

# Memorandum



**Date:** September 6, 2013

**To:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor 

**Subject:** Report on Building Better Communities General Obligation Reallocation of Surplus Funds

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At the July 9, 2013 meeting of the Infrastructure and Capital Improvements Committee, as relates to Item 3A, Commissioner Suarez requested a report which summarized the processes involved regarding the reallocation of Building Better Communities General Obligation Bond (BBC GOB) surplus funds.

Pursuant to Resolution Nos. R-912-04, R-913-04, R-914-04, R-915-04, R-916-04, R-917-04, R-918-04, and R-919-04 (collectively, the "Authorizing Resolutions"), an election was called for approval to issue general obligation bonds for various capital improvements located Countywide. Eight separate ballot questions were presented to the voters and all of them were approved in November 2004.

Each of the Authorizing Resolutions provide for the addition, deletion or significant modification to the BBC GOB projects listed in their respective Appendix A by majority vote of the Board of County Commissioners (Board) after a public hearing. Surplus bond proceeds may arise from the deletion or significant modification of a BBC GOB project. A project may only be added if there are surplus BBC GOB funds available for allocation to the new project.

The process for allocation of surplus funds for the BBC GOB Program is governed by Implementing Order (IO) 3-47. Below is a summary of the stipulations:

- Surplus funds are defined as 'Net Interest Income' and 'Unused Proceeds.'
- Surplus funds can be applied to: fund estimated or actual deficiencies required to complete existing BBC GOB projects; fund new projects not included in Appendix A to each of the Authorizing Resolutions, but only after all projects listed in Appendix A have been completed or funding for completion of all projects has been identified to the satisfaction of the Board; or retire bond debt.
- Surplus funds within a question may only be reallocated to an existing project within the same voter approved question or to a new project only if the project description comports with the purpose described in the ballot question (i.e.: if recreation/cultural project realized surplus funds, those funds can only be reallocated to a recreation/cultural project).
- All items that recommend use of surplus funds must be presented to the Citizens' Advisory Committee (CAC) prior to consideration by a commission committee or the Board so that the CAC may advise the Mayor and the Board regarding the proposed use of surplus funds.
- In cases where the CAC does not favorably recommend of the reallocation of surplus funds for a project, a two-thirds (2/3) vote of the Board members present shall be required to approve such use.
- When the need to use surplus funds to cover budget shortfalls for multiple existing projects exceeds the amount of available surplus funds, the Mayor or the Mayor's designee's recommendation to the Board shall outline the application of several

evaluation factors, including, but not limited to, whether it will have a positive impact on crime, poverty, safety, and housing in the community.

- In order to use surplus funds to fund a new project, the Board must consider: whether all projects have been completed or all the necessary funding for all projects has been identified to the satisfaction of the Board; if the new project is within the scope of a ballot question; if the new project is ready to proceed; and if the new project will be fully supported from an operational standpoint.
- The Board periodically approves waivers of certain provisions of IO 3-47 to consider projects that may be needed but do not meet the criteria set forth in IO 3-47. All items that recommend waiver of the provisions of IO 3-47 must be presented to the CAC prior to consideration by a commission committee or the Board. In cases where the CAC does not favorably recommend waiver of the provisions of IO 3-47 for a project, a two-thirds (2/3) vote of the Board members present shall be required to approve such waiver. Notwithstanding the foregoing, BBC GOB funds allocated to a particular ballot question must be used only for the purposes described in the ballot language. This requirement is absolute and may not be waived by the Board.

Pursuant to IO 3-47 the Board has approved several significant modifications where unspent funds have been declared surplus and have been reallocated to other projects. Examples of this process include:

- Resolution No. R-1144-10: Addition of new Project 123.1 - "Florida Memorial University – Multi-Purpose Arena"
- Resolution No. R-194-12: Deletion of Project No. 265 - "Hubbard-Alvarez Bungalow", addition of Project No. 265.1 – "Miami Hispanic Cultural Dance Center"
- Resolution No. R-994-12: Addition of new Project No. 332.1 – "Cultural Heritage, Education and Performing Arts Park"

The Office of Management and Budget monitors and is the central repository of these significant modifications. Currently, there are no significant surplus funds.

If you have any questions, please contact Deputy Mayor Edward Marquez at 305-375-1451.

c: Robert A. Cuevas, Jr., County Attorney  
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