

# Memorandum



**Date:** July 11, 2018

**To:** Javier A. Betancourt, Executive Director  
Office of the Citizens' Independent Transportation Trust (OCITT)

*Cathy Jackson*

**From:** Cathy Jackson, Director  
Audit and Management Services Department



**Subject:** Final Audit Report – Charter County Transportation System Surtax Review –  
City of West Miami

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We have reviewed the City of West Miami's May 11, 2018 Response (Attachment I) to the Audit Report dated November 20, 2017. The positive actions taken or planned to address the audit findings and recommendations are satisfactory, and thus the audit has been closed.

Please contact Jacqueline Williams, Audit Manager, at 786-469-5900, if you have any questions.

CJ:ag

- c: Honorable Harvey A. Ruvin, Clerk of the Courts  
Abigail Price-Williams, County Attorney  
Alina T. Hudak, Deputy Mayor  
Edward Marquez, Deputy Mayor  
Jennifer Moon, Director, Office of Management and Budget  
Yolanda Aguilar, City Manager, City of West Miami



YOLANDA AGUILAR  
City Manager

May 11, 2018

Javier Betancourt, Executive Director  
Office of the Citizen's Independent Transportation Trust (OCITT)  
111 NW 1<sup>st</sup> Street – Suite 1010  
Miami, Florida 33128

Dear Director Betancourt,

This letter shall serve to respond to the recent findings of the City's use of surtax proceeds and your letter dated March 16, 2018.

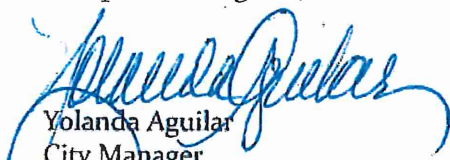
As discussed during a recent telephone conversation with Nestor Toledo our municipal liaison, the City has started to replenish the required reserves to match the audit findings as conducted by your Audit and Management Services Department. Since the audit, the City has transferred an amount of \$200,000.00 from General Funds to the Surtax Enterprise Fund. We have made arrangements to transfer as part of the 2018-2019 proposed budget the remaining balance due to the PTP, and the City pledges to be fully compliant.

Attached please find a memorandum issued by this office to the Mayor and Commissioners dated March 20<sup>th</sup>, 2018 which includes a repayment structure accompanied by the CITT letter issued to the City on March 16<sup>th</sup>, 2018.

Our recommendation to comply by September 30<sup>th</sup>, 2019 was unanimously approved by the Mayor and City Commission on March 21<sup>st</sup>, 2018 and subsequently reported to our Independent Auditors, Rodriguez, Trueba and Company. A copy of this response along with the March 20<sup>th</sup>, 2018 memorandum is hereto attached.

We trust that this response will suffice. Please advise if you need anything further on this matter from the City.

Best personal regards,



Yolanda Aguilar  
City Manager

YA/ca

Cc: Mayor and City Commissioners  
City Attorney, Jose A. Villalobos  
Mercedes Leon, Finance Director  
Juan Pena, Director of Public Works  
Rodriguez, Trueba & Company, Independent Auditors  
Nestor H. Toledo, Municipal Liaison  
Cathy Jackson, Director, AMS  
PTP Audit file  
City Manager file

Encl.

CITY OF WEST MIAMI

901 S.W. 62nd Avenue • West Miami, FL 33144 • Phone: (305) 266-1122 • Fax: (786) 388-5284

E-mail: yolandaaguilar@cityofwestmiami.org



## MEMORANDUM

To: Mayor and City Commission  
From: Yolanda Aguilar, City Manager  
Re: Audit Findings - PTP/Surtax Audit  
Date: March 20, 2018

This memo shall serve as a follow-up to the November 20, 2017 Audit Report on the City's use of the Surtax proceeds (also known as the ½ cent penny tax).

The Office of OCITT (Citizens' Independent Transportation Trust) has rendered its conclusion on the audit conducted by the Audit and Management Services Department for Miami-Dade County who serves as the auditors for the trust.

This office is in receipt of a letter issued by Miami-Dade County Office of OCITT dated March 16, 2018. The letter addresses the Audit Report reviewed by their office. OCITT is in "concurrence" with the findings and recommendations detailed in the Audit Report. They have asked the City to file a corrective action response within 30 days of the day of the letter on how the City plans to replenish the cash deficit in the City's Transportation Surtax Fund. Failure to comply may result in the recaptured of our Surtax proceeds.

We have been in continuous conversation with the Office of OCITT through the appeal process and in fact, there have been some credits issued as a result of the appeal process.

Below please find a breakdown of the Surtax Audit and a recommendation from our office on how we intend and propose to make the PTP fund whole.

### SURTAX REPAYMENT SCHEDULE

PTP Audit 2015-2016 Unspent Funds	\$ 426,411.00
2016 City Audit Fund Balance	\$ 97,542.58 (Per RTC)
Owed from General Fund	\$ 328,868.42
Transfer in from General Fund 2016-2017	\$ 100,000.00
BALANCE	\$ 228,868.42
FY2017-2018 Budget	\$ 100,000.00
Balance to be paid form FY2018-2019	\$ 128,868.42

(remaining balance to be paid by GF to PTP no later than 9/30/19)

In conclusion, the City proposes to replenish our PTP cash reserves by budgeting \$128,868.42 from the proposed budget for FY 2018-2019. We fully recommend this option in an effort to close out this unresolved issue once and for all and starting out with a clean slate for the next PTP Audit process.

I welcome your questions regarding this issue.

YA/ca

Cc: City Attorney  
City Clerk (Agenda March 21, 2018)  
City Manager file  
Mercedes Leon, Finance Director  
Juan Pena, Director of Public Works  
PTP Surtax Audit file  
Budget FY 2018-2019





# Citizens' Independent Transportation Trust

111 NW 1st Street • Suite 1010

Miami, Florida 33128

T 305-375-1357 F 305-375-4605

Transportation Trust @GoCITT

CITT Board Members

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I. Elijah Stiers, Esq.

\* Hon. Linda Zilber

## Executive Director

Javier A. Betancourt

\* Past Chairperson

March 16, 2018

Ms. Yolanda Aguilar, City Manager

City of West Miami

901 S.W. 62<sup>nd</sup> Avenue

West Miami, Florida 33144

Re: Charter County Transportation System Surtax Review – City of West Miami

Dear Ms. Aguilar:

The purpose of this letter is to follow-up on the above-captioned Audit Report dated November 20, 2017 that was issued by the Audit and Management Services Department (AMS). We thank you, as well as your staff, for the cooperation extended to the auditors.

The Office of the Citizens' Independent Transportation Trust (OCITT) has reviewed the Audit Report and is in concurrence with the findings and recommendations detailed therein. The City of West Miami (City) should promptly address the items noted. Our decision is made after considering the July 1, 2007 *Interlocal Agreement for Distribution, Use and Reporting of Charter County Transit System Surtax Proceeds Levied by Miami-Dade County*, as well as the Compliance Reports submitted by the City. We also reviewed pertinent Miami-Dade County Attorney's Office opinions and Citizens' Independent Transportation Trust Legislation.

Please provide OCITT with a report, within 30 days, detailing the corrective actions planned or taken to resolve the issues, including, but not limited to, replenishing the cash deficit in the City's *Transportation Surtax Fund*. Failure to take the appropriate measures may result in the recapture of Surtax funds.

As always, thank you for your cooperation. We look forward to continuing to work with you. Please do not hesitate to contact our office if you have any questions.

Sincerely,

*Nestor H. Toledo*

Nestor H. Toledo

Municipal Liaison

Cc: Javier Betancourt, Executive Director, CITT  
Bruce Libhaber, Assistant County Attorney  
Cathy Jackson, Director, AMS

3/20/2018

miamidade.gov/citt

cc: Mayor, City Comm.

- M. LEON, Finance Dir.

