and

WHEREAS, the Florida Constitution further provides that each major program area shall include an itemization of expenditures for: state operations; state capital outlay; aid to local governments and nonprofit organizations operations; aid to local governments and nonprofit organizations capital outlay; federal funds and the associated state matching funds; spending authorizations for operations; and spending authorizations for capital outlay; and

WHEREAS, the State of Florida uses a line item budget to carry out these constitutional requirements; and

WHEREAS, the Board should set policy for Miami-Dade County requiring that, in addition to the format in which the budget currently is proposed, considered and adopted, the budget should also be proposed, considered and adopted in a line item format similar to the State of Florida's General Appropriations Act to the extent permitted by the Charter and other applicable laws,

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

Section 1. Section 2-1795 of the Code of Miami-Dade County, Florida, is hereby amended to read as follows:[1]

Sec. 2-1795. Allocation of County Resources.

(a) Each County department has the responsibility to prepare a proposed resource allocation plan for [[~~the County Manager's~~]] review >>by the Mayor or his or her designee<<. The proposed plan shall identify the resources required to execute departmental activities, as outlined in the annual business plan, which conform to goals and priority outcomes in the County strategic plan.

(b) Departmental resource allocation plans shall include, but not be limited to, the following components >>that shall be set forth in a line item format for each specific component and each particular department, office, division or other unit of County government<<:

1. Proposed staffing levels;

2. Proposed revenues and appropriations;

3. Proposed adjustments to existing service levels; and

[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.

4. Proposed new or increased fees.

Proposed departmental>>, office, division or other unit<< appropriations >>shall be set forth in a line item format for each specific component and<< 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.

>>The line item format shall be used for all departments, offices, divisions or other units of government. Other formats, such as narrative, pie charts and graphs may also be used in addition to the line item format to supplement the line item format. In addition to the line items denoted above, a separate schedule containing the following specific expenditures for each department, office, division or other unit of County government shall be included: advertising, rent, security services, utilities, fuel, travel and registrations, temporary services and employee overtime.<<

(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~~]] >>Mayor or his or her designee<< 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~~]] >>Mayor<< shall present the proposed budget, including the proposed resource allocation plans >>in a line item format<<, to the Board of County Commissioners for approval in accordance with the requirements of Section 5.03 of the Home Rule Charter >>and Section 2-1800. Other formats, such as narrative, pie charts and graphs may also be used in addition to the line item format to supplement the line item format and a separate schedule containing the following specific expenditures for each department, office, division or other unit of County government shall be included: advertising, rent, security services, utilities, fuel, travel and registrations, temporary services and employee overtime.<< The Commission Auditor shall work with the Office of Strategic Business Management in the development of the proposed budget. Copies of the proposed budget referenced in [[~~the first sentence of~~]] Section 5.03(B) of the Home Rule Charter shall be made available to [[~~the County Commission and~~]] the Commission Auditor on the same date as such budget is presented by the [[~~County Manager to the~~]] Mayor >>or his or her designee to the Commission.<< The Commission Auditor shall then commence an in-depth review and analysis of such budget giving full consideration to the County Commission's adopted priorities and policy directives. [[~~The Commission Auditor's in-depth review and analysis shall include a review and analysis of any changes to such proposed budget made as a result of the budget prepared and recommended by the County Manager, and the Mayor's written response thereto, presented to the Commission in accordance with the second sentence of Section 5.03(B) of the Home Rule Charter.~~]] Between August 15th and the first budget hearing, a Committee of the Whole shall meet to review and discuss the proposed budget in relation to the County Commission's approved budget priorities and policy objectives and

