



AUDIT AND MANAGEMENT SERVICES DEPARTMENT  
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August 30, 2023

Ms. Alina T. Hudak  
City Manager  
City of Miami Beach  
1700 Convention Center Drive  
Miami Beach, FL 33139

**Re: Final Audit Report – Charter County Transportation System Surtax Review –  
City of Miami Beach**

Dear Ms. Hudak:

Enclosed is the above-captioned Final Audit Report that was previously discussed with your Staff. We appreciate the courtesies and assistance provided to our staff during the audit process. Please contact Duane Mathis, Deputy Director, at (786) 469-5900, if you have any questions or require further information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ofelia Tamayo".

Ofelia Tamayo  
Director

OT:bm

Attachment


c: Javier A. Betancourt, Executive Director, OCITT  
Vyomie C. Greene, Assistant Director, Finance Department, City of Miami Beach

# Memorandum



**Date:** August 30, 2023

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

**From:**   
Ofelia Tamayo, Director  
Audit and Management Services Department

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

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## **PURPOSE AND SCOPE**

We performed a review of the City of Miami Beach's (City) use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County (County) for the three years ended September 30, 2021. The primary objective was to ensure that Surtax Proceeds were used in compliance with the *Interlocal Agreement for Distribution of Charter County Transit System Surtax Proceeds Levied by Miami-Dade County (Interlocal Agreement)*, executed on August 13, 2003. Additionally, we assessed the resolution of prior audit findings referenced in our Audit Report dated September 10, 2019 (Exhibit I).

## **BACKGROUND**

*County 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 Surtax 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 IV). 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*, the City 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 \$2.9 million (Table I). Surtax monies may be used by municipalities for the planning, development, construction, operation, and maintenance of roads and bridges and on-demand transportation services, including the expansion of bus and fixed guideway systems; and for the payment of principal and interest on bonds issued for the construction of fixed guideway rapid transit systems, bus systems, roads, or bridges. Further, the City must apply at least 20% of the Surtax 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**

For the three years ended September 30, 2021, the City received \$11.5 million in Surtax Proceeds and claimed Transit and Transportation-related expenditures totaling \$25.3 million (Table I). However, \$253,768 was disallowed for On-Demand services as the City has not pursued the *Interlocal Agreement* as required by *Ordinance No.19-06* and has imposed age restrictions on usage. After adjusting claimed Transportation expenditures for the Maintenance of Effort (MOE) and disallowed costs, the City had a carryover credit of \$5.3 million that may be applied to future Surtax funding (Schedule III). The City appropriately expended 20% of its annual Surtax Proceeds on eligible Transit Services.

**Table I  
 Surtax Statistics**

Description	Fiscal Year (FY) Ended September 30,			All Years
	2019	2020	2021	
Maintenance of Effort (MOE)	\$ 2,937,514	\$ 2,937,514	\$ 2,937,514	\$ 8,812,542
Surtax Proceeds (Schedule I) <sup>1</sup>	\$ 3,957,487	\$ 3,530,092	\$ 4,062,341	\$ 11,549,920
Claimed Expenditures:				
Transit (Table II)	\$ 10,825,348	\$ 4,407,928	\$ 3,536,875	\$ 18,770,151
Transportation (Schedule II)	3,185,425	1,869,739	1,521,147	6,576,311
	\$ 14,010,773	\$ 6,277,667	\$ 5,058,022	\$ 25,346,462
Credit Carryforward (Schedule III):				
Transportation	\$ (7,910,147)	\$ (7,572,493)	\$ (5,312,733)	
Key Account Balances, as of September 30th:				
Half Cent Transit Surtax-County Fund (Schedule I):				
Equity in Pooled Cash	\$ 8,376,632	\$ 5,695,701	\$ 5,906,248	
Fund Balance	\$ 6,984,668	\$ 5,562,414	\$ 4,849,470	

<sup>1</sup> Revenue amounts reported by the City of Miami Beach differ from Schedule IV due to timing differences.

These and other findings are detailed in the remainder of this Report, along with the City’s Responses, which are incorporated herein. We now consider this audit closed. We appreciate the courtesies and assistance extended to our staff by City personnel during the audit process. Please contact Duane Mathis, Deputy Director, at (786) 469-5900, if you have any questions.

**FINDINGS AND RECOMMENDATIONS**

**Use of Transit Proceeds**

At least 20% of Surtax Proceeds, or \$2.2 million, must be used for Transit-related projects, of which the City claimed \$18.8 million, primarily for its trolley operations (Table II). Pursuant to a Joint Participation Agreement with the Florida Department of Transportation (FDOT), the City

was awarded a \$1.25 million grant to fund the *South Beach Loop* which was subsequently increased to \$2.5 million. The City was also awarded a \$500,000 FDOT grant for operating assistance for the *Middle Beach Loop*. The City properly recorded separately the expenditures paid by the grant proceeds.

