

AUDIT AND MANAGEMENT SERVICES DEPARTMENT OVERTOWN TRANSIT VILLAGE

701 NW 1ST COURT – SUITE 8-175 MIAMI, FLORIDA 33136 TELEPHONE: 786-469-5900

FAX: 786-469-5933

October 7, 2020

Mr. William Alonso City Manager/Finance Director City of Miami Springs 201 Westward Drive Miami Springs, FL 33166

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

Dear Mr. Alonso:

Attached is the above-referenced Final Audit Report that was discussed with you, together with your Response. Overall, we are pleased with the corrective actions planned, and thus the audit has been closed. However, the Office of Citizens' Independent Transportation Trust (OCITT) will be contacting you to resolve any action items meriting your attention.

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,

Cathy Jackson

Cathy Jackson

Director

CJ:bm

Attachment

c: Javier A. Betancourt, Executive Director, OCITT

Memorandum MIAMI DADE

Date:

October 7, 2020

To:

Javier A. Betancourt, Executive Director

Office of the Citizens' Independent Transportation Trust (OCITT)

From:

Cathy Jackson, Director

Audit and Management Services Department (AMS)

Subject:

Final Audit Report - Charter County Transportation System Surtax Review -

City of Miami Springs (Miami Springs)

PURPOSE AND SCOPE

We performed a review of Miami Springs' use of Charter County Transportation System Surtax (Surtax) Proceeds remitted by Miami-Dade County (County) for the three years ended September 30, 2019. 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 July 10, 2007. Additionally, we assessed resolution of prior audit findings referenced in our Audit Report dated October 16, 2017 (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*, Miami Springs 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 \$218,678 (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, Miami Springs 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

Final Audit Report – Charter County Transportation System Surtax Review – City of Miami Springs
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credits in the event amounts expended are in excess