the findings, results and recommendations of the Commission Auditor. >>Prior to the first meeting of the Committee of the Whole, the County Mayor or the Mayor's designee shall provide to the Commission a report by department to reflect each line item set forth in Section 2-1795. Such report shall be as of June 30th of the current fiscal year and shall include the prior fiscal year's budgeted and actual expenditures, the current year's budgeted expenditures and unaudited actual amounts as of June 30th, and the amounts included in the proposed budget. The report shall be filed with the Clerk of the Board and shall be posted on the County's website so it may be available to the general public. In addition, the County Mayor or the Mayor's designee shall post on the County's website the proposed budget in a line item format by program.<< Prior to the first budget hearing and after consultation with the Commission Chair and the Chair of the committee having jurisdiction over budgetary matters, the Commission Auditor, in cooperation with the Mayor or his/her designee, shall prepare and issue any recommended written changes to the proposed budget and shall present same together with proposed budget amendments to the County Commission at the first budget hearing. A Committee of the Whole shall meet between the first and second budget hearings to discuss any proposed changes and recommendations which may result from the first budget hearing. At the second budget hearing, after consultation with the Chair of the Commission and the Chair of the Committee having jurisdiction over budgetary matters and in cooperation with the Mayor or his/her designee, the Commission Auditor shall issue any final recommended written changes to the tentative budget and then present implementing amendments thereto to the County Commission. This paragraph is not intended to be construed in any way as a limitation on the Mayor's right to participate in the budget process as set forth in the Home Rule Charter, including specifically the right to attend and be heard at the budget hearings to express a difference of opinion with the Commission Auditor's recommendations and proposed changes. The responsibilities assigned by this section to the Commission Auditor shall be deemed a permanent element of the Commission Auditor's annual work program for each ensuing fiscal year without need for further Commission approval.

(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; and the Commission Auditor or his/her designee. If there is not unanimity amongst the participants as to what an estimate should be, each participant's estimate shall be presented to the County Commission.

Section 2. Section 2-1796 of the Code of Miami-Dade County, Florida, is hereby amended to read as follows:

Sec. 2-1796. Managerial Accountability and Performance, authority to make certain intradepartmental budget amendments, proscription on allowing departmental expenditures for any line item to exceed appropriations therefor, notification of possible deficiency and quarterly reporting required.

(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) Managers and staff shall not allow the expenditures for any line item (as specified in Section 2-1795(b)) for their department or agency to exceed the total amount appropriated for such line item by the approved budgets providing revenues to that department or agency, as same may be administratively amended in accordance with subsection (d) below.

(d) The [[~~County Manager~~]] >>Mayor<< 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 each fund provided such reallocations do not cumulatively exceed ten percent of that fund's total appropriations to the department and, further provided that that

fund's total appropriations to the department may not be changed. The [[~~County Manager~~]] >>Mayor or his or her designee<< shall report such reallocations to the County Commission at the last Commission meeting in July. Reallocations amongst a fund's line item appropriations for expenditures in excess of ten percent of that fund's total appropriations to a department, or which reallocate line item appropriations from personnel services to any other line item, or which cause an increase in a fund's total appropriations to a department must be approved by the County Commission.

(e) Any department director, executive director or individual with the responsibility of budget development and monitoring who anticipates or has reason to believe that the annual budget of a department or agency may exceed the sum appropriated in the approved budget shall immediately provide written notification to the Budget Director. If verified, this information would then be forwarded [[~~by the County Manager~~]] to the Mayor, the County Commission, and Clerk of the Board.

(f) The [[~~County Manager~~]] >>Mayor or his or her designee<< shall present quarterly, except during the month of the Commission's summer recess, a written report on the status of the County's budget to the Commission Committee having oversight of the budget. At a minimum, this report should generally include, but not be limited to, the following information in a form acceptable to the Committee; fund summary, revenues by category and expenditure by major object, and revenues by category and expenditure by department.

(g) In the case of those administrative departments of the County under the management of the Mayor, the Mayor and those assisting the Mayor in the management of such departments (including the County Manager, any responsible Assistant County Manager and the department directors) shall comply with the requirements of this section.

Section 3. Section 2-1797 of the Code of Miami-Dade County, Florida, is hereby amended to read as follows:

Sec. 2-1797. Performance Measurement, Monitoring and Reporting.

(a) County departments shall gather performance information including, at a minimum, data relative to the performance indicators and targets established in the departmental business plan.

(b) Departmental performance information shall be submitted to the [[~~County Manager~~]] >>Mayor or his or her designee<<, on a regular basis, as determined by the [[~~County Manager~~]] >>Mayor or his or her designee<<.

