



**OFFICE OF THE COMMISSION AUDITOR  
MIAMI-DADE BOARD OF COUNTY COMMISSIONERS**

**COMMISSION AUDITOR'S  
INFORMATIONAL RESEARCH**

**COUNTY INFRASTRUCTURE AND INNOVATIONS  
COMMITTEE**

**June 10, 2021**

**6:00 P.M.**

**Commission Chambers**

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Commission Auditor

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**CIOIC Meeting:  
June 10, 2021  
Research Notes**

**Item No. 1G3  
File No. 211088**

**Research: TA & VW / Reviewer: PGE**

ORDINANCE RELATING TO COUNTY'S ANNUAL BUDGET; AMENDING SECTIONS 2-1796, 2-1799, AND 17-132.1 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA ("CODE"); REQUIRING COUNTY MAYOR TO PLACE QUARTERLY BUDGET REPORTS ON AN AGENDA OF THE BOARD, AND TO PREPARE AND PRESENT A MID-YEAR BUDGET AMENDMENT BETWEEN APRIL 1 AND MAY 31 OF EACH FISCAL YEAR; PROVIDING FOR CREATION OF COUNTYWIDE AND UNINCORPORATED MUNICIPAL SERVICE AREA REVENUE SHORTFALL RESERVE FUNDS AND FOR ALLOCATION OF UNALLOCATED COUNTYWIDE AND UNINCORPORATED MUNICIPAL SERVICE AREA GENERAL FUND CARRYOVER FUNDS TO COUNTYWIDE AND UNINCORPORATED MUNICIPAL SERVICE AREA REVENUE SHORTFALL RESERVE FUNDS UNDER CERTAIN CIRCUMSTANCES AND OTHERWISE TO CERTAIN FUNDS AND PURPOSES; AMENDING SECTION 2-1 OF THE CODE RELATING TO THE BOARD'S RULES OF PROCEDURE TO MAKE REVISIONS TO CONFORM TO PROCESS AND TIMEFRAMES IN SECTION 2-1795 OF THE CODE; PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE [SEE ORIGINAL ITEM UNDER FILE NO. 210992]

**Prime Sponsor:** Senator René Garcia, District 13

**Requester:** None

**Board Action Date:** 5/4/21 Board of County Commissioners (First reading, 13-0)

**RESEARCH FINDINGS**

OCA's review of the item found no substantive legislative, procedural or administrative noncompliance. See the Additional Information section for historical and other background information on the item.

**ADDITIONAL INFORMATION**

This ordinance amends the following sections of the County Code:

[Section 2-1796 Managerial Performance and Accountability](#): Requires the Mayor or Mayor's Designee to provide quarterly budget reports to be placed on the Board's agendas; adds a requirement for the Mayor or Mayor's designee to prepare and present a mid-year budget amendment to the Board not earlier than April 1 and not later than May 31 of every year.

- The Mayor is already required to provide written quarterly budget reports to the Board. This ordinance requires that they also be placed on the next available Board agenda for review, rather than only the Committee of jurisdiction.
- Pursuant to [Section 2-1796\(c\)](#), the Board must approve the reallocation of line-item appropriations for expenditures in excess of ten percent of that fund's total appropriation to the department and reallocation of line-item appropriations from personnel services to other line items. Further, the Mayor or Mayor's designee has the authority to make intradepartmental budget amendments that reallocate appropriations amongst a department's line-item appropriations in each fund, provided that 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.

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- A mid-year amendment requirement promotes transparency and timeliness of budget status information by increasing the frequency of budget amendments presented to the Board during the fiscal year. According to the County Attorney's Office, the Code implies that there is a "mid-year budget amendment", but there is not an explicit requirement (emphasis added):

Section 2-1799(e): "...Unexpended district or mayor discretionary reserves and commission district and mayor's office budgets shall be reflected as designated reserves at the end of the fiscal year in which the funds were unexpended and added to budget respective district or mayor discretionary reserve or commission district or mayor's office budget as part of the mid-year budget amendment in the following fiscal year."

OCA also identified references to the mid-year budget amendment in Code Section 2-1 Rules of Procedure for the County Commission, which provides for separate votes and motions for mid-year and end-of-year budget amendments, in addition to a recent resolution directing the Mayor to prepare a mid-year or end-of-year budget amendment for unanticipated revenues related to the Marlins settlement. This ordinance would thus formalize the presentation of at least one mid-year budget amendment for any necessary revisions to the then-current fiscal year's budget.

It should be noted that, according to the Legislative Information System (Legistar), prior to the FY20-21 mid-year amendment recently adopted by the Board on June 2, 2021, the last time the Board voted on a mid-year budget amendment was on June 30, 2015 for Fiscal Year 2014-2015 via Ordinance No. 15-49.

Section 2-1799 Reserve Funds: Creates a Revenue Shortfall Reserve to be utilized to address anticipated revenue reductions or anticipated demands on County operations with the assumption that there is no increase to the countywide and unincorporated municipal service area (UMSA) millage rates and no cuts in service levels.