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

Description	Fiscal Year Ended September 30,			All Years
	2019	2020	2021	
<b>Half Cent Transit Surtax-County Fund 187</b>				
Trolley Services:				
<i>South Beach Loop</i>	\$ 4,109,373	\$ 613,237	\$ 876,971	\$ 5,599,581
<i>Collins Express Loop</i>	60,064	1,239,205	1,037,631	2,336,900
<i>Middle Beach Loop</i>	-	986,704	788,201	1,774,905
<i>North Beach Loop</i>	(60,437)	779,460	519,555	1,238,578
Trolley Equipment	-	9,742	17,515	27,257
Special Event	-	-	7,542	7,542
	<u>4,109,000</u>	<u>3,628,348</u>	<u>3,247,415</u>	<u>10,984,763</u>
On-Demand Services:				
<i>FreeBee</i> On-Demand Elderly Transportation	-	-	211,698	211,698
<i>FreeBee</i> Traffic Mitigation	-	-	37,187	37,187
	-	-	248,885	248,885
	<u>4,109,000</u>	<u>3,628,348</u>	<u>3,496,300</u>	<u>11,233,648</u>
<b>Transportation Fund 106</b>				
Trolley	6,598,403	522,528	-	7,120,931
Equipment, Supplies, Signs, and Advertising	39,573	85,423	15,237	140,233
On-Demand Service	49,672	86,506	-	136,178
Trolley Zero Emission Study	3,712	44,210	-	47,922
Trolley Passenger Survey Feasibility	1,505	40,458	-	41,963
Special Events	13,840	455	19,102	33,397
Bus Stop Benches	9,643	-	6,236	15,879
	<u>6,716,348</u>	<u>779,580</u>	<u>40,575</u>	<u>7,536,503</u>
Total Transit Expenditures, as Claimed (Table I)	10,825,348	4,407,928	3,536,875	18,770,151
Less Disallowed Costs:				
<i>FreeBee</i> On-Demand Elderly Transportation Fund 187	-	-	(211,698)	(211,698)
<i>FreeBee</i> Traffic Mitigation Fund 187	-	-	(37,187)	(37,187)
<i>FreeBee</i> On-Demand Elderly Fund 106	-	(4,883)	-	(4,883)
Special Events - Art Week T-shirts	-	(455)	-	(455)
	-	(5,338)	(248,885)	(254,223)
Total Eligible Transit Expenditures (Schedule III)	<u>\$ 10,825,348</u>	<u>\$ 4,402,590</u>	<u>\$ 3,287,990</u>	<u>\$ 18,515,928</u>

Source: City of Miami Beach General Ledgers, vendor invoices, and other supporting documentation

The City launched an On-Demand pilot program with *Freebee* on May 31, 2019, for Middle Beach. On March 24, 2020, the City restricted the On-Demand service to people over 65 years of age until April 2, 2020, when the service was suspended due to the Coronavirus Disease 19 (COVID-19) pandemic. The On-Demand service resumed on November 16, 2020 for people over 65 years of age.

The City does not have an *Interlocal Agreement* with Miami-Dade County to use Surtax Proceeds for On-Demand services and has not pursued this agreement. In addition, the services restricted

to those over 65 years of age are disallowed in accordance with CITT Municipal Guidelines. As such the On-Demand services claimed in Fund 187 for \$248,885 are disallowed (Table II).

However, the On-Demand services claimed in Fund 106 (MOE), which are not subject to the *Interlocal Agreement*, are allowed except for \$4,883, which are the expenses from March 24, 2020, through April 2, 2020, when the City restricted the services to people over 65 years of age (Table II).

The City uses a third-party company, Limousines of South Florida, Inc., to operate its four Trolley routes - *North Beach Loop*, *South Beach Loop*, *Middle Beach Loop*, and *Collins Express*. Trolley services are free and operate Monday to Sunday from 8:00 AM to 11:00 PM. Due to COVID-19 concerns, service was suspended on March 26, 2020, and resumed February 15, 2021, with reduced service levels. Thus, ridership decreased 54% in FY 2020 and 66% in FY 2021 (Table III).

**Table III  
 Ridership**

Description	Fiscal Year Ended September 30,			All Years
	2019	2020	2021	
<i>South Beach Loop</i>	1,832,101	868,051	333,830	3,033,982
<i>Collins Express</i>	1,830,213	865,863	282,568	2,978,644
<i>Middle Beach Loop</i>	835,904	355,684	126,089	1,317,677
<i>North Beach Loop</i>	751,444	348,024	104,593	1,204,061
<i>FreeBee Middle Beach</i>	6,124	18,132	-	24,256
	<u>5,255,786</u>	<u>2,455,754</u>	<u>847,080</u>	<u>8,558,620</u>

Source: City of Miami Beach Ridership Reports

**Recommendation**

- Prospectively, the City should ensure only eligible expenditures are claimed.
- The City should begin working with Office of the Citizens’ Independent Transportation Trust (OCITT) and Miami-Dade County Department of Transportation and Public Works (DTPW) on the *Interlocal Agreement* for its On-Demand services.

