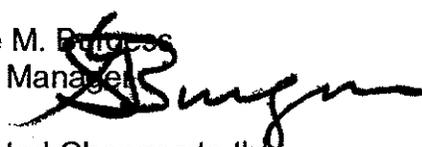


Memorandum



Date: December 10, 2008

To: Honorable Chairperson and Members
Transit Committee

From: George M. Burgos
County Manager 

Subject: Requested Changes to the
Transit Committee Agenda

Scrivener's Errors

3A

083398 RESOLUTION AUTHORIZING RETROACTIVE EXECUTION OF AN INTERLOCAL AGREEMENT WITH THE SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY (SFRTA) FOR FINANCING OF THE COMMUTER RAIL PROJECT IN THE AMOUNT OF \$6,805,298; AND AUTHORIZING THE COUNTY MAYOR, OR COUNTY MAYOR'S DESIGNEE, TO EXPEND FUNDS AS SPECIFIED IN THE INTERLOCAL AGREEMENT (Miami-Dade Transit Agency)

Note: *On agenda Item 3A, handwritten page 10, should read:*

*Harpal Kapoor, Director
Miami-Dade Transit
701 NW 1st Court, 17th Floor
Miami, FL 33136*

Phone: (786) 469-5410

RESOLUTION NO. 08-079

RESOLUTION RECOMMENDING THAT THE BOARD OF COUNTY COMMISSIONERS AMEND EXHIBIT 1 TO THE PEOPLE'S TRANSPORTATION PLAN BY CREATING A CAPITAL EXPANSION RESERVE FUND AND ALLOWING FOR GREATER FLEXIBILITY IN THE USE OF CHARTER COUNTY TRANSIT SURTAX FUNDS FOR THE OPERATION AND MAINTENANCE OF THE TRANSIT SYSTEM

WHEREAS, the Citizens' Independent Transportation Trust (CITT) supports the Board of County Commissioners' (BCC) continued commitment to increase annually the General Fund support for Miami-Dade Transit by at least 3.5 percent over that provided in the preceding fiscal year; and

WHEREAS, Charter County Transit Surtax (Surtax) funds are an essential component of the preservation of the public transit system; and

WHEREAS, review of all Miami-Dade Transit contracts by the CITT will assist the CITT in its oversight role; and

WHEREAS, the CITT supports the use of surtax funds for capital expansion of the transit system,

NOW, THEREFORE, BE IT RESOLVED BY THE CITIZENS' INDEPENDENT TRANSPORTATION TRUST (CITT) that this Trust, recommends the amendment of Exhibit 1 to the People's Transportation Plan by adding the following opening language:

Recognizing that a safe, reliable and efficient transit system is of paramount importance, surtax funds may be utilized for any costs related to capital and/or the operations and maintenance of the transit system, including but not limited to bus, rail, Metromover, and Special Transportation Services (STS). The transit projects listed in Exhibit 1 are illustrative examples but not exclusive uses for surtax funds. Said projects and prior amendments to Exhibit 1, with the exception of the Reinvestment Schedule identified in

CITT Resolution No. 05-025, are subject to modification by the approval of the annual budget ordinance(s). Notwithstanding, the County reaffirms its intent to increase annually the General Fund support for Miami-Dade Transit by at least 3.5 percent over that provided in the preceding fiscal year; and its intent to dedicate at least 10 percent of the County's annual share of surtax funds, excluding existing and future debt service, for capital expansion of the transit system. In the event any portions of the dedicated capital expansion funds remain unexpended in any fiscal year, said funds shall be used to augment and not substitute the subsequent year's dedicated capital expansion funds. If in any fiscal year, at least 10 percent of the County's share of surtax funds, excluding existing and future debt service, is not allocated for dedicated capital expansion, then this amendment to Exhibit I shall cease as an operation of law.

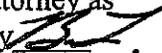
The foregoing resolution was offered by Hon. Anna E. Ward, Ph.D., who moved its adoption. The motion was seconded by Lt.Col Antonio Colmenares and upon being put to vote, the vote was as follows:

Hon. Linda Zilber, Chairperson – Absent
Marc A. Buoniconti, Vice-Chairperson – Aye

Harold Braynon, Jr. – Nay
David Concepcion – Absent
Peter L. Forrest – Aye
Hon. James A. Reeder – Nay
William Sancho – Absent
Paul J. Schwiep, Esq. – Nay
Hon. Anna E. Ward, Ph.D. – Aye

Lt.Col Antonio Colmenares – Nay
Jorge E. Cueto, Esq. – Absent
Miles E. Moss, P.E. – Aye
Hon. Jorge Rodriguez-Chomat – Absent
Rodney Sanders – Absent
Marilyn Smith – Aye

The Vice-Chairman thereupon declared the resolution duly passed and adopted this 25th day of November, 2008.