- This reserve is different from the existing Contingency Reserve, which is to be utilized to address "unusual circumstances", including, but not limited to natural disasters or other emergencies or unexpected revenue reductions of extraordinary demands on County operations. The Revenue Shortfall Reserve is intended to address "anticipated" reductions.
- The Mayor's Fiscal Impact Statement to this ordinance notes that, because the County is utilizing American Rescue Plan Act (Act) funding to cover revenue shortfalls in FY20-21 and FY21-22 that may result in unanticipated carryover, placing such carryover into the Revenue Shortfall Reserve may not be in compliance with United States Treasury guidelines that govern the Act.

Section 2-1799 (above) and Section 17-132.1 Revolving Loan Fund: Adds language that provides for the allocation of the countywide and UMSA revenue shortfall reserve funds, if any, or otherwise allocating 50% of unallocated carryover funding to the Affordable Housing Trust Fund.

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- The history of the Affordable Housing Trust Fund is summarized as follows:
  - On February 6, 2007, the Board adopted [Ordinance 07-15](#) creating the Affordable Housing Trust Fund (Trust Fund) and a Board of Trustees composed of nine members; such fund is intended to provide for a permanent, renewable source of revenue to meet, in part, the housing needs of the residents of Miami-Dade County, including mixed-income and elderly affordable housing, and the preservation of the existing stock of affordable housing.
  - On May 17, 2016, the Board adopted [Resolution No. R-432-16](#), which provided that ten percent of the increase in the County's general fund revenues, shall, subject to appropriation, be deposited into the Trust Fund for a revolving loan fund with the guidelines for the revolving loan fund to be set by the board of trustees of the Trust Fund.
  - As part of the [FY 2016-2017 County Budget](#), Item I, the Board directed the County Mayor to appropriate 50 percent of actual carryover funds in excess of the adopted budget, up to \$10,000,000.00 to the Trust Fund, changing the funding formula prescribed by Resolution No. R-432-16.
  - [Ordinance 16-127](#), adopted on November 1, 2016, created a Revolving Loan Fund to be funded by the Trust Fund and administered by an outside administrator chosen through a competitive Request for Proposal process.
  - On May 19, 2020, the Board via [Resolution No. R-508-20](#) authorized a one-time transfer of money from the Affordable Housing Trust Fund's General Fund to the Affordable Housing Trust Fund's Revolving Loan Fund, bringing the revolving loan fund's cumulative balance to \$10,000,000.
  - According to the FY2020-2021 (FY20-21) [Adopted Budget and Multi-Year Capital Plan](#), Volume 3, Page 121, the Trust Fund had revenue of \$12,343,000 for FY 20-21. As of the time of publishing of this note, OCA is pending a response from Public Housing and Community Development to confirm the balance and fund activity for this Trust Fund.

- The Mayor's Fiscal Impact Statement to this ordinance notes that this ordinance will prioritize reserving unallocated Countywide General Fund over the current distribution of 50% of unallocated carryover to the Affordable Housing Trust Fund by eliminating the transfer in years where the Five-Year Financial Outlook anticipates a budget gap within either or both succeeding two fiscal years. The Mayor's Social Impact Statement also references the possible impact to the Affordable Housing Trust Fund.

[Section 2-1 Rules of Procedure](#): Adds language to be consistent with budget reports being presented to the full Board, rather than just the Committee of jurisdiction; Increases the time frame by which the Mayor shall distribute the Changes Memorandums.

- The Mayor will be required to distribute the First and Second Changes Memorandums to each member of the Board and post a copy thereof on the County's website at least two days earlier than is currently required. This will allow the Board and the public more time prior to the budget hearings to review additional information or changes to the proposed budget.

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On June 9, 2021, OCA asked the Office of Management & Budget the below questions; the responses are still pending:

1. According to the financial system of record, the general fund balance (GF 010 010) is approximately \$74.8M as of March 31, 2021. How much is projected for the carryover for FY 20-21, and how does this impact the calculation of the shortfall that is projected in the FY 20-21 Budget Book? Please provide the backup calculations for both, the projected carryover and the projected shortfall.
2. How does the proposed ordinance impact the calculation used to transfer unallocated carryover to the Affordable Housing Trust Fund and is there any change to the hierarchy of distribution of unallocated carryover?

### **CONTRIBUTORS**

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### **The Office of the Commission Auditor, Miami-Dade Board of County Commissioners**

The Office of the Commission Auditor (OCA) was established in September 2002 by Ordinance 03-2 to provide support and professional analysis of the policy, service, budgetary and operational issues before the Miami-Dade Board of County Commissioners. The Commission Auditor's duties include reporting to the Board of County Commissioners on the fiscal operations of County departments, as well as whether the fiscal and legislative policy directions of the Commission are being efficiently and effectively implemented

These research notes, prepared in collaboration with the Miami Dade County departments as subject matter experts, is substantially less detailed in scope than an audit in accordance with the Generally Accepted Auditing Standards (GAAS). The OCA plans and performs the review to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on its objectives; accordingly, the OCA does not express an opinion on the data gathered by the subject matter expert(s).