**City’s Response**

- *The City will exercise greater diligence in assuring only eligible and supported expenditures are claimed. In the normal course of business, the City utilizes Resort Tax revenues to fund its On-Demand services. However, during fiscal year (FY) 2020, as a direct result of the financial impact of the COVID-19 pandemic on the City's Resort Tax revenue, a one-time journal entry was processed to fund On-Demand services with PTP funds. Although the City does*

*not expect to use PTP funds for On-Demand services in the future, we have no objection to proceeding with executing an interlocal agreement for the Middle Beach On-Demand service, as the Elderly On-Demand service is not eligible for PTP funding.*

- *The City will be contacting DTPW to obtain an interlocal agreement for the Middle Beach On-Demand Service.*

### **Use of Transportation Proceeds**

The remaining 80% share (\$8.8 million) was primarily used for roadway improvements, bike lanes, and traffic studies among others for which the City claimed \$6.6 million (Schedule II). Office rent, parking studies, airspace review, and other expenditures are not specifically defined in the CITT Municipal Guidelines, thus \$129,494 is disallowed.

### **Recommendation**

Prospectively, the City should ensure only eligible expenditures are claimed.

### **City's Response**

*The City agrees several non-PTP funded transportation eligible expenditures totaling \$129,494 were erroneously claimed towards the MOE of \$2,937,514 per year. However, it is worth noting the City surpassed meeting its MOE obligation each year by several million dollars using properly claimed transportation and transit eligible expenses (see Table II and Schedule II). The City will exercise greater diligence in assuring only eligible and supported expenditures are claimed toward the MOE.*

### **Interlocal Agreement and Reporting**

As stated in our prior Audit Report dated September 10, 2019, the City has not executed the Revised 2007 *Interlocal Agreement* with the County. In addition, Quarterly Reports for the first and second quarters of FY 2020, and second and fourth quarters of FY 2021 were not timely submitted to OCITT. Further, the Annual Compliance Reporting package for FY 2021 was also submitted past the due date.

### **Recommendation**

- The City should execute the Revised 2007 *Interlocal Agreement* to continue receiving its share of Surtax Proceeds. OCITT should follow-up with the City to ensure the *Interlocal Agreement* is executed.

- Prospectively, the City should endeavor to submit required Reports timely.

**City's Response**

- *The City's Interlocal Agreement with Miami-Dade County is valid and in full force and effect. The City is satisfied with its Interlocal Agreement and has and will continue to comply with all obligations thereunder in partnership and in cooperation with Miami-Dade County and the OCITT.*
- *The City regrets any late reporting that occurred during the period under audit. Although in verifying report submittal dates, the City noted that the Quarterly Report for Q2, FY 2019 was submitted on its due date of 05/03/2019 and sent to the appropriate email (See email attachments - CITT PTP Quarterly Report FY 2019 Q2 Due Date & Submittal). Additionally, the City has provided additional resources to this responsibility and has improved the timeliness of quarterly submissions subsequent to the period under review.*

**AMS Rejoinder**

- The City is referring to its 2003 executed *Interlocal Agreement*. The *Interlocal Agreement* was revised in 2007, but the City did not execute the revision. We therefore reaffirm the accuracy of our recommendation for the City to execute the latest *Interlocal Agreement*.

OT:bm

Attachments

c: Juan Fernandez-Barquin, Clerk of the Court and Comptroller  
Geri Bonzon-Keenan, County Attorney  
Carladenise Edwards, Chief Administrative Officer  
Jimmy Morales, Chief Operations Officer  
David L. Clodfelter, Director, Office of Management and Budget  
Alina T. Hudak, City Manager, City of Miami Beach

