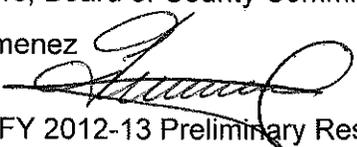


Memorandum



Date: October 21, 2013

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

From: Carlos A. Gimenez 
Mayor

Subject: End-of-Year FY 2012-13 Preliminary Results

As we discussed during the August and September Committees of the Whole regarding the budget and the public budget hearings, we were anticipating distributions of ad valorem revenue to our various property tax-supported jurisdictions to be significantly below budget due to the refunds provided to property owners who appealed to the Value Adjustment Board. As soon as we became aware of the issue, at the beginning of the fourth quarter of the fiscal year, I immediately initiated a freeze on all hiring and stopped all purchasing activities that were not critical to public safety and service delivery in order to save as much as possible to offset the losses. At the time, I promised to keep you informed as we became aware of the actual impacts. We have completed the preliminary closeout of FY 2012-13 and can now share our initial results.

As expected, the Fire District received \$6.444 million less than anticipated in ad valorem revenue. The District did not generate carryover revenue into FY 2012-13 as anticipated and absorbed higher than estimated termination pay and holiday leave payouts. As a result, the District ended with an overall preliminary fund balance deficit of \$7.897 million. It is my intention to bring for the Board's consideration as part of the FY 2012-13 End of Year Budget Supplemental item, a transfer from the Countywide Emergency Contingency Reserve to cover that gap. Even with this transfer, the Fire District will begin FY 2013-14 with \$1.289 million less in revenue than budgeted because there will be no carryover.

As well, the Library District received \$691,831 less than anticipated in ad valorem revenue. This loss was anticipated as part of the budget development process. The District did not end the year in a deficit. However, the preliminary year-end carryover is \$2.2 million less than budgeted largely because of other material purchases and facility related expenditure adjustments.

Finally, the general fund received \$23.722 million less than anticipated in ad valorem revenue and \$ 9 million less non-ad valorem revenue than budgeted for FY 2012-13. This was partially offset by savings measures, but leaves us with \$24.149 million less in carryover than originally budgeted for FY 2013-14. While this does not create a deficit in the general fund, it means that we have less revenue to cover our budgeted expenses, including appropriated reserves, for this fiscal year.

Our plan is to absorb the current year deficits as much as possible through expenditure savings this year. The Office of Management and Budget will be working closely with the Fire Rescue and Library departments as well as the County Departments subsidized by the general fund to continue our austerity practices, freezing all new hires and stopping any other expenditure unless they are critical for public safety or save money. As part of our quarterly reporting, we will continue to keep you informed as to our progress in closing these gaps.

Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners
Page 2 of 2

Within the next month, I will provide the Board with a revised Five-Year Financial Forecast that takes into account this revenue reduction and the adopted millage rates, as well as revised projections for non-ad valorem revenues.

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

- c: Honorable Harvey Ruvin, Clerk, Circuit and County Courts
- Honorable Bertila Soto, Chief Judge, Eleventh Judicial Circuit
- Honorable Carlos Lopez-Cantera, Property Appraiser
- Robert A. Cuevas, Jr., County Attorney
- Office of the Mayor Staff
- Joseph Centorino, Executive Director, Commission on Ethics and Public Trust
- Patra Liu, Interim Inspector General
- Department Directors
- OMB Staff
- Charles Anderson, Commission Auditor

mayor00714