- PTP - Surtax File

- City MGR File

10/16 - 2018/2019 Budget

- City Clerk File

13/21/2018

agenda

PALE

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AUDIT AND MANAGEMENT SERVICES DEPARTMENT  
OVERTOWN TRANSIT VILLAGE  
701 NW 1<sup>st</sup> COURT – SUITE 8-175  
MIAMI, FLORIDA 33136  
TELEPHONE: 786-469-5900  
FAX: 786-469-5933

November 20, 2017

Ms. Yolanda Aguilar, City Manager  
City of West Miami  
901 S.W. 62<sup>nd</sup> Avenue  
West Miami, Florida 33144

**Re: Charter County Transportation System Surtax Review – City of West Miami**

Dear Ms. Aguilar:

Enclosed is the above captioned Audit Report that was discussed with you and your Finance Director. Although the Office of the Citizens' Independent Transportation Trust will be contacting you to resolve the audit findings, a written response is requested within 30 days.

We appreciate the courtesies and assistance provided to our staff during the audit process. Please contact Jacqueline Williams, Audit Manager, at 786-469-5900 if you have any questions or require further information.

Sincerely,

A handwritten signature in blue ink that reads 'Cathy Jackson'.

Cathy Jackson  
Director

CJ:ag

Attachment


c: Charles D. Scurr, Executive Director, Office of the Citizens' Independent Transportation Trust  
Mercedes Leon, Finance Director, City of West Miami

# Memorandum



**Date:** November 20, 2017

**To:** Charles D. Scurr, Executive Director  
Office of the Citizens' Independent Transportation Trust (OCITT)

  
**From:** Cathy Jackson, Director  
Audit and Management Services Department (AMS)

**Subject:** Audit Report – Charter County Transportation System Surtax Review –  
City of West Miami

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## PURPOSE AND SCOPE

We performed a review of the City of West Miami's (West Miami) use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County (County) for the eight years ended September 30, 2016. The primary objective was to ensure Surtax Proceeds were used in compliance with the *Interlocal Agreement for Distribution, Use and Reporting of Charter County Transit System Surtax Proceeds Levied by Miami-Dade County* executed July 1, 2007 (Interlocal Agreement). Additionally, we assessed resolution of prior audit findings referenced in our Report dated October 15, 2009 (Exhibit I).

## BACKGROUND

*County Ordinance (Ordinance) No. 02-116*, enacted on July 9, 2002, imposed a one-half of one percent Surtax on eligible sales transactions for Transportation-related projects. However, at least 20% of the Proceeds received by the County must be distributed to municipalities incorporated as of November 5, 2002, on a pro-rata basis using population statistics (Schedule III). The Surtax Program is administered by the Citizens' Independent Transportation Trust (CITT), a group comprised of 15 members appointed by the Board of County Commissioners, County Mayor, and Miami-Dade League of Cities.

Pursuant to the Interlocal Agreement, West Miami must annually continue the same level of General Fund support for Transportation projects appropriated in its Fiscal Year (FY) 2002 Budget (Maintenance of Effort), which totaled \$61,000 (Table I). Surtax monies may be used to develop, construct, equip, maintain, operate, or expand County-wide bus systems, fixed guideway rapid transit systems, roads, and bridges, as well as secure such bonds or pay debt service. Further, West Miami must apply at least 20% of the Proceeds to Transit-related projects, such as circulator buses, bus shelters, bus pullout bays, or other related infrastructure. *CITT Resolution No. 09-055*, adopted July 30, 2009, allows for the rollover of unspent Surtax funds for up to five years, provided the municipality's Five-Year Transportation Plan demonstrates how the funds will be used.



Additionally, *CITT Resolution No. 15-027*, adopted May 20, 2015, allows for carryover credits in the event amounts expended are in excess of annual Surtax allocations.

## **SUMMARY RESULTS**

During the audit period, West Miami received \$1.6 million in Surtax Proceeds and claimed Transit and Transportation-related expenditures totaling \$1.9 million (Table I). After adjusting claimed expenditures for the Maintenance of Effort (MOE), grant reimbursements, and ineligible expenses, West Miami had \$426,411 in unspent Transportation-related Surtax Proceeds as of September 30, 2016. However, Audited Financial Statements reflect only \$26,592 in Restricted Cash (Schedule I). Within 90 days, West Miami should work with OCITT to resolve the cash deficiency.

**Table I**  
**Surtax Statistics**

Description	Fiscal Year Ended September 30,								All Years
	2009	2010	2011	2012	2013	2014	2015	2016	
Maintenance of Effort	\$ 61,000	\$ 61,000	\$ 61,000	\$ 61,000	\$ 61,000	\$ 61,000	\$ 61,000	\$ 61,000	\$ 488,000
Revenues:									
Surtax Proceeds (Schedules I and III)	\$ 167,123	\$ 167,329	\$ 180,093	\$ 202,418	\$ 214,600	\$ 224,057	\$ 235,786	\$ 241,053	\$ 1,632,459
Interest (Schedule I)	365	366	107	-	-	-	-	-	838
	<u>\$ 167,488</u>	<u>\$ 167,695</u>	<u>\$ 180,200</u>	<u>\$ 202,418</u>	<u>\$ 214,600</u>	<u>\$ 224,057</u>	<u>\$ 235,786</u>	<u>\$ 241,053</u>	<u>\$ 1,633,297</u>
Claimed Expenditures (Tables III & IV):									
Transit	\$ 74,427	\$ 79,590	\$ 82,738	\$ 64,369	\$ 73,144	\$ 68,558	\$ 89,150	\$ 87,069	\$ 619,045
Transportation	86,572	66,396	96,406	180,102	128,149	241,849	176,345	309,044	1,284,863
	<u>\$ 160,999</u>	<u>\$ 145,986</u>	<u>\$ 179,144</u>	<u>\$ 244,471</u>	<u>\$ 201,293</u>	<u>\$ 310,407</u>	<u>\$ 265,495</u>	<u>\$ 396,113</u>	<u>\$ 1,903,908</u>
Unspent Surtax Proceeds (Schedule II): <sup>1</sup>									
Transportation-Related	\$ 184,569	\$ 290,556	\$ 360,946	\$ 387,484	\$ 470,801	\$ 471,096	\$ 511,647	\$ 426,411	
Key Account Balances (Schedule I): <sup>1</sup>									
Transportation Surtax Fund									
Cash - Restricted	\$ 97,324	\$ 18,813	\$ 83,041	\$ 111,275	\$ 166,915	\$ 113,251	\$ 77,307	\$ 26,592	
Fund Balance	<u>\$ 8,641</u>	<u>\$ 30,350</u>	<u>\$ 92,406</u>	<u>\$ 111,353</u>	<u>\$ 185,660</u>	<u>\$ 160,310</u>	<u>\$ 191,601</u>	<u>\$ 97,541</u>	

Source: OCITT, and West Miami's Audited Financial Statements and General Ledgers

<sup>1</sup> As of September 30th.

These and other findings are more fully discussed in the remainder of this Report. We appreciate the courtesies and assistance extended to our staff during the audit process. A copy of this Report has been submitted to West Miami, with a written response requested within 30 days. Please contact Jacqueline Williams, Audit Manager, at 786-469-5900, if you have any questions.

## **FINDINGS AND RECOMMENDATIONS**

### **Uses of Surtax Proceeds for Transit Projects**

As mentioned previously, West Miami claimed \$619,045 in Transit-related expenditures to operate its *West Miami Hour Loop (Circulator)* that exceeded its 20% minimum spending threshold of \$326,493. The *Circulator* offers free public transportation to and from local businesses, nearby shopping malls, and connection with County bus-stops, with ridership averaging 1,478 annually (Table II). Service is available Monday through Friday from 8:00 a.m. to 12:00 p.m., and 1:00 p.m. to 4:00 pm.



However, from 3:00 to 4:00 p.m., the *Circulator* is used exclusively to transport children from Sylvania Heights Elementary School to the City’s Recreation Center for an after-school program requiring three-round trips. CITT Guidelines do not allow such exclusive services.