**Charter County Transportation System Surtax Review - City of Miami Beach  
Half Cent Transit Surtax-County Fund**

Balance Sheets			
Description	As of September 30,		
	2019	2020	2021
<b>Assets</b>			
Equity in Pooled Cash	\$ 8,376,632	\$ 5,695,701	\$ 5,906,248
Receivables, Net	375,426	221,747	340,328
Total Assets	<u>\$ 8,752,058</u>	<u>\$ 5,917,448</u>	<u>\$ 6,246,576</u>
<b>Liabilities and Fund Balance</b>			
Accounts Payable	\$ 1,702,275	\$ 125,118	\$ 1,147,129
Retainage Payable	131,882	229,916	229,916
Accrued Expenses	(66,767)	-	20,061
Fund Balance	6,984,668	5,562,414	4,849,470
Total Liabilities and Fund Balance	<u>\$ 8,752,058</u>	<u>\$ 5,917,448</u>	<u>\$ 6,246,576</u>
Statements of Revenues, Expenditures, and Changes in Fund Balance			
Description	Fiscal Year Ended September 30,		
	2019	2020	2021
<b>Revenues</b>			
Half Cent Transit Surtax-County (Table I)	\$ 3,957,487	\$ 3,530,092	\$ 4,062,341
Interest Allocated-Pooled Cash	159,646	98,559	36,850
	<u>4,117,133</u>	<u>3,628,651</u>	<u>4,099,191</u>
<b>Expenditures</b>			
Transit (Table II)	4,109,000	3,628,348	3,496,300
Transportation (Schedule II)	1,590,317	1,422,557	1,315,835
	<u>5,699,317</u>	<u>5,050,905</u>	<u>4,812,135</u>
Net Change in Fund Balance	(1,582,184)	(1,422,254)	(712,944)
<b>Fund Balance, Beginning of Year</b>	8,566,852	6,984,668	5,562,414
<b>Fund Balance, End of Year</b>	<u>\$ 6,984,668</u>	<u>\$ 5,562,414</u>	<u>\$ 4,849,470</u>

Source: City of Miami Beach General Ledgers



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

<b>Balance Sheets</b>			
<b>Description</b>	<b>As of September 30,</b>		
	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Assets</b>			
Equity in Pooled Cash	\$ 4,391,778	\$ 6,801,056	\$ 13,330,729
Due From Other (Fund 160)	376,603	190,491	448,187
Total Assets	<u>\$ 4,768,381</u>	<u>\$ 6,991,547</u>	<u>\$ 13,778,916</u>
<b>Liabilities and Fund Balance</b>			
Accounts Payable	\$ 1,740,626	\$ 63,243	\$ 527,130
Accrued Expenses	59,497	44,006	49,382
Fund Balance	2,968,258	6,884,298	13,202,404
Total Liabilities and Fund Balance	<u>\$ 4,768,381</u>	<u>\$ 6,991,547</u>	<u>\$ 13,778,916</u>
<b>Statements of Revenues, Expenditures, and Changes in Fund Balance</b>			
<b>Description</b>	<b>Fiscal Year Ended September 30,</b>		
	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Revenues</b>			
Rent - Bus Shelters	\$ 555,370	\$ 507,691	\$ 433,101
Other Revenue - Advertising, Refunds	7,413	277,990	75,731
	562,783	785,681	508,832
<b>Expenditures</b>			
Salaries and Benefits	1,838,082	1,525,595	1,401,608
Professional Services	772,209	398,869	132,454
Other Contractual Services	7,626,974	952,882	115,247
Contract Maintenance	-	272,626	57,121
Rent - Building & Equipment	150,129	154,090	177,779
Administrative Expenses (Supplies, Dues, Printing)	67,476	64,750	47,233
Contracted Services - Repairs	44,884	9,422	1,722
Other Operating	73,122	51,898	27,793
Internal Services	40,000	38,270	42,097
Applications/Computer Hardware	79,000	97,000	76,000
Capital Outlay	178,541	2,097	-
	<u>10,870,417</u>	<u>3,567,499</u>	<u>2,079,054</u>
Deficiency of Revenue over Expenditures	<u>(10,307,634)</u>	<u>(2,781,818)</u>	<u>(1,570,222)</u>
<b>Other Funding Sources:</b>			
Transfer In -Resort Tax 1%	8,567,843	6,703,858	7,769,485
Transfer In	1,305,000	-	-
Local Grant CARES ACT	-	-	120,543
Transfer Out	(5,000)	(6,000)	(1,700)
	<u>9,867,843</u>	<u>6,697,858</u>	<u>7,888,328</u>
Net Change in Fund Balance	(439,791)	3,916,040	6,318,106
<b>Fund Balance, Beginning of Year</b>	<u>3,408,049</u>	<u>2,968,258</u>	<u>6,884,298</u>
<b>Fund Balance, End of Year</b>	<u>\$ 2,968,258</u>	<u>\$ 6,884,298</u>	<u>\$ 13,202,404</u>

Source: City of Miami Beach General Ledgers

**Charter County Transportation System Surtax Review - City of Miami Beach**  
**Claimed Transportation Expenditures, As Adjusted**