Approved by the County Attorney as
to form and legal sufficiency 

By: 
Executive Director

Citizens Independent Transportation Trust

Statement of intent and implementation of

Resolution recommending that the Board of County Commissioners modify Exhibit 1 to the People's Transportation Plan by creating a capital expansion reserve fund and allowing for greater flexibility in the use of charter county transit surtax funds for the operation and maintenance of the transit system - Approved by the Trust November 26, 2008

The intent of the resolution is to annually set aside a significant amount of the revenue received through the one-half percent transit surtax for future capital projects and allocate funds remaining to the operation and maintenance of the County's transit system only after other financial commitments are met. These other financial commitments include, but are not limited to, payments to municipalities, debt service, costs for operating the Trust, and the payment to the capital project reserve. Specifically, the resolution requires that 10 percent of the transit surtax revenues available to the County – after payment to municipalities – be deposited into a capital project reserve fund and that remaining funds be made available to for operation and maintenance of the transit system.

The resolution should not be interpreted to mean that operations and maintenance costs will in any way limit surtax funds for future capital expenditures.

The resolution was designed to respond to four critical factors recognized by both the Trust as well as County government:

1. The County's ability to construct rail lines to the north and west, as envisioned in the People's Transportation Plan, in the near future is in doubt.
2. It is unrealistic to attempt to distinguish between expenses for operation and maintenance of the system developed subsequent to the adoption of the transit surtax and the system that existed before the surtax.
3. It would be counterproductive to restrict transit surtax revenues to funding capital expansion projects and withhold those funds from system operation and maintenance at a time when capital expansion is in doubt and more funding for system operation and maintenance is clearly needed.
4. The current formula for allocating transit surtax revenues to new system operation and maintenance costs is impractical to administer and needs to be eliminated.

The resolution does not permanently dedicate a specific level or percentage of funds to system operation and maintenance. Funding most future capital projects will require the issuance of

debt. That debt service will be paid before funds are made available for system operation and maintenance. That is, as the level of debt service rises in the future to support future capital expenditures, the funds available for operation and maintenance will decline. The following table illustrates this process.

Example Use of Transit Surtax Revenues Under Resolution

Use of revenue	Amount		
	Current	Near future	Distant future
Total revenue	\$ 100.00	\$ 105.00	\$ 110.00
Less: Payment to debt service ⁽¹⁾	\$ 10.00	\$ 20.00	\$ 40.00
Less: Payment to municipalities	\$ 20.00	\$ 21.00	\$ 22.00
Less: Deposit to capital reserve fund - 10 percent of total revenue	\$ 10.00	\$ 10.50	\$ 11.00
Remaining funds	\$ 60.00	\$ 53.50	\$ 37.00
Less: Other authorized uses	\$ 3.00	\$ 4.00	\$ 5.00
<i>Remaining funds - available for system operation and maintenance</i>	<i>\$ 57.00</i>	<i>\$ 49.50</i>	<i>\$ 32.00</i>

⁽¹⁾ Payment to debt service increases due to future debt issuances to support construction

The Citizens Independent Transportation Trust has a fiscal responsibility to ensure that the revenues from the transit surtax are used responsibly and within the overall intent of the surtax authorization. While the Trust explicitly approves funding for capital projects to ensure that it is used for authorized projects, the Trust must also exercise oversight over funds allocated to system operation and maintenance.

It is not the responsibility of the Trust to manage the transit system. In no event would it be appropriate, for example, for the Trust to assume any direct responsibility for individual operation and maintenance contracts or budget items. On the other hand, providing funds from the transit surtax for operation and maintenance is not to be viewed as a transit system entitlement; the Trust must ensure that the funds collected through the transit surtax are used appropriately.

Implementing the resolution will include establishing a plan for system development and operation, benchmarks, standards, and performance expectations in cooperation with the Transit Department. Failure to meet plan provisions and agreed-to performance standards could affect the continued allocation of transit surtax revenues for operation and maintenance. The Trust must exercise this level of oversight over the use of those funds to fulfill its fiduciary responsibility.