**Table II**  
**Circulator Ridership**

Description	Fiscal Year Ended September 30,					
	2014		2015		2016	
	Regular Riders	School to Recreation Center	Regular Riders	School to Recreation Center	Regular Riders	School to Recreation Center
October	128	2,421	151	1,893	113	1,673
November	126	1,825	111	1,390	105	1,317
December	123	1,521	133	1,308	117	1,083
January	125	1,856	128	1,514	118	1,253
February	108	1,873	104	1,541	115	1,354
March	117	1,691	99	1,444	128	1,402
April	145	2,491	117	1,817	136	1,706
May	124	2,348	109	1,558	134	1,710
June	152	396	122	311	117	527
July	120	-	134	-	131	-
August	115	779	121	493	161	420
September	110	1,689	111	1,552	127	1,394
	<u>1,493</u>	<u>18,890</u>	<u>1,440</u>	<u>14,821</u>	<u>1,502</u>	<u>13,839</u>

Source: West Miami Monthly Ridership Reports

Claimed expenditures primarily included \$455,549 in salary and benefit costs for one full-time driver, and \$83,672 in debt installment payments (Table III). In February 2007, West Miami financed the purchase of a 2007 Ford F-450 StarTran Bus over four years through February 2011. In April 2015, a 2015 Ford F-550 Eldorado Bus was purchased and financed for six years at an annual debt service cost of \$14,374.

**Table III**  
**Summary of Claimed Transit Expenditures, As Adjusted**

Description	Fiscal Year Ended September 30,							
	2009	2010	2011	2012	2013	2014	2015	2016
Personnel Cost - Bus Driver	\$ 46,256	\$ 51,768	\$ 57,135	\$ 54,406	\$ 55,392	\$ 59,419	\$ 64,044	\$ 67,129
Bus Fuel, Repairs, and Insurance	8,171	10,360	8,141	9,963	17,752	9,139	10,732	5,566
Sub-Total	54,427	62,128	65,276	64,369	73,144	68,558	74,776	72,695
Bus Purchases Installment Payments	20,000	17,462	17,462	-	-	-	14,374	14,374
Total Claimed	74,427	79,590	82,738	64,369	73,144	68,558	89,150	87,069
Less AMS Adjustment for Ineligible <i>Circulator</i> Usage <sup>1</sup>	(7,620)	(8,698)	(9,139)	(9,012)	(10,240)	(9,598)	(10,469)	(10,177)
	<u>\$ 66,807</u>	<u>\$ 70,892</u>	<u>\$ 73,599</u>	<u>\$ 55,357</u>	<u>\$ 62,904</u>	<u>\$ 58,960</u>	<u>\$ 78,681</u>	<u>\$ 76,892</u>
								<u>\$ 544,092</u>

Source: West Miami General Ledgers

<sup>1</sup> One hour of the posted 7-hour route schedule is limited to the exclusive transportation of school children from Sylvania Heights Elementary School to the Recreation Center for an After-School Program. Thus, AMS disallowed 1/7th, or 14% of the operating costs (excluding Bus Purchases Installment Payments).

## **Recommendation**

West Miami should discontinue using the *Circulator* for exclusive transportation services.

### Uses of Surtax Proceeds for Transportation-Related Projects

To meet its Transportation-related spending targets, West Miami claimed \$1.3 million primarily for streetlight utilities, roadway and right-of-way improvements, and construction of traffic calming circles. Amounts claimed are shown net of \$742,970 reimbursed the City in FYs 2015 and 2016 from the State of Florida Department of Transportation, Local Agency Program Agreement (LAP) Grant, for traffic calming circles (Table IV).

**Table IV**  
**Summary of Claimed Transportation Expenditures, as Adjusted**

Description	Fiscal Year Ended September 30,								
	2009	2010	2011	2012	2013	2014	2015	2016	All Years
Street Lighting	\$ -	\$ -	\$ 66,299	\$ 65,106	\$ 74,460	\$ 75,264	\$ 81,475	\$ 84,395	\$ 446,999
Roadway & Right-of-Way	35,960	11,416	10,748	88,295	10,753	28,423	1,530	60,513	247,638
Traffic Calming Circles	-	-	-	-	2,250	92,847	60,515	25,526	181,138
Sidewalks (ADA) and Drainage Installation	-	-	-	-	12,575	-	-	107,419	119,994
Street Sweeping Service	9,015	7,814	8,772	12,873	12,540	11,994	14,773	13,063	90,844
Personnel Costs - Maintenance Worker	30,049	35,864	-	-	-	-	-	-	65,913
Administrative Cost	9,048	8,600	8,200	8,700	9,500	9,500	9,500	10,700	73,748
General Liability	2,500	2,500	2,500	2,500	2,500	2,500	3,500	3,500	22,000
Parking Meter Installation	-	-	-	-	-	17,750	1,080	-	18,830
Computer Service	-	-	-	2,500	3,571	3,571	3,571	3,571	16,784
Others	-	202	(113)	128	-	-	401	357	975
Total Claimed	86,572	66,396	96,406	180,102	128,149	241,849	176,345	309,044	1,284,863
Less AMS Adjustments:									
Administrative Cost (Over)/Under 5% Maximum	(692)	(234)	805	1,421	1,230	1,703	2,289	1,353	7,875
Ineligible Non-Transportation Personnel Cost	(12,020)	(14,346)	-	-	-	-	-	-	(26,366)
Parking Meters Equipment	-	-	-	-	-	(17,750)	(1,080)	-	(18,830)
	(12,712)	(14,580)	805	1,421	1,230	(16,047)	1,209	1,353	(37,321)
	\$ 73,860	\$ 51,816	\$ 97,211	\$ 181,523	\$ 129,379	\$ 225,802	\$ 177,554	\$ 310,397	\$ 1,247,542

Source: West Miami General Ledgers

As part of the review, ineligible personnel costs and parking meter purchases were identified, totaling \$45,196. Although West Miami did not maintain timesheets to document time spent by employees working on multiple activities, we disallowed 40% (\$26,366) in claimed Personnel Costs for one full-time Maintenance Worker, representing the portion spent removing litter and trash at bus stops, which is ineligible. This information was provided by the City Public Works Director.

After adjusting claimed expenditures for the MOE and ineligible costs, West Miami had \$426,411 in unspent Transportation Surtax Proceeds as of September 30, 2016 (Schedule II), although Audited Financial Statements reflect only \$26,592 in Restricted Cash.

### Recommendation

- Within 90 days, West Miami should work with OCITT to resolve the cash deficiency, and submit an updated Five-Year Transportation Plan reflecting how unspent Transportation Proceeds will be used, as required by *CITT Resolution No. 09-055*.
- Prospectively, greater diligence should be exercised in assuring that only eligible expenditures are paid with Surtax Proceeds. Further, West Miami should maintain timesheets to document time spent by employees when working on multiple activities.

### **Compliance Reporting**

West Miami submitted Annual Certification Letters and other Compliance Reports, however, some were forwarded after the applicable due dates.

### **Recommendation**

Prospectively, West Miami should submit Compliance Reports when due, or an extension should be requested from OCITT.

### **Prior Period Matter**

In FYs 2004 through 2008, West Miami claimed \$204,713 (Table V) for two full-time Maintenance Workers who spent 60% of their time maintaining the landscape of right-of-way areas which we disallowed. As excerpted below from the attached Memorandum, landscape maintenance was previously not an acceptable use of Surtax funds:

*Landscaping is not an acceptable use of Surtax funds, unless it is part of a roadway improvement. Specifically, if in the process of constructing or maintaining a road or bridge, trees must be removed, then Surtax funds may be utilized to restore or replant. Landscaping as a Stand Alone Project, not related to a road improvement project (e.g., beautification), is not eligible for Surtax funding. See Appendix I.*

**Table V**  
**Summary of Maintenance Worker(s) Personnel Costs Analysis**

Description	Fiscal Year Ended September 30,					Total
	2004	2005	2006	2007	2008	
Claimed Expenditures Previously Disallowed	\$ 27,520	\$ 26,357	\$ 46,142	\$ 52,410	\$ 52,284	\$ 204,713
Less Ineligible Salaries & Benefits (40%)	(11,008)	(10,543)	(18,457)	(20,964)	(20,913)	(81,885)
Amount Allowed	\$ 16,512	\$ 15,814	\$ 27,685	\$ 31,446	\$ 31,371	\$ 122,828

Source: October 15, 2009 Audit Report

More recently, at the request of OCITT, the Office of the County Attorney revisited the matter, modifying their previous opinion as follows:

*Consistent with the State Statute and County Ordinance, Surtax funds may be used for the maintenance and operation of roads and bridges. If related to landscaping of traffic circles, medians, and features related to the operation of a road or bridge, then said expenses are eligible to be paid for with Surtax funds. The same would apply for irrigation/drainage. If the irrigation/drainage applies to the maintenance and operation of a road, then it is an eligible expense. See Appendix II.*



Therefore, such amounts denied in our prior Audit Report have now been deemed allowable. As a result of this policy change and the impact of implementing *CITT Resolution Nos. 09-055 and 15-027*, West Miami's unspent Transportation Surtax Proceeds decreased from \$366,065 to \$96,748 as of September 30, 2008 (Schedule II-A).

