



AUDIT AND MANAGEMENT SERVICES DEPARTMENT  
OVERTOWN TRANSIT VILLAGE  
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March 19, 2021

Honorable Roberto Martell, Mayor  
Town of Medley  
7777 NW 72<sup>nd</sup> Avenue  
Medley, FL 33166

**Re: Final Audit Report – Charter County Transportation System Surtax Review –  
Town of Medley**

Dear Mayor Martell:

Attached is the above-referenced Audit Report that was previously reviewed with your staff. The audit has been closed and thus, a written response is not required.

We appreciate the courtesies and assistance extended to our staff during the audit process. Please contact G. Nancy McKee, Assistant Director, at (786) 469-5900, should you have any questions.

Sincerely,

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

Cathy Jackson  
Director

CJ:bm

Attachment


c: Javier A. Betancourt, Executive Director, Office of the Citizens' Independent  
Transportation Trust  
Roy Danziger, Finance Director, Town of Medley

# Memorandum



**Date:** March 19, 2021

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

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

**Subject:** Final Audit Report – Charter County Transportation System Surtax Review –  
Town of Medley

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## **PURPOSE AND SCOPE**

We performed a review of the Town of Medley's (Town) use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County (County) for the four years ended September 30, 2020. The primary objective was to ensure that 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 (Interlocal Agreement)* executed July 10, 2007.

## **BACKGROUND**

*County Ordinance No. 02-116*, enacted on July 9, 2002, imposed a one-half of one percent Surtax on eligible sales transactions for use on 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 II). 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 Town 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 \$478,082 (Table I). Surtax Proceeds 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, the Town 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 a 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 funds are expended in excess of annual Surtax allocations.

**SUMMARY RESULTS**

Overall, the Town appropriately spent \$128,598 of Surtax Proceeds on eligible expenditures during the four years ended September 30, 2020 and maintained carryover credits from prior periods (Table I). Additionally, required financial reporting was submitted timely to OCITT. Other observations are presented below.

**Table I  
Surtax Statistics**

Description	Fiscal Year Ended September 30,				All Years
	2017	2018	2019	2020	
Maintenance of Effort (MOE)	\$ 478,082	\$ 478,082	\$ 478,082	\$ 478,082	\$ 1,912,328
Surtax Proceeds, per General Ledger <sup>1</sup>	\$ 25,603	\$ 37,394	\$ 35,089	\$ 30,512	\$ 128,598
<b>Claimed Expenditures:</b>					
Transit (Table II)	\$ 6,687	\$ 5,000	\$ 7,219	\$ 4,859	\$ 23,765
Transportation (Table III)	505,299	509,416	506,956	507,823	2,029,494
	\$ 511,986	\$ 514,416	\$ 514,175	\$ 512,682	\$ 2,053,259
<b>Carryforward Credits (Schedule I):</b>					
Transit	\$ (122,278)	\$ (119,799)	\$ (120,000)	\$ (118,757)	
Transportation	(6,116,939)	(6,118,358)	(6,119,161)	(6,124,492)	
	\$ (6,239,217)	\$ (6,238,157)	\$ (6,239,161)	\$ (6,243,249)	

<sup>1</sup> Amounts do not agree with Schedule II due to timing differences.

**Use of Surtax Proceeds**

The Town operates a circulator two afternoons each week to transport residents of a mobile-home community to various shopping locations. The drivers are full-time Town employees, and thus a proportionate share of the personnel costs and vehicle repairs are eligible uses of Surtax Proceeds; however, the Town only claimed annual amounts sufficient to utilize its 20% share (Table II). The circulator was discontinued during the last six months of FY 2020 due to COVID-19 concerns, but service was restored in October 2020.

**Table II  
Transit Expenditures**

Description	Fiscal Year Ended September 30,				All Years
	2017	2018	2019	2020	
Circulator Insurance	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 12,000
Vehicle Repairs and Maintenance	2,000	2,000	2,000	-	6,000
Driver Payroll Allocation	1,687	-	2,219	1,859	5,765
	\$ 6,687	\$ 5,000	\$ 7,219	\$ 4,859	\$ 23,765

Source: Town of Medley General Ledgers, Vendor Invoices, and Other Supporting Documentation

The Town claimed Transportation-related costs totaling \$2 million, primarily for Public Works payroll and road maintenance and repair work (Table III). The Public Works Department (twelve employees) is responsible for all road, railroad crossing, streetlighting, sidewalk, and



bicycle path maintenance. During the audit period, major road-related projects supervised by the Public Works Department included:

- NW South River Drive from NW 72 Avenue to NW 74 Street – Nov 2016 to May 2018.
- NW South River Drive from the Palmetto Expressway to NW 72 Avenue – Feb 2018 to the present.
- NW 87 Avenue from NW 74 Street to Okeechobee Road – right of way acquisitions, ongoing.
- NW 89 Avenue and NW 93 Street roadway and drainage – completed Oct 2019.
- NW 79 Avenue from NW 77 Street to NW 79 Place – Jan 2017 to Jul 2019, with additional phases in-process.
- Repair and maintenance of Railroad Crossings – ongoing.