Description	Fiscal Year Ended September 30,			All Years
	2019	2020	2021	
<b>Half Cent Transit Surtax-County Fund 187 (Schedule I)</b>				
Intelligent Transportation System	\$ 977,375	\$ 992,717	\$ 52,392	\$ 2,022,484
Sidewalk Construction/Milling	48,673	58,286	192,006	298,965
Signalization Alton Road and 4th St	77,802	185,793	-	263,595
Meridian and 18 Mid Block Crosswalk	87,972	6,600	88,782	183,354
72nd and 73rd Street Buffered Bike Lanes	77,124	70,835	16,441	164,400
Meridian Avenue Bike Lanes	44,960	18,638	90,432	154,030
West Avenue Bridge over Collins Canal	88,201	57,469	-	145,670
Jefferson & 15th St Traffic Signal	-	11,470	104,628	116,098
Miami Beach Mode Share Analysis	-	-	103,558	103,558
West Avenue Bike Way	96,249	-	-	96,249
Pine Tree Drive & 45th St Traffic Signal	-	-	88,948	88,948
Normandy Shores Gates Traffic Data Collection	-	-	79,160	79,160
West Ave & 17th St Bike Box Design	-	-	74,510	74,510
Euclid Avenue Projected Bike Lanes	-	-	71,121	71,121
Dade Blvd Shared Use Path	-	-	69,179	69,179
Bike/Pedestrian Workshop	-	-	56,510	56,510
Green Colored Bike Lane Coating	54,250	-	-	54,250
Pine Tree Drive 23-63 St Bike Path Design	-	-	40,009	40,009
Slow Streets - Flamingo Park Neighborhood	-	-	39,667	39,667
West Ave Phase 1 Pump Station	29,053	-	-	29,053
Safe Routes to School - Miami Beach Senior High	-	-	25,800	25,800
Washington Ave Boarding Evaluation	-	-	22,350	22,350
West Ave & 6th St Traffic Signal	-	-	22,226	22,226
Alton Road and 1st St Traffic Signal	-	-	15,914	15,914
Slow Street Pilot Program - Planters	-	-	14,868	14,868
Mast ARM Survey 72nd & 73rd	-	12,465	-	12,465
Tantum Waterway Drive Feasibility Study	-	-	11,549	11,549
17th Street Buffered Bike Lanes	-	-	11,183	11,183
Traffic Data Collection	-	-	8,335	8,335
Shared Path on Parkview Island Park	-	8,284	-	8,284
Phase II West Ave Bike Lane Count	-	-	5,360	5,360
Other under \$5,000	8,658	-	10,907	19,565
	<u>1,590,317</u>	<u>1,422,557</u>	<u>1,315,835</u>	<u>4,328,709</u>
<b>Transportation Fund 106</b>				
Professional Services				
In-House Consultant Transportation Master Plan	-	-	89,673	89,673
Pine Tree / LaGorce Separated Bike Lanes	83,078	677	-	83,755
Tatum Waterway Drive Feasibility Study	51,901	30,420	-	82,321
Traffic Circle Concept	-	75,195	-	75,195
Ocean Drive One-Way Conversion	55,366	17,599	-	72,965
Bayshore Neighborhood Cut-Through Study	68,692	-	-	68,692
Data Collection	59,349	1,747	-	61,096
Chase Avenue and 34th St Sharrows	58,760	1,178	-	59,938
Dade Blvd Shared Use Path Traffic Study	-	46,519	-	46,519
Citywide Residential Speed Limit Study	43,061	-	-	43,061
Transportation Management Initiative (Rideshare)	-	19,871	19,871	39,742
RRFB Pine Tree Dr and West 4th	10,000	27,872	-	37,872
Design for Bike Boxes West Ave	25,960	2,065	-	28,025
Greenway Feasibility Study North Bay Road, North Beach	27,920	-	-	27,920
23rd Street Complete Street Redo & Conceptual Video	19,490	8,005	-	27,495

**Charter County Transportation System Surtax Review - City of Miami Beach  
Claimed Transportation Expenditures, As Adjusted**