CJ:ag

Attachments

c: Honorable Harvey A. Ruvin, Clerk of the Courts  
Abigail Price-Williams, County Attorney  
Edward Marquez, Deputy Mayor  
Alina T. Hudak, Deputy Mayor  
Jennifer Moon, Director, Office of Management and Budget  
Yolanda Aguilar, City Manager, City of West Miami

**Charter County Transportation System Surtax Review - City of West Miami  
Transportation Surtax Fund**

<b>Balance Sheets</b>								
<b>Description</b>	<b>As of September 30,</b>							
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Assets:</b>								
Cash - Restricted	\$ 97,324	\$ 18,813	\$ 83,041	\$ 111,275	\$ 166,915	\$ 113,251	\$ 77,307	\$ 26,592
Accounts Receivable <sup>1</sup>	27,048	40,777	43,620	48,074	51,048	53,879	450,568	290,993
Due from Other Funds	-	-	-	-	-	11,350	-	-
<b>Total Assets</b>	<b>\$ 124,372</b>	<b>\$ 59,590</b>	<b>\$ 126,661</b>	<b>\$ 159,349</b>	<b>\$ 217,963</b>	<b>\$ 178,480</b>	<b>\$ 527,875</b>	<b>\$ 317,585</b>
<b>Liabilities and Fund Balance:</b>								
<b>Liabilities:</b>								
Accounts Payable and Accrued Expenses	\$ 18,333	\$ -	\$ 560	\$ 18,100	\$ -	\$ 17,750	\$ 154,478	\$ 15,400
Due to Other Funds	97,398	29,240	33,695	29,896	32,303	420	181,796	204,644
	115,731	29,240	34,255	47,996	32,303	18,170	336,274	220,044
<b>Fund Balance:</b>								
Restricted for Transportation	8,641	30,350	92,406	111,353	185,660	160,310	191,601	97,541
<b>Total Liabilities and Fund Balance</b>	<b>\$ 124,372</b>	<b>\$ 59,590</b>	<b>\$ 126,661</b>	<b>\$ 159,349</b>	<b>\$ 217,963</b>	<b>\$ 178,480</b>	<b>\$ 527,875</b>	<b>\$ 317,585</b>
<b>Statements of Revenues, Expenditures, and Changes in Fund Balance</b>								
<b>Description</b>	<b>For Fiscal Year Ended September 30,</b>							
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Revenues:</b>								
Surtax Proceeds	\$ 167,123	\$ 167,329	\$ 180,093	\$ 202,418	\$ 214,600	\$ 224,057	\$ 235,786	\$ 241,053
Interest	365	366	107	-	-	-	-	-
Grant Revenues	-	-	-	-	-	-	531,933	211,037
	167,488	167,695	180,200	202,418	214,600	224,057	767,719	452,090
<b>Expenditures:</b>								
Salaries and Wages	54,070	55,878	46,316	46,002	47,524	48,581	-	-
Personnel Benefits	22,235	31,754	19,019	17,104	17,368	20,338	-	-
Other	41,919	29,982	25,044	36,988	62,826	44,391	-	-
Capital Outlay/Construction in Progress	22,775	10,910	10,303	83,377	12,575	136,097	680,283	343,982
Streets	-	-	-	-	-	-	128,526	187,794
Debt Service:								
Principal	16,984	15,711	16,536	-	-	-	14,374	10,574
Interest	3,016	1,751	926	-	-	-	-	3,800
	160,999	145,986	118,144	183,471	140,293	249,407	823,183	546,150
Excess (Deficiency) of Revenues over Expenditures	6,489	21,709	62,056	18,947	74,307	(25,350)	(55,464)	(94,060)
<b>Total Other Financing Sources</b>	-	-	-	-	-	-	86,755	-
<b>Net Change in Fund Balance</b>	6,489	21,709	62,056	18,947	74,307	(25,350)	31,291	(94,060)
<b>Fund Balance, Beginning of Year</b>	2,152	8,641	30,350	92,406	111,353	185,660	160,310	191,601
<b>Fund Balance, End of Year</b>	<b>\$ 8,641</b>	<b>\$ 30,350</b>	<b>\$ 92,406</b>	<b>\$ 111,353</b>	<b>\$ 185,660</b>	<b>\$ 160,310</b>	<b>\$ 191,601</b>	<b>\$ 97,541</b>

Source: City of West Miami Audited Financial Statements and General Ledgers

<sup>1</sup> In Fiscal Year 2016, the amount includes \$79,956 due in Surtax Proceeds, and \$211,037 from the State of Florida Department of Transportation, Local Agency Program Agreement Grant.

**These Financial Statements are not complete without the accompanying Independent Auditor's Reports and Notes.**

**Charter County Transportation System Surtax Review - City of West Miami**  
**Surtax Proceeds Usage Analysis**

Description	Fiscal Year Ended September 30,								All Years
	2009	2010	2011	2012	2013	2014	2015	2016	
<b>Sources of Funds:</b>									
Surtax Proceeds (Schedules I and III)	\$ 167,123	\$ 167,329	\$ 180,093	\$ 202,418	\$ 214,600	\$ 224,057	\$ 235,786	\$ 241,053	\$ 1,632,459
Interest (Schedule I)	365	366	107	-	-	-	-	-	838
	<u>\$ 167,488</u>	<u>\$ 167,695</u>	<u>\$ 180,200</u>	<u>\$ 202,418</u>	<u>\$ 214,600</u>	<u>\$ 224,057</u>	<u>\$ 235,786</u>	<u>\$ 241,053</u>	<u>\$ 1,633,297</u>
<b>Surtax Uses:</b>									
<b>Eligible Transit Expenditures</b> (Table III)	\$ 66,807	\$ 70,892	\$ 73,599	\$ 55,357	\$ 62,904	\$ 58,960	\$ 78,681	\$ 76,892	\$ 544,092
Less Amounts Used to Meet the Maintenance of Effort (MOE) Requirement	-	(9,184)	-	-	-	-	-	-	(9,184)
Expenditures Available for Surtax Use	<u>\$ 66,807</u>	<u>\$ 61,708</u>	<u>\$ 73,599</u>	<u>\$ 55,357</u>	<u>\$ 62,904</u>	<u>\$ 58,960</u>	<u>\$ 78,681</u>	<u>\$ 76,892</u>	<u>\$ 534,908</u>
<b>Eligible Transportation Expenditures</b> (Table IV)	\$ 73,860	\$ 51,816	\$ 97,211	\$ 181,523	\$ 129,379	\$ 225,802	\$ 177,554	\$ 310,397	\$ 1,247,542
Transit Expenditures Applied to Meet the MOE Requirement	-	9,184	-	-	-	-	-	-	9,184
Less MOE	(61,000)	(61,000)	(61,000)	(61,000)	(61,000)	(61,000)	(61,000)	(61,000)	(488,000)
Expenditures Available for Surtax Use	<u>\$ 12,860</u>	<u>\$ -</u>	<u>\$ 36,211</u>	<u>\$ 120,523</u>	<u>\$ 68,379</u>	<u>\$ 164,802</u>	<u>\$ 116,554</u>	<u>\$ 249,397</u>	<u>\$ 768,726</u>
<b>AMS Analysis:</b>									
<b>Transit-Related Expenditures:</b>									
Expenditures Available for Surtax Use	\$ 66,807	\$ 61,708	\$ 73,599	\$ 55,357	\$ 62,904	\$ 58,960	\$ 78,681	\$ 76,892	\$ 534,908
Less 20% Minimum Amount <sup>1</sup>	(33,425)	(33,466)	(36,019)	(40,484)	(42,920)	(44,811)	(47,157)	(48,211)	(326,493)
	<u>33,382</u>	<u>28,242</u>	<u>37,580</u>	<u>14,873</u>	<u>19,984</u>	<u>14,149</u>	<u>31,524</u>	<u>28,681</u>	<u>208,415</u>
Less Amount Applied to Transportation-Related Expenditures	(33,382)	(28,242)	(37,580)	(14,873)	(19,984)	(14,149)	(31,524)	(28,681)	(208,415)
<b>Remaining Unspent Amount</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Transportation-Related Expenditures:</b>									
Expenditures Available for Surtax Use	\$ 12,860	\$ -	\$ 36,211	\$ 120,523	\$ 68,379	\$ 164,802	\$ 116,554	\$ 249,397	\$ 768,726
Excess Transit Expenditures Applied	33,382	28,242	37,580	14,873	19,984	14,149	31,524	28,681	208,415
Less Remaining 80% Amount <sup>1</sup>	(133,698)	(133,863)	(144,074)	(161,934)	(171,680)	(179,246)	(188,629)	(192,842)	(1,305,966)
Less Interest	(365)	(366)	(107)	-	-	-	-	-	(838)
(Increase) Decrease in Rollover Amounts	<u>\$ (87,821)</u>	<u>\$ (105,987)</u>	<u>\$ (70,390)</u>	<u>\$ (26,538)</u>	<u>\$ (83,317)</u>	<u>\$ (295)</u>	<u>\$ (40,551)</u>	<u>\$ 85,236</u>	<u>\$ (329,663)</u>
<b>Analysis of Unspent Rollover:</b>									
Beginning Balance, as Restated (Schedule II-A)	\$ 96,748	\$ 184,569	\$ 290,556	\$ 360,946	\$ 387,484	\$ 470,801	\$ 471,096	\$ 511,647	\$ 96,748
Increase (Decrease) In Rollover Amounts	87,821	105,987	70,390	26,538	83,317	295	40,551	(85,236)	329,663
<b>Remaining Unspent Amount</b>	<u>\$ 184,569</u>	<u>\$ 290,556</u>	<u>\$ 360,946</u>	<u>\$ 387,484</u>	<u>\$ 470,801</u>	<u>\$ 471,096</u>	<u>\$ 511,647</u>	<u>\$ 426,411</u>	<u>\$ 426,411</u>