The Town chose to allocate only the amount of Public Works payroll sufficient to satisfy the MOE, which was approximately 55% of actual expenditures.

**Table III  
 Transportation Expenditures**

Description	Fiscal Year Ended September 30,				All Years
	2017	2018	2019	2020	
Public Works Payroll Allocation	\$ 478,082	\$ 478,082	\$ 478,082	\$ 478,082	\$ 1,912,328
Road Repairs and Maintenance	27,217	31,334	28,874	29,741	117,166
	<u>\$ 505,299</u>	<u>\$ 509,416</u>	<u>\$ 506,956</u>	<u>\$ 507,823</u>	<u>\$ 2,029,494</u>

Source: Town of Medley General Ledgers, Vendor Invoices, and Other Supporting Documentation

After deducting the MOE, the Town had carryforward credits totaling \$118,757 and \$6.1 million in Transit and Transportation-related Surtax funds, respectively, as of September 30, 2020 (Schedule I). As mentioned previously, *CITT Resolution No. 15-027* allows for the rollover of excess expenditures to offset subsequent years' Surtax allocations.

The audit has been closed, and thus a written response is not required. Nonetheless, please contact G. Nancy McKee, Assistant Director, at (786) 469-5900, if you have any questions. We appreciate the courtesies and assistance extended to our staff during the audit process.

CJ:bm

Attachments

- c: Honorable Harvey A. Ruvin, Clerk of the Courts
- Geri Bonzon-Keenan, County Attorney
- Edward Marquez, Chief Financial Officer
- Jimmy Morales, Chief Operations Officer
- David L. Clodfelter, Director, Office of Management and Budget
- Honorable Roberto Martell, Mayor, Town of Medley

**Charter County Transportation System Surtax Review - Town of Medley  
Surtax Proceeds Usage Analysis**

Description	Fiscal Year Ended September 30,				All Years
	2017	2018	2019	2020	
<b>Surtax Proceeds per General Ledger</b> <sup>1</sup>	\$ 25,603	\$ 37,394	\$ 35,089	\$ 30,512	\$ 128,598
<b>Surtax Uses:</b>					
<b>Eligible Transit Expenditures</b> (Table II)	\$ 6,687	\$ 5,000	\$ 7,219	\$ 4,859	\$ 23,765
<b>Eligible Transportation Expenditures</b> (Table III)	\$ 505,299	\$ 509,416	\$ 506,956	\$ 507,823	\$ 2,029,494
Less: Maintenance of Effort (Table I)	(478,082)	(478,082)	(478,082)	(478,082)	(1,912,328)
Expenditures Available For Surtax Use	\$ 27,217	\$ 31,334	\$ 28,874	\$ 29,741	\$ 117,166
<b>AMS Analysis:</b>					
<b>Transit Expenditures:</b>					
Expenditures Available for Surtax Use	\$ 6,687	\$ 5,000	\$ 7,219	\$ 4,859	\$ 23,765
Less 20% Minimum <sup>2</sup>	(5,121)	(7,479)	(7,018)	(6,102)	(25,720)
Increase (Decrease) in Carryforward Credits	\$ 1,566	\$ (2,479)	\$ 201	\$ (1,243)	\$ (1,955)
<b>Analysis of Rollover:</b>					
Beginning Credit Balance <sup>3</sup>	\$ (120,712)	\$ (122,278)	\$ (119,799)	\$ (120,000)	\$ (120,712)
(Increase) Decrease In Carryforward Credits	(1,566)	2,479	(201)	1,243	1,955
<b>Remaining Carryforward Credit</b>	\$ (122,278)	\$ (119,799)	\$ (120,000)	\$ (118,757)	\$ (118,757)
<b>Transportation-Related Expenditures:</b>					
Expenditures Available for Surtax Use	\$ 27,217	\$ 31,334	\$ 28,874	\$ 29,741	\$ 117,166
Less Remaining 80% Minimum <sup>2</sup>	(20,482)	(29,915)	(28,071)	(24,410)	(102,878)
Increase in Carryforward Credits	\$ 6,735	\$ 1,419	\$ 803	\$ 5,331	\$ 14,288
<b>Analysis of Rollover:</b>					
Beginning Credit Balance <sup>3</sup>	\$ (6,110,204)	\$ (6,116,939)	\$ (6,118,358)	\$ (6,119,161)	\$ (6,110,204)
Increase In Carryforward Credits	(6,735)	(1,419)	(803)	(5,331)	(14,288)
<b>Remaining Carryforward Credit</b>	\$ (6,116,939)	\$ (6,118,358)	\$ (6,119,161)	\$ (6,124,492)	\$ (6,124,492)

<sup>1</sup> Amounts do not agree with Schedule II due to timing differences.