Description	Fiscal Year Ended September 30,			All Years
	2019	2020	2021	
<i>Transportation Fund 106 (Continued)</i>				
Miami Beach Mode Share Analysis	-	26,442	-	26,442
Bayshore Neighborhood Traffic Study	26,031	-	-	26,031
Neighborhood Greenways Model	25,000	-	-	25,000
17th Street Protected Bike Lane	-	25,000	-	25,000
Roadway Light Assembly	24,305	-	-	24,305
RRFB 6th St West & 15th Jefferson	22,900	100	-	23,000
Dade Blvd and 17th St Intersection	21,250	-	-	21,250
Airspace Consulting Services	19,200	-	-	19,200
MB High School Traffic Study	18,695	-	-	18,695
Washington Ave/Ocean Drive Shared Use Study	-	16,000	-	16,000
Improve Signalized Intersection	14,895	-	-	14,895
17th St Exclusive Transit and Pedestrian Study	12,184	2,441	-	14,625
Bay Drive NG Support Services	8,824	1,031	4,218	14,073
Nautilus Neighborhood Traffic Study	-	-	14,000	14,000
71st ST and Normandy Drive Buffered Bike Lanes	13,894	-	-	13,894
CEI and Resident Compliance Services	11,232	-	-	11,232
Alton Road - Lincoln Road Bike Lanes	-	10,541	-	10,541
One Way to Two Way Design	6,873	679	-	7,552
Mai Monades Street Additional Parking Study	7,500	-	-	7,500
63rd Street Complete St	5,399	-	-	5,399
Other Under \$5,000	17,733	819	4,692	23,244
<i>Contractual Services:</i>				
Traffic Monitoring	518,122	-	-	518,122
Data Collection and Traffic Study	135,142	-	17,340	152,482
Traffic Signs and Signals	43,683	75,423	7,897	127,003
Roadway Improvement and Crosswalks	29,171	11,148	27,773	68,092
Road Equipment	63,900	3,990	-	67,890
Bike Lanes and Stations	20,598	6,054	19,848	46,500
Office Rent	-	36,366	-	36,366
Traffic Alliance Contribution	25,000	-	-	25,000
	<u>1,595,108</u>	<u>447,182</u>	<u>205,312</u>	<u>2,247,602</u>
<b>Transportation Expenditures, as Claimed (Table I)</b>	<b><u>3,185,425</u></b>	<b><u>1,869,739</u></b>	<b><u>1,521,147</u></b>	<b><u>6,576,311</u></b>
<i>Audit and Management Services (AMS) Adjustments:</i>				
<i>Transportation Fund 106 - Disallowed</i>				
Contractual Services - Office Rent	-	(36,366)	-	(36,366)
Professional Services - Parking Study and Consultant	(7,500)	-	(17,728)	(25,228)
Contractual Services - Traffic Alliance Contribution	(25,000)	-	-	(25,000)
Professional Services - Airspace Review	(19,200)	-	-	(19,200)
Professional Services - Rideshare Study	-	(7,452)	(7,452)	(14,904)
Contractual Services - Non-street related signs	(1,784)	-	(3,014)	(4,798)
Contractual Services - Bike Corral for school	-	-	(3,998)	(3,998)
Total AMS adjustment	<u>(53,484)</u>	<u>(43,818)</u>	<u>(32,192)</u>	<u>(129,494)</u>
<b>Total Eligible Transportation Expenditures (Schedule III)</b>	<b><u>\$ 3,131,941</u></b>	<b><u>\$ 1,825,921</u></b>	<b><u>\$ 1,488,955</u></b>	<b><u>\$ 6,446,817</u></b>

Source: City of Miami Beach General Ledgers, vendor invoices, and other supporting documentation

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

Description	Fiscal Year Ended September 30,			All Years
	2019	2020	2021	
<b>Sources of Funds (Schedule I):</b>				
Surtax Proceeds <sup>1</sup>	\$ 3,459,794	\$ 3,530,092	\$ 4,062,341	\$ 11,052,227
Interest Attributable to Surtax Funds	159,646	98,559	36,850	295,055
	<u>\$ 3,619,440</u>	<u>\$ 3,628,651</u>	<u>\$ 4,099,191</u>	<u>\$ 11,347,282</u>
<b>Surtax Uses:</b>				
<b>Eligible Transit Expenditures (Table II)</b>	<u>\$ 10,825,348</u>	<u>\$ 4,402,590</u>	<u>\$ 3,287,990</u>	<u>\$ 18,515,928</u>
<b>Eligible Transportation Expenditures (Schedule II)</b>	\$ 3,131,941	\$ 1,825,921	\$ 1,488,955	\$ 6,446,817
Less MOE (Table I)	(2,937,514)	(2,937,514)	(2,937,514)	(8,812,542)
Expenditures Available for Surtax Use	<u>\$ 194,427</u>	<u>\$ (1,111,593)</u>	<u>\$ (1,448,559)</u>	<u>\$ (2,365,725)</u>
<b>AMS Analysis:</b>				
<b>Transit-Related Expenditures:</b>				
Expenditures Available for Surtax Use	\$ 10,825,348	\$ 4,402,590	\$ 3,287,990	\$ 18,515,928
Less 20% Minimum Amount <sup>2</sup>	(691,959)	(706,018)	(812,468)	(2,210,445)
Amount Available (Unavailable) for Surtax Use	10,133,389	3,696,572	2,475,522	16,305,483
Amount Applied to Transportation-Related Expenditures	(10,133,389)	(3,696,572)	(2,475,522)	(16,305,483)
Decrease in Unspent Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Transportation-Related Expenditures:</b>				
Expenditures Available for Surtax Use	\$ 194,427	\$ (1,111,593)	\$ (1,448,559)	\$ (2,365,725)
Less Remaining 80% Minimum <sup>2</sup>	(2,767,835)	(2,824,074)	(3,249,873)	(8,841,782)
Less Interest Attributable to Surtax Funds	(159,646)	(98,559)	(36,850)	(295,055)
(Increase) Decrease in Rollover Amounts	<u>\$ (2,733,054)</u>	<u>\$ (4,034,226)</u>	<u>\$ (4,735,282)</u>	<u>\$ (11,502,562)</u>
<b>Analysis of Unspent Rollover:</b>				
Beginning Balance <sup>3</sup>	\$ (509,812)	\$ (7,910,147)	\$ (7,572,493)	\$ (509,812)
Transit-Related Amounts Applied	(10,133,389)	(3,696,572)	(2,475,522)	(16,305,483)
Increase in Unspent Amounts	2,733,054	4,034,226	4,735,282	11,502,562
<b>Remaining Unspent Amount (Carryforward Credit) <sup>4</sup></b>	<u>\$ (7,910,147)</u>	<u>\$ (7,572,493)</u>	<u>\$ (5,312,733)</u>	<u>\$ (5,312,733)</u>