<sup>1</sup> At least 20% of the Surtax Proceeds must be used on Transit-related projects, such as circulator buses, and the remaining funds (80%) are earmarked for eligible Transportation projects.



**Charter County Transportation System Surtax Review - City of West Miami**  
**Surtax Proceeds Usage Analysis, as Restated <sup>1</sup>**

Description	Fiscal Year Ended September 30,						All Years
	2003	2004	2005	2006	2007	2008	
<b>Surtax Proceeds</b> (Schedule III)	\$ 113,307	\$ 173,613	\$ 185,212	\$ 202,961	\$ 194,190	\$ 184,561	\$ 1,053,844
<b>Surtax Uses:</b>							
<b>Eligible Transit Expenditures</b> <sup>2</sup>	\$ 26,687	\$ -	\$ 2,303	\$ 49,284	\$ 79,713	\$ 88,429	\$ 246,416
<b>Eligible Transportation Expenditures</b> <sup>2</sup>	\$ 64,793	\$ 108,549	\$ 124,974	\$ 106,976	\$ 332,482	\$ 216,078	\$ 953,852
Additional Eligible Maintenance Workers Personnel Costs (Table V) <sup>3</sup>	-	16,512	15,814	27,685	31,446	31,371	122,828
Less Maintenance of Effort	(61,000)	(61,000)	(61,000)	(61,000)	(61,000)	(61,000)	(366,000)
Expenditures Available For Surtax Use	\$ 3,793	\$ 64,061	\$ 79,788	\$ 73,661	\$ 302,928	\$ 186,449	\$ 710,680
<b>AMS Analysis:</b>							
<b>Transit-Related Expenditures:</b>							
Expenditures Available for Surtax Use	\$ 26,687	\$ -	\$ 2,303	\$ 49,284	\$ 79,713	\$ 88,429	\$ 246,416
Less 20% Minimum Amount <sup>4</sup>	(22,661)	(34,723)	(37,042)	(40,592)	(38,838)	(36,912)	(210,768)
(Increase) Decrease in Rollover Amounts	\$ 4,026	\$ (34,723)	\$ (34,739)	\$ 8,692	\$ 40,875	\$ 51,517	\$ 35,648
<b>Analysis of Unspent Rollover:</b>							
Beginning Balance	\$ -	\$ (4,026)	\$ 30,697	\$ 65,436	\$ 56,744	\$ 15,869	\$ -
Increase (Decrease) In Rollover Amounts	(4,026)	34,723	34,739	(8,692)	(40,875)	(51,517)	(35,648)
Amounts Applied to Reduce the Transportation-Related Rollover Amount	-	-	-	-	-	35,648	35,648
<b>Remaining Unspent Amount</b>	\$ (4,026)	\$ 30,697	\$ 65,436	\$ 56,744	\$ 15,869	\$ -	\$ -
<b>Transportation-Related Expenditures:</b>							
Expenditures Available for Surtax Use	\$ 3,793	\$ 64,061	\$ 79,788	\$ 73,661	\$ 302,928	\$ 186,449	\$ 710,680
Less Remaining 80% Amount <sup>4</sup>	(90,646)	(138,890)	(148,170)	(162,369)	(155,352)	(147,649)	(843,076)
(Increase) Decrease in Rollover Amounts	\$ (86,853)	\$ (74,829)	\$ (68,382)	\$ (88,708)	\$ 147,576	\$ 38,800	\$ (132,396)
<b>Analysis of Unspent Rollover:</b>							
Beginning Balance	\$ -	\$ 86,853	\$ 161,682	\$ 230,064	\$ 318,772	\$ 171,196	\$ -
Increase (Decrease) In Rollover Amounts	86,853	74,829	68,382	88,708	(147,576)	(38,800)	132,396
Excess Transit Rollover Credit Amount Applied	-	-	-	-	-	(35,648)	(35,648)
<b>Remaining Unspent Amount</b>	\$ 86,853	\$ 161,682	\$ 230,064	\$ 318,772	\$ 171,196	\$ 96,748	\$ 96,748

<sup>1</sup> Amounts have been restated to reflect the impact of *CITT Resolution Nos. 09-055* and *15-027*, which allow for the rollover of unspent Surtax funds and carry-forward credits, respectively.

<sup>2</sup> See the October 15, 2009 Audit Report for additional details.

<sup>3</sup> Due to the change in guidance by OCITT, a portion of the Personnel Costs are determined eligible. See the Audit Report for additional information.

<sup>4</sup> At least 20% of the Surtax Proceeds must be used on Transit-related projects, such as circulator buses, and the remaining funds (80%) are earmarked for eligible Transportation projects.