(c) No less than annually, the [[~~County Manager~~]] >>Mayor or his or her designee<< shall prepare and make available to the public a performance report to the Community. The report shall include, at a minimum, performance data relative to goals and priority outcomes established in the County strategic plan.

Section 4. Section 2-1800 of the Code of Miami-Dade County, Florida, is hereby created to read as follows:

Sec. 2-1800. Line Item Budget Format.

Notwithstanding and prevailing over any other provision of the Code, the Mayor shall present the proposed budget in a line item format as set forth in this section and section 2-1795. Other formats, such as narrative, pie charts and graphs may also be used to supplement the line item format. A separate schedule shall be included with the proposed budget containing the following specific expenditures for each department, office, division or other unit of County government shall be included: advertising, rent, security services, utilities, fuel, travel and registrations, temporary services and employee overtime. Any supplements and amendments to the budget also shall be presented in a line item format. Other formats may also be used in addition to the line item format for supplements and amendments. Such line item format shall follow, to the extent permitted by the County Charter, state law and other applicable laws, the format used in the State of Florida General Appropriations Act enacted by the Florida Legislature. Specifically, the line item format shall:

1. Include a line item for each specific revenue and expenditure component for a specified purpose as set forth in section 2-1795, Code of Miami-Dade County, within each department, office, division or other unit of County government;

2. Include the actual amounts appropriated and expended for the last three completed fiscal years, the budgeted amounts for the current fiscal year and the proposed amounts for the upcoming fiscal year for each specific expenditure component and each department, office, division or other unit of County government;

3. Include the change in amount and percentage change between the proposed budget for the upcoming fiscal year and the budgeted amounts for the current fiscal year for each specific revenue and expenditure component and each department, office, division or other unit of County government;

4. Be presented by grouping in a single location within budget documents all budget information for each specific revenue and expenditure component and each particular department, office, division or other unit of County government to the extent possible under applicable law;

5. Set forth each individual grant funded in the proposed budget for an outside organization under a separate line item;

6. In addition to complying with all other requirements set forth in this section, separately set forth any specific appropriation that exceeds $1 million;

7. In line item format, separately set forth the number of positions and total salary and benefits for personnel services for each department, office, division or other unit of County government; and

8. For each particular numbered line item, indicate any proviso language that limits or directs the use of appropriated funds within such line item.

Section 5. Section 2-1 of the Code of Miami-Dade County, Florida, is hereby amended to read as follows:

Section 2-1. RULES OF PROCEDURE OF COUNTY COMMISSION.

* * *

PART 9. ADDITIONAL ORDINANCES
PRESCRIBING COUNTY COMMISSION PROCEDURE

Rule 9.01. Annual budget.

The mayor shall prepare and deliver a budgetary address annually to the people of the county in March. Such address shall be prepared after consulting with the manager and budget director and shall set forth the mayor's funding priorities for the county. Between June 1 and July 15, the [[~~County Manager~~]] >>mayor<< shall [[~~present~~]] >>prepare<< a proposed budget [[~~to the mayor~~]] >>in a line item format pursuant to Section 2-1800<< containing a complete financial plan, including capital and operating budgets, for the ensuing fiscal year. >>Other formats, such as narrative, pie charts and graphs may also be used to supplement the line item format.<< The budget prepared and recommended by the [[~~manager and the mayor's written response thereto~~]] >>mayor<< shall be presented >>by the mayor or his or her designee<< to the commission >>in a line item format pursuant to Section 2-1800 << on or before the board adopts tentative millage rates for the ensuing fiscal year. A summary of the budget shall be published and the board shall hold hearings on and adopt a budget on or before the dates required by law.

Section 6. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 7. It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance, including any sunset provision, 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 8. 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.

PASSED AND ADOPTED: March 1, 2011

Approved by County Attorney as to form and legal sufficiency:

Prepared by:

GBL
for

Jess M. McCarty

Prime Sponsor: Commissioner Rebeca Sosa
Co-Sponsor: Commissioner Lynda Bell