




MEMORANDUM OFFICE OF THE MAYOR

DATE: June 24, 2008

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

FROM: 
Carlos Alvarez, Mayor
Miami-Dade County

SUBJECT: Response to Proposed Fiscal Year 2008-2009 Budget

Pursuant to Section 5.03 of the Miami-Dade County Charter, this memorandum serves as my written response to the Proposed Budget. As we did last year, the Manager and I have worked closely together on the development of the Proposed Budget you are receiving today. I believe that the FY 2008-09 Proposed Budget is a sensible financial plan that provides for significant taxpayer savings while providing for priority services, as well as continuing to fund reserves which is critical to maintaining the County's financial health. This has been a very challenging budget development process and I thank you for your thoughtful and deliberate input through the Commission Committees and Board approval of budget priorities and policies. We have done our best to address those priorities and policies you identified.

Statutory changes approved by the State Legislature this past session and the results of the January 29, 2008 election have forced counties and cities to again take significant revenue reductions for the second year in a row. State law and the softening economy have reduced the funding available not only for the property tax supported functions, but also for many proprietary departments. It was impossible this year to maintain service levels; reductions have been identified for virtually every County department. Reductions totaling \$206 million of property tax supported activities have been identified, which would require the elimination of more than 2,000 positions.

As described in the Manager's Budget Message, we are proposing that certain adjustments be made to the various millage rates and departmental fees in order to preserve critical services, but also ensure that taxpayers receive significant savings from year to year, as was clearly called for by the approval of the constitution changes in January. These millage and fee adjustments allow \$93 million of critical services to be bought back.

The owner of a home of average value in the County, who lives in the Unincorporated Municipal Service Area (UMSA) – and therefore pays property taxes based solely on the actions of the Board of County Commissioners – would save \$194.60 under this plan. Even with these savings, the Manager was able to develop a budget that still funds those things most deemed critical: public safety, services to children and the elderly, development of our infrastructure, including the Airport and Seaport, affordable housing, environmental initiatives, and transportation. Funding for community-based organizations has not been reduced. We have been able to continue to support a strong backbone of internal support and critical systems vital for the effective management of a 28,963 employee, \$7.408 billion organization.

Adjustments were made to the budgets of our public safety providers to ensure that service on the street was maximized. Full year funding for effectively 68 additional police officers for UMSA is included in the Proposed Budget and a plan for continued development of critically needed fire stations has been developed. Reductions have been made to the administrative functions within departments in the Public Safety strategic area, but there have been no cuts of sworn positions proposed.

Funding to maintain in full the nationally recognized programs of our Juvenile Services Department is included in the Proposed Budget. These programs have shown that through effective diversion programs, kids can be kept out of our juvenile justice system and become contributing members of our community. Programs for seniors have been maintained by developing strategies to consolidate services and reduce overhead in our social services departments and by charging minimal fees for the programs provided by our Park and Recreation Department.

Earlier this month, we launched an economic stimulus program to expedite funded capital projects throughout the County. This program will mean not only that projects to improve our infrastructure – including streets, parks, and facilities such as at our Airport and Seaport – will be completed quickly, but also that funding will be infused into our local construction economy in order to create and preserve jobs.

Working closely with the US Housing and Urban Development team, the Administration has been able to develop a budget for MDHA that maintains the current number of affordable housing units and even improves the level of maintenance of those units, despite federal funding reductions and without local funding subsidies. We stand poised to regain management of MDHA in the near future. USHUD will continue heightened monitoring of the County's programs and assets, but we have been able to continue those improvements begun before the USHUD takeover last year.

Throughout the County, initiatives to improve the environment are sustained in the Proposed Budget. Hybrid vehicles, LED traffic signals, and implementation of processes that will reduce our use of paper are all funded in the budget. Additional positions have also been funded in the Planning and Zoning Department to allow for more deliberate review of the Comprehensive Development Master Plan, particularly the economic element, and countywide planning initiatives to ensure that we are making decisions with an eye toward the future of our community and not just reacting to development requests and the profit-driven plans of the private sector.

The Proposed Budget includes a plan for Miami-Dade Transit to reduce revenue miles by 14 percent, to 28.1 million miles. This is necessary to maintain the financial stability of our mass transit program and allow us to pursue the projects outlined in the People's Transportation Plan to the greatest extent possible. Over the coming months, however, we are going to be forced to make a decision about fare increases and unifying our transit system for funding purposes. As long as we prioritize the funding of the Orange Line from surtax revenues, I believe that unifying the system is the best course of action to ensure that we are in a position to be awarded federal funding to support system expansions and to ensure a consistently and properly funded transit system.

A number of reorganizations have been recommended in the Proposed Budget, including the creation of the Office of Grants Coordination to improve the monitoring of community-based organizations and maximize the revenues to the County and those organizations, and the Office of Economic Development Coordination to ensure that all elements of the County that contribute the economic well-being of our community and region work closely together to leverage resources available in the most coordinated and effective manner possible. Both of these reorganizations are done without any additional funding or net new positions. They have been recommended to improve our coordination, focus, and oversight in their two important areas. I fully support the creation of these entities, as well as the reorganization of the functions of the current Team Metro department. I believe that the outreach and code enforcement functions will be more effective under the new organizations as proposed.

Continued contributions to our reserves, including the Emergency Contingency Reserve, funding for mid-level management training, support for the Elections Department, funding for internal audit functions, and resources for information technology capital projects are all included in the Proposed Budget. It is important that we continue to look to our future, even in less affluent times, and ensure that our organization is ready to meet the challenges ahead of us.

The Board will be adopting tentative millage rates on July 17. As stated before, the rates included in the Proposed Budget allow for taxpayer savings, but also adequate funding for the services most important to our community. I recommend the Board adopt these rates. I am looking forward to working with you over the summer in anticipation of the Board's consideration of the Proposed Budget in September. The Administration stands ready to address your questions and concerns as you analyze this lengthy and complex document. I commend the Manager and his staff for having developed this plan that I believe very effectively addresses the needs of our community.

c: Honorable Harvey Ruvlin, Clerk of Courts
 Honorable Joseph P. Farina, Chief Judge
 Honorable Bennett H. Brummer, Public Defender
 Honorable Katherine Fernandez-Rundle, State Attorney
 Robert A. Cuevas, County Attorney
 Marvin O'Quinn, President and CEO, Public Health Trust
 George M. Burgess, County Manager
 Denis Morales, Chief of Staff
 County Executive Office Staff
 Department Directors
 Charles Anderson, Commission Auditor