## Schedule III

**Charter County Transportation System Surtax Review  
Summary of Payments to Municipalities**

Municipality	Fiscal Year Ended September 30,															All Years
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
City of Miami <sup>1</sup>	\$ 6,905,410	\$ 10,580,915	\$ 11,208,930	\$ 12,562,541	\$ 12,855,629	\$ 12,574,719	\$ 11,545,439	\$ 11,946,673	\$ 13,113,576	\$ 13,555,331	\$ 14,564,114	\$ 15,424,405	\$ 16,414,208	\$ 16,889,133	\$ 180,141,023	
City of Hialeah	4,382,718	6,715,483	7,014,990	7,730,686	7,656,151	7,336,976	6,672,306	6,709,589	7,117,975	7,623,497	8,118,432	8,457,199	8,983,772	9,243,159	103,762,933	
City of Miami Beach	1,686,079	2,583,517	2,719,756	3,029,839	3,108,056	2,960,734	2,736,361	2,765,507	2,916,205	2,978,728	3,166,271	3,351,080	3,552,358	3,670,335	41,224,826	
City of North Miami	1,136,965	1,742,129	1,805,505	1,989,253	2,004,095	1,919,328	1,759,840	1,755,291	1,836,714	1,994,866	2,107,503	2,212,494	2,328,969	2,454,241	27,047,193	
City of Miami Gardens <sup>2</sup>	-	-	-	-	-	-	-	-	-	10,352,937	3,837,951	3,985,238	4,199,539	4,336,722	26,712,387	
City of Homestead	621,791	952,745	1,051,671	1,208,129	1,275,853	1,387,011	1,681,886	1,747,262	1,809,949	2,053,440	2,204,159	2,354,015	2,519,902	2,669,792	23,537,605	
City of Coral Gables	810,009	1,241,148	1,298,953	1,467,752	1,480,710	1,426,754	1,302,297	1,346,817	1,429,343	1,587,452	1,685,507	1,781,041	1,897,394	1,955,854	20,711,031	
City of North Miami Beach	799,300	1,224,740	1,267,423	1,402,019	1,366,735	1,307,355	1,195,378	1,202,159	1,260,998	1,409,058	1,493,737	1,566,354	1,659,574	1,733,203	18,888,033	
City of Aventura	495,408	759,096	818,788	933,612	947,021	946,296	887,089	912,935	977,774	1,213,562	1,280,248	1,385,071	1,436,028	1,494,036	14,486,964	
Town of Miami Lakes <sup>1</sup>	460,331	705,348	737,093	822,002	822,114	876,926	760,175	774,921	810,925	996,347	1,052,533	1,095,293	1,172,205	1,209,319	12,295,532	
City of Doral <sup>2</sup>	-	-	-	-	-	-	-	-	-	3,642,653	1,667,049	1,767,800	1,925,900	2,120,606	11,124,008	
Village of Palmetto Bay	459,612	704,246	745,086	824,252	823,908	807,842	734,476	740,194	789,514	794,405	841,373	879,379	930,008	952,951	11,027,246	
Town of Cutler Bay <sup>2, 3</sup>	-	-	-	-	-	-	-	-	-	3,886,873	1,453,608	1,541,361	1,643,660	1,721,858	10,247,360	
City of Hialeah Gardens	373,801	572,763	604,331	676,565	681,956	657,921	598,273	615,769	659,652	737,631	780,808	816,410	859,975	904,713	9,540,568	
City of Sunny Isles Beach	293,299	449,411	486,866	548,772	555,020	582,250	547,355	593,184	613,819	706,920	752,852	795,768	834,090	869,990	8,629,596	
Village of Pinecrest <sup>4</sup>	361,540	553,977	579,684	639,364	646,631	627,523	14,305	572,099	612,279	618,387	1,205,816	686,122	723,235	737,876	8,578,838	
City of Opa-locka <sup>1</sup>	291,102	446,045	468,652	533,416	513,020	497,615	448,435	445,408	480,123	516,448	552,018	580,600	556,122	90,323	6,419,327	
City of Miami Springs	259,738	397,985	412,534	456,196	459,353	440,937	398,334	398,681	421,632	468,600	496,146	522,095	550,052	562,418	6,244,701	
City of Sweetwater <sup>1</sup>	270,238	414,075	429,218	472,215	477,595	458,867	418,273	419,090	350,048	368,080	390,842	326,534	275,281	273,778	5,344,134	
City of South Miami	203,889	312,415	323,655	360,476	351,494	338,279	308,347	328,868	357,423	395,573	443,069	504,946	538,750	546,219	5,313,403	
Village of Key Biscayne	202,733	310,644	333,638	369,378	379,639	368,354	333,808	339,806	358,459	418,886	443,069	461,282	489,679	502,197	5,311,572	
Miami Shores Village	197,655	302,860	313,826	346,278	348,437	335,963	301,400	313,310	340,930	345,317	368,810	384,663	408,970	419,557	4,727,976	
City of Florida City	153,748	235,582	254,464	288,454	291,983	295,447	272,056	299,755	320,951	381,591	419,450	440,752	477,906	498,385	4,630,524	
North Bay Village	126,762	194,231	198,770	218,913	215,921	186,169	167,474	200,385	214,742	242,190	263,374	279,848	299,797	314,789	3,123,365	
City of West Miami	113,307	173,613	185,212	202,961	194,190	184,561	167,123	167,329	180,093	202,418	214,600	224,057	235,786	241,053	2,686,303	
Town of Surfside	95,908	146,959	157,799	184,160	144,185	223,419	168,610	170,243	180,473	194,919	206,033	214,832	226,558	229,428	2,543,526	
Town of Bay Harbor Islands	96,989	148,613	155,936	172,145	173,190	167,339	150,306	151,009	160,052	190,982	201,912	214,053	227,105	231,953	2,441,584	
Village of Biscayne Park	62,045	95,070	104,750	117,666	110,586	106,676	97,167	96,222	100,460	103,670	110,094	115,264	122,506	125,900	1,468,076	
Bal Harbour Village	62,707	96,085	99,550	112,832	105,834	95,526	89,285	97,016	104,292	85,278	89,667	110,690	113,983	114,472	1,377,217	
Village of Virginia Gardens	44,592	68,325	70,576	77,979	78,619	76,184	68,729	67,579	71,151	80,594	85,654	89,044	94,354	96,229	1,069,609	
Village of El Portal <sup>1</sup>	47,795	73,232	76,045	84,400	84,367	82,000	73,663	73,579	77,875	78,896	83,900	87,815	88,880	6,467	1,018,914	
Town of Medley	21,186	32,464	33,963	37,170	37,616	41,385	33,052	33,111	35,277	28,436	29,889	31,913	33,823	34,442	463,727	
Town of Golden Beach <sup>1</sup>	17,511	26,830	27,952	32,999	24,732	7,016	37,226	27,846	29,686	31,187	33,042	34,366	35,427	36,766	402,586	
Indian Creek Village <sup>5</sup>	625	955	931	1,093	-	-	-	-	-	-	-	-	-	-	3,604	
	\$ 21,054,793	\$ 32,261,501	\$ 33,986,547	\$ 37,903,517	\$ 38,214,640	\$ 37,317,372	\$ 33,968,468	\$ 35,311,637	\$ 37,732,390	\$ 58,285,152	\$ 50,643,530	\$ 52,721,784	\$ 55,855,796	\$ 57,288,164	\$ 582,545,291	

Source: Office of the Citizens' Independent Transportation Trust (OCITT) and the County's Financial Accounting Management Information System

<sup>1</sup> Amounts are net of withholdings of \$76,553 from the Town of Miami Lakes, \$983,000 from the City of Sweetwater, \$21,058 from the Town of Golden Beach, \$658,577 from the City of Opa-locka, \$276,000 from the City of Miami, and \$84,069 from the Village of El Portal, due to specific instances of noncompliance.

<sup>2</sup> Pursuant to the respective Interlocal and/or Settlement Agreements, these Municipalities, which were incorporated after November 2002, are receiving a share of the County's Surtax Proceeds consistent with the other Municipal distributions.

<sup>3</sup> As per OCITT, Municipality received \$3,000 in excess of amounts due for Fiscal Year (FY) 2012, which was corrected in FY 2013.

<sup>4</sup> Amount in 2009 is net of \$551,589 returned by the Village of Pinecrest for their unspent Transit portion of funding as of September 30, 2007. In FY 2013, OCITT returned the monies to the Village.

<sup>5</sup> A total of \$25,648 has been withheld from Indian Creek Village, at their request, since FY 2007.