<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 Audit Report dated April 18, 2017.

**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	
City of Miami <sup>1</sup>	163,251,890	16,889,133	16,523,990	18,187,632	19,212,362	17,998,849	252,063,856
City of Hialeah	94,519,774	9,243,159	9,346,775	9,873,020	10,107,558	8,933,032	142,023,318
City of Miami Beach	37,554,491	3,670,335	3,678,499	3,925,123	3,963,754	3,458,999	56,251,201
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	44,954,815
City of North Miami	24,592,952	2,454,241	2,473,804	2,665,998	2,700,412	2,348,890	37,236,297
City of Homestead	20,867,813	2,669,792	2,788,854	2,969,698	3,152,022	2,762,015	35,210,194
City of Coral Gables	18,755,177	1,955,854	1,981,236	2,091,593	2,132,315	1,893,283	28,809,458
City of North Miami Beach	17,154,830	1,733,203	1,746,039	1,882,765	1,945,188	1,705,603	26,167,628
City of Doral <sup>2</sup>	9,003,402	2,120,606	2,232,433	2,508,437	2,747,033	2,551,901	21,163,812
City of Aventura	12,992,928	1,494,036	1,502,980	1,590,870	1,613,705	1,413,111	20,607,630
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	17,548,369
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	17,268,418
Village of Palmetto Bay	10,074,295	952,951	956,304	1,013,542	1,033,365	902,837	14,933,294
City of Hialeah Gardens	8,635,855	904,713	922,372	986,599	1,007,122	882,753	13,339,414
City of Sunny Isles Beach	7,759,606	869,990	866,019	933,221	951,809	841,547	12,222,192
Village of Pinecrest	7,840,962	737,876	738,316	777,521	790,584	691,410	11,576,669
City of Miami Springs	5,682,283	562,418	565,087	601,223	608,639	530,692	8,550,342
City of Opa-locka <sup>1</sup>	6,329,004	90,323	195,000	210,000	165,000	1,112,782	8,102,109
City of Sweetwater <sup>1</sup>	5,070,356	273,778	133,332	466,662	166,116	1,850,267	7,960,511
City of South Miami	4,767,184	546,219	547,720	546,151	541,343	473,555	7,422,172
Village of Key Biscayne	4,809,375	502,197	508,734	540,692	550,288	481,895	7,393,181
City of Florida City	4,132,139	498,385	504,443	542,769	557,265	488,960	6,723,961
Miami Shores Village	4,308,419	419,557	420,697	443,831	447,113	391,399	6,431,016
North Bay Village	2,808,576	314,789	328,007	378,523	384,140	335,832	4,549,867
City of West Miami	2,445,250	241,053	241,373	279,166	307,465	291,897	3,806,204
Town of Surfside	2,314,098	229,428	228,739	234,500	248,902	221,896	3,477,563
Town of Bay Harbor Islands	2,209,631	231,953	222,682	234,375	249,414	220,923	3,368,978
Village of Biscayne Park <sup>4</sup>	1,342,176	125,900	126,220	135,905	135,965	10,084	1,876,250
Bal Harbour Village	1,262,745	114,472	111,421	114,881	125,178	109,190	1,837,887
Village of Virginia Gardens	973,380	96,229	96,903	102,910	103,132	90,977	1,463,531
Village of El Portal <sup>3</sup>	1,012,447	6,467	174,873	90,094	89,175	77,404	1,450,460
<b>Town of Medley</b>	<b>429,285</b>	<b>34,442</b>	<b>33,529</b>	<b>35,277</b>	<b>35,617</b>	<b>31,486</b>	<b>599,636</b>
Town of Golden Beach <sup>1</sup>	365,820	36,766	37,221	39,423	39,386	34,961	553,577
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>\$ 826,947,414</u>

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, \$766,362 from the City of Sweetwater, \$21,058 from the Town of Golden Beach, \$1.9 million from the City of Opa-locka, and \$3.3 million from the City of Miami, 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.

<sup>4</sup> Amount in FY 2020 is net of \$110,249 withheld due to instances of noncompliance.