<sup>1</sup> These amounts do not agree with Schedule I due to a change in revenue recognition for AMS analysis purposes. The resulting catch-up adjustment was reflected in FY 2019.

<sup>2</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.

<sup>3</sup> Per the September 10, 2019 Audit Report.

<sup>4</sup> Credits may be applied to future Surtax funding per *CITT Resolution No. 15-027*.

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

Municipality	Fiscal Year Ended September 30,							All Years
	2003 to 2015	2016	2017	2018	2019	2020	2021	
City of Miami <sup>1</sup>	\$ 163,251,890	\$ 16,889,133	\$ 16,523,990	\$ 18,187,632	\$ 19,212,362	\$ 17,998,849	\$ 22,285,992	\$ 274,349,848
City of Hialeah	94,519,774	9,243,159	9,346,775	9,873,020	10,107,558	8,933,032	10,881,914	152,905,232
City of Miami Beach	37,554,491	3,670,335	3,678,499	3,925,123	3,963,754	3,458,999	4,266,480	60,517,681
City of Miami Gardens <sup>2</sup>	22,375,665	4,336,722	4,409,954	4,737,286	4,846,211	4,248,977	5,187,794	50,142,609
City of North Miami	24,592,952	2,454,241	2,473,804	2,665,998	2,700,412	2,348,890	2,955,552	40,191,849
City of Homestead	20,867,813	2,669,792	2,788,854	2,969,698	3,152,022	2,762,015	3,460,648	38,670,842
City of Coral Gables	18,755,177	1,955,854	1,981,236	2,091,593	2,132,315	1,893,283	2,298,517	31,107,975
City of North Miami Beach	17,154,830	1,733,203	1,746,039	1,882,765	1,945,188	1,705,603	2,164,880	28,332,508
City of Doral <sup>2</sup>	9,003,402	2,120,606	2,232,433	2,508,437	2,747,033	2,551,901	3,196,639	24,360,451
City of Aventura	12,992,928	1,494,036	1,502,980	1,590,870	1,613,705	1,413,111	1,726,374	22,334,004
Town of Cutler Bay <sup>2</sup>	8,525,502	1,721,858	1,769,140	1,899,220	1,935,984	1,696,665	2,061,382	19,609,751
Town of Miami Lakes <sup>1</sup>	11,086,213	1,209,319	1,211,635	1,288,227	1,309,407	1,163,617	1,430,953	18,699,371
Village of Palmetto Bay	10,074,295	952,951	956,304	1,013,542	1,033,365	902,837	1,104,932	16,038,226
City of Hialeah Gardens	8,635,855	904,713	922,372	986,599	1,007,122	882,753	1,072,793	14,412,207
City of Sunny Isles Beach	7,759,606	869,990	866,019	933,221	951,809	841,547	1,055,544	13,277,736
Village of Pinecrest	7,840,962	737,876	738,316	777,521	790,584	691,410	840,243	12,416,912
City of Miami Springs	5,682,283	562,418	565,087	601,223	608,639	530,692	646,273	9,196,615
City of Sweetwater <sup>1</sup>	5,070,356	273,778	133,332	466,662	166,116	1,850,267	1,013,554	8,974,065
City of Opa-locka <sup>1</sup>	6,329,004	90,323	195,000	210,000	165,000	1,112,782	469,710	8,571,819
City of South Miami	4,767,184	546,219	547,720	546,151	541,343	473,555	588,532	8,010,704
Village of Key Biscayne	4,809,375	502,197	508,734	540,692	550,288	481,895	586,580	7,979,761
City of Florida City	4,132,139	498,385	504,443	542,769	557,265	488,960	601,470	7,325,431
Miami Shores Village	4,308,419	419,557	420,697	443,831	447,113	391,399	490,481	6,921,497
North Bay Village	2,808,576	314,789	328,007	378,523	384,140	335,832	411,904	4,961,771
City of West Miami	2,445,250	241,053	241,373	279,166	307,465	291,897	355,342	4,161,546
Town of Surfside	2,314,098	229,428	228,739	234,500	248,902	221,896	273,043	3,750,606
Town of Bay Harbor Islands	2,209,631	231,953	222,682	234,375	249,414	220,923	274,132	3,643,110
Bal Harbour Village	1,262,745	114,472	111,421	114,881	125,178	109,190	132,732	1,970,619
Village of Biscayne Park <sup>1</sup>	1,342,176	125,900	126,220	135,905	135,965	10,084	-	1,876,250
Village of Virginia Gardens	973,380	96,229	96,903	102,910	103,132	90,977	110,807	1,574,338
Village of El Portal <sup>1,3</sup>	1,012,447	6,467	174,873	90,094	89,175	77,404	79,627	1,530,087
Town of Medley	429,285	34,442	33,529	35,277	35,617	31,486	38,448	638,084
Town of Golden Beach <sup>1</sup>	365,820	36,766	37,221	39,423	39,386	34,961	42,988	596,565
Indian Creek Village	3,604	-	-	-	-	-	-	3,604
	<u>\$ 525,257,127</u>	<u>\$ 57,288,164</u>	<u>\$ 57,624,331</u>	<u>\$ 62,327,134</u>	<u>\$ 64,202,969</u>	<u>\$ 60,247,689</u>	<u>\$ 72,106,260</u>	<u>\$ 899,053,674</u>

Source: Office of the Citizens' Independent Transportation Trust (OCITT) and County General Ledgers

<sup>1</sup> Amounts are net of withholdings and/or recapture of \$76,553 from the Town of Miami Lakes, \$766,362 from the City of Sweetwater, \$21,058 from the Town of Golden Beach, \$2.2 million from the City of Opa-locka, \$3.3 million from the City of Miami, \$255,236 from the Village of Biscayne Park, and \$17,970 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> Amount in FY 2016 is net of \$84,069 withheld due to instances of noncompliance, which was returned in FY 2017 by OCITT.

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

Finding	Recommendation	Auditee Response	Current Status
<b>Use of Transit Proceeds</b>			
The City incorrectly recorded \$60,437 to another <i>Special Revenue Fund</i> .	The City should correct the error.	The City agrees and will credit the PTP fund for such error in quarter 4 Fiscal Year 2019. The credit will be reflected in the PTP report for the period ended September 30, 2019.	<b><u>Resolved</u></b>
<b>Use of Transportation Proceeds</b>			
The City had \$637,514 of ineligible non-streetlighting utilities and park-related activities. Further, the City claimed \$155,364 in Hurricane Irma-related costs pending FEMA reimbursement. Another \$100,000 claimed to close <i>Espanola Way</i> to create a pedestrian Plaza was disallowed. In addition, the City could not support a large increase in claimed <i>Public Works Streets and Streetlighting</i> personnel costs.	Prospectively, greater diligence should be exercised in assuring that only eligible and supported expenditures are claimed. Also the City should better account for personnel costs incurred for Street and Streetlight maintenance.	The City believes the \$100,000 for Espanola Way project is eligible. The project was intended to improve pedestrian safety in the one block between Washington and Drexel Avenues.  As recommended, the City will exercise greater diligence in assuring that only eligible and supported expenditures are paid with PTP proceeds.	<b><u>Mostly Resolved</u></b> The percentage of ineligible expenditures was significantly lower ( <i>see page 5 of the Audit Report</i> ).
<b>Signage Requirements</b>			
The <i>Interlocal Agreement</i> required posting of conspicuous signage for all projects funded with Surtax Proceeds. Several City Trolleys did not display vehicle signage.	Within 30 days, all City Trolleys should display the required Surtax funding signage.	The City is now in compliance with this requirement.	<b><u>Resolved</u></b>
<b>Interlocal Agreement and Reporting</b>			
The City has not executed the Revised 2007 <i>Interlocal Agreement</i> with the County. In addition, required annual Certification Letters and other Compliance Reports were not timely submitted to OCITT.	The City should execute the Revised 2007 <i>Interlocal Agreement</i> within 60 days to continue receiving its share of Surtax Proceeds.  Compliance Reports should be submitted timely.	The City's <i>Interlocal Agreement</i> with Miami-Dade County is still in effect.  The City has improved the reporting process and all fiscal year 2019 reports were submitted in a timely manner.	<b><u>Unresolved</u></b> ( <i>See pages 5 and 6 of the Audit Report</i> ).

<sup>1</sup> See the Audit Report dated September 10, 2019 for full text.