**Charter County Transportation System Surtax Review – City of West Miami**  
**Status of Prior Audit Findings <sup>1</sup>**

Finding	Recommendation	Auditee Response	Current Status
<b>General Fund Support</b>			
The City of West Miami (West Miami) claimed \$14,000 as its Fiscal Year (FY) 2002 Maintenance of Effort (MOE), however, our review disclosed the amount should be \$61,000.	Require West Miami certify the corrected MOE of \$61,000 within 30 days.	The corrected MOE will be reported.	<b><u>Resolved</u></b>
<b>Use of Surtax Proceeds</b>			
West Miami claimed \$1.08 million in Transit and Transportation-related expenditures. During the audit, an additional \$389,318 in qualifying expenditures were identified. Using the corrected MOE, and adjusting for ineligible expenditures, our review disclosed the City was unable to expend \$435,527 in Transit and Transportation-related Surtax Proceeds.	Recapture \$435,527, or allow rollover in subsequent periods as stated in Citizens' Independent Transportation Trust (CITT) guidelines.	Aside from the Interlocal Agreement (that does not specify the eligibility of the use of Surtax Dollars), there have been no formal rules to our knowledge on the use of said funds. We have operated under the submitted and accepted Five-Year Transportation Plan, amendments, and changes.	<b><u>Partially Resolved</u></b> After applying changes pursuant to revised OCITT guidelines, as well as <i>CITT Resolution Nos. 09-055 and 15-027</i> , the City has \$426,411 in unspent Transportation-related Surtax Proceeds as of September 30, 2016. <i>See Pages 4 - 6 of the Audit Report.</i>
<b>Certification and Reporting Requirements</b>			
The City did not submit annual reports for qualifying expenditures, Certification Letters, and the FY 2004 Five-Year Transportation Plan.	The City should submit all delinquent reports to Office of the Citizens' Independent Transportation Trust (OCITT) as required.	The City has submitted to OCITT the required annual reports. If additional reports are or have been due, the City has never been notified of any new reporting requirements.	<b><u>Partially Resolved</u></b> The City submitted all required reports, albeit late in certain instances. <i>See Page 5 of the Audit Report.</i>
<b>Signage</b>			
We found no evidence of signage on the existing Community Shuttle Buses that the program was funded by Surtax Proceeds.	The City should comply with the signage requirement.	The City has ordered signage in an effort to comply.	<b><u>Resolved</u></b>

<sup>1</sup> For the full text, see the October 15, 2009 Audit Report.

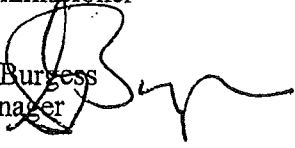


## Memorandum



**Date:** June 22, 2009

**To:** Honorable Rebeca Sosa  
County Commissioner

**From:** George M. Burgess  
County Manager 

**Subject:** Municipalities Receiving Charter County Transit System Surtax Funding – Allowable Landscaping Expenditures

This memorandum addresses your question regarding the use of Charter County Transit System Surtax (Transit Surtax) funds for landscaping expenditures. As you know, the Office of the Citizens' Independent Transportation Trust (OCITT) oversees the administration of the Transit Surtax under the supervision of the Citizens' Independent Transportation Trust. Municipalities receiving Transit Surtax monies must expend those funds on eligible Transit and Transportation projects, in accordance with laws, regulations and administrative guidelines expressed in Florida Statutes Section 212.055(1), Miami-Dade County Ordinance No. 02-116, and the respective Interlocal Agreements executed with the OCITT.

While landscaping expenditures are not addressed in the referenced Florida Statutes or Miami-Dade County Ordinance, the OCITT formally issued guidance on the eligibility of these costs during a May 2004 Workshop attended by municipal representatives (Attachment I). Based upon that guidance, landscaping costs are eligible for Transit Surtax funding only when plantings are part of roadway improvement projects. Thus, the routine maintenance of swales and medians are not eligible for Transit Surtax funding. We understand these guidelines were developed in consultation with the Office of the County Attorney.

If you have any further questions, please contact Cathy Jackson, Director of the Audit and Management Services Department, at 305-349-6100 or Charles Scurr, Executive Director of the OCITT, at 305-375-1357.

CJ:ag

Attachment

- c: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners  
Chairperson Linda Zilber and Members, Citizens' Independent Transportation Trust  
Susanne M. Torriente, Chief Assistant County Manager  
Ysela Llort, Assistant County Manager  
Charles D. Scurr, Executive Director, OCITT  
Bruce Libhaber, Assistant County Attorney  
Cathy Jackson, Director, Audit and Management Services Department

## **MUNICIPAL Q&A**

### **May 2004**

#### **ELIGIBLE EXPENDITURES**

- 1) **What is defined as a "transit improvement project?"** A transit improvement is defined as bus service and related amenities, such as the operation and maintenance of transit service, bus pull-out bays, bus shelters, bus benches, and bus stops. Consultant services for transit planning as well as other related transit administrative expenses are eligible.
- 2) **What is defined as a "transit service"?** A fixed route. This term is applied to a transit service that is regularly scheduled and operates over a set route.
- 3) **Does the cost of city personnel associated with transportation improvements count toward baseline expenses (e.g. charging a portion of the Public Works Director's time spent on PTP transportation projects)? Can funds from the transit surtax be used to pay for the costs of city staff that are hired to perform street maintenance duties (such as repairing pot holes, etc.).** Yes – as long as it is for enhanced services and eligible transportation and transit expenses.
- 4) **Where and when can the installation or repair of sidewalks be regarded as an eligible project?** If the construction or repair of a sidewalk is part of a larger road improvement project, or if the installation is necessary to provide accessibility (ADA) to a bus stop, then it is eligible to be funded from surtax proceeds. The installation, repair or maintenance of a sidewalk cannot be done when not part of a road improvement project, or when not associated with bus stop accessibility. If during the construction or maintenance of a road or bridge, a sidewalk is damaged or needs to be removed, that sidewalk may be repaired and/or replaced with surtax funds. A bus stop sidewalk improvement project is funded from the 20 percent transit portion. A sidewalk that is part of a road improvement project is funded from the 80 percent transportation portion. Please contact your municipal liaison for a list of bus stops within your municipality that require ADA compliance retrofit.
- 5) **Are landscaping and irrigation allowed under PTP funding guidelines? Landscaping is not an acceptable use of surtax funds, unless it is part of a roadway improvement. Specifically, if in the process of constructing or maintaining a road or bridge, trees must be removed, then surtax funds may be utilized to restore or replant. Landscaping as a Stand Alone Project, not related to a road improvement project (e.g. for beautification), is not eligible for surtax funding.**
- 6) **Are bikepaths and/or greenways an eligible expenditure?** Bicycle paths which run alongside and connect to roads and/or a rapid transit system are acceptable transportation uses of surtax funds. Bicycle paths which run along the beach or in a park are not acceptable uses of surtax funds.
- 7) **Are vanpools an eligible expenditure?** No. Van Pools are not an acceptable use of surtax funds, since they are not part of a bus or rapid transit system, nor do they constitute construction, operation, or maintenance of a road or bridge.
- 8) **Are street furniture (benches, trashcans, tree grates) eligible?** Benches and shelters at bus stops are an acceptable transit purpose under the state statute and county ordinance.

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May 2004

However, street furniture which is not located at bus stops is not an acceptable use of surtax funds.

- 9) Are bus shelters for schoolbus pickup/dropoff points eligible? Are busbays for school buses eligible? Can school buses be purchased to transport children? If yes, from transit or transportation funds? No. Florida statute 316.003 has clear, separate, and distinct definitions for a bus and school bus. Therefore, when Florida Statute and the County Ordinance make reference to a bus or bus system, it does not include school buses or school bus amenities. As such, the purchase of school buses, school bus benches, school bus pullout bays, etc., are not legally acceptable uses of surtax funds.
- 10) Is the painting and/or maintenance of traffic light mast arms, benches and light poles an eligible expense? The maintenance of benches, assuming they are located at transit bus stops, is an acceptable use of surtax funds and would constitute a transit purpose. The maintenance of traffic light mast arms is an acceptable transportation project. Light Poles, assuming they are placed to light a road, are an acceptable transportation purpose.
- 11) What type of signage is eligible for funding? Miami-Dade County Public Works Department is responsible for maintaining the county's traffic and street signs on county roads/right-of-ways. However, municipalities may utilize their surtax proceeds from their transportation share for street signs. Entrance feature signs (e.g. "Welcome to ....") and other non-transit related directional signs are not eligible for surtax funding.
- 12) Equipment, such as streetsweepers, backhoe, crewcab, swale and ROW maintenance equipment, asphalt spreader, bulldozer excavator, asphalt milling machine, grader, wheel loader, low flow planer, dump truck, street pressure washer, storm drainage vacuum cleaner, portable suction pump, eligible expenditures? The procurement of maintenance equipment, if used for the repair and/or maintenance of roads, is an acceptable transportation use of surtax use. Equipment utilized for irrigation and/or drainage along roads is an acceptable transportation program for the use of surtax funds.

## REPORTING CRITERIA

- 13) What time period should the Municipal Transportation Plan cover? Is the baseline year FY 01-02 considered the first year of the 5-year transportation plan? No, the first year of the plan is FY 02-03; the Transportation Plan covers activities beginning in FY 02-03 through FY 06-07. In order to have uniformity and consistency in reporting the transportation plans, a boilerplate has been developed for your convenience. A sample may be downloaded from [trafficroelief.com](http://trafficroelief.com). A sample, along with instructions, are included in your Guidebook. The five year transportation plan is for the period between FY02-03 thru FY06-07.
- 14) Who can assist me with developing my transportation plan? A municipality may exercise one of the following options: (1) Utilize the County's contract to access one of the three firms that have already been approved by the County's Metropolitan Planning Organization; (2) contact OCITT's municipal liaison to assist with basic technical questions in the preparation of your plan; or (3) utilize surtax proceeds (80% transportation share) to hire a consultant or an employee to develop and maintain their plan.
- 15) Define fiscal year. From October 1 – September 30



## **MUNICIPAL Q&A**

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- 16) We already applied some surtax funds in September 2003 for the purchase of road grading and paving equipment. Under the five year plan, under which fiscal year does this fall? *Projects should be listed/budgeted in the Five Year Transportation Plan utilizing the County's fiscal calendar (i.e. October 1 thru September 30).*
- 17) If a city operates on a different fiscal year than the county, which should be used when submitting transportation plans? *Plans must be submitted using the county's fiscal year. The budgetary process and submissions are based on the county's budget year, while audited financial statements would be based on the municipality's actual fiscal year.*
- 18) Can a municipality modify their transportation plans after they have been submitted to the CITT? *Although an amendment/change to the plan may be presented anytime during the fiscal year, annual updates of the five year transportation plan are required, whether changes occur or not, by June 1<sup>st</sup> of each year.*

#### **MAINTENANCE OF EFFORT**

- 19) What level of maintenance of effort is required by municipalities? *Per County Ordinance 02-116 (i), states that municipalities are to "continue to provide the same level of general fund support for transportation that is in their FY 2001-02 budget in subsequent Fiscal Years."*
- 20) Are there exceptions to the required level of Maintenance of Effort? *In the case where surplus funds were transferred for a project that was not completed and, subsequently, the surplus has been transferred back? The FY 01-02 is the base year, the ordinance (02-116) does not allow for exceptions for calculating the required level of Maintenance of Effort.*
- 21) Is the FY 2002 level of effort amount based on what was actually spent in 2002, or what was originally budgeted? *Per County Ordinance and as agreed upon in the Interlocal Agreement, the Maintenance of Effort is based on what was "budgeted" for FY01-02, and not what was expended.*
- 22) Is it enough for a city to have begun a study to examine ways to accomplish the 20% expenditure, (like the development of a circulator system)? *Yes, as long as the balance is encumbered under a contractual agreement.*

#### **GENERAL INFORMATION**

- 23) Can a municipality use its People's Transportation Plan dollars as collateral for a municipal bond? *Yes, as long as the municipality can provide documentation regarding the bonding of surtax revenues. The projects that will be funded must be clearly identified in the municipal transportation plan.*
- 24) Can a municipality rollover its transit share (20%) of surtax funds? *No. The 20% that must be spend on transit activities must be spent within the fiscal year that it is received. However, a municipality may encumber the monies through contractual agreement. Each municipality shall be required to apply at least 20% of their share of surtax proceeds towards*

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transit, such as bus service, bus pullout bays, shelters, and any other transit-related infrastructure. Any municipality that cannot apply the 20% portion of surtax proceeds it receives may contract with the County for the County to apply such proceeds on a County project that enhances traffic mobility within the city and immediately adjacent areas. If the city cannot expend such proceeds in accordance with the established criteria, proceeds shall be carried over and added to the overall portion of the surtax proceeds to be distributed to the cities in the ensuing year and shall be utilized solely for the transit uses enumerated herein. Municipalities can utilize more than 20% on transit services.

- 25) When a municipality spends more than the 20% allowed for transit projects in earlier years, is it obligated to meet the 20% requirement in later years? Yes. County Ordinance No. 02-116 requires that the municipalities allocate 20% of their distribution annually on transit projects. The 20% is a minimum level of expenditure, not a maximum. The ordinance further explains that the 20% transit portion must be expended (or encumbered) by the end of the [fiscal] year, or the unexpended portion will revert to the municipal pot for redistribution. The 20% expenditure can include debt payments on financing relating to eligible transit improvements.
- 26) Can a municipality rollover its transportation share (80%) of surtax funds? Yes. Unlike the 20% of transit share of surtax proceeds, the 80% transportation portion may be carried over to the following fiscal year(s).
- 27) Given the municipalities for the most part did not receive their share of surtax proceeds until July/August 2003, will the transit portion of these funds be allowed to rollover to FY03-04? Yes, given the limited time municipalities had to develop their transportation plan, the transit portion will be allowed to rollover over to FY 03-04. However, these "transit" funds, as well as the percentage of "transit" funds allocated in FY 03-04 must be expended or encumbered prior to the end of the fiscal year or those funds will revert to the municipal pool.
- 28) When did the County distribute the first surtax proceeds to the municipalities? The first receipt was on April 1st for January collections. The first distribution was to Hialeah on June 12th for January through March collections followed by a transfer to all Municipalities with completed interlocal agreements and ACH forms on July 29th for January through April collections.
- 29) How will cities handle the annual audits? City auditors are required to review applicable resolutions, ordinances and contracts (Interlocal Agreement) relating to this funding source as part of annual audit requirement to ensure compliance. The audits will be reviewed to make sure the cities comply with this agreement.
- 30) What are the requirements for minority and small business participation compliance on PTP funded municipal projects? There are no participation requirements if municipal projects are funded exclusively from municipal and surtax funds.
- 31) Are there allowances for cities that have a large daytime population but still have a small residential population? No. The municipal distribution formula was established at the time the ordinance was approved. It is a pro rata, population based formula.

**Toledo, Nestor (CITT)**

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**From:** Libhaber, Bruce (CAO)  
**Sent:** Friday, August 18, 2017 11:21 AM  
**To:** Toledo, Nestor (CITT)  
**Cc:** Scurr, Charles (CITT); Amaro, Marlene (CITT); Gonzalez, Miguel (CAO); Alfonso, Annery (CAO)  
**Subject:** RE: Landscaping and roadway maintenance

Consistent with the state statute and County ordinance, surtax funds may be used for the maintenance and operation roads and bridges. If your inquiry related to landscaping of traffic circles, medians, and features related to the operation of a road or bridge then said expenses are eligible to be paid for with surtax funds. The same would apply for irrigation/drainage. If the irrigation/drainage applies to the maintenance and operation of a road, then it is an eligible expense. If the landscaping/irrigation/drainage is being performed for a purpose other than as related to roads or bridges (i.e. parks), then it would not be eligible to be paid for with surtax funds.

If you have any further questions or concerns, please do not hesitate to contact me.

Sincerely,  
 Bruce Libhaber  
 Assistant County Attorney

**From:** Toledo, Nestor (CITT)  
**Sent:** Wednesday, July 26, 2017 1:10 PM  
**To:** Libhaber, Bruce (CAO) <Bruce.Libhaber@miamidade.gov>  
**Subject:** Landscaping and roadway maintenance

Bruce:

Please give me a call when you have a minute. As per our recent conversation, I want to confirm that surtax funds may be use for landscaping, maintenance, equipment to maintain landscaping, irrigation, etc. on roadway project that were funded by the PTP surtax.

Again, please give me a call so I can draft the appropriate language on our municipal guidelines (Q&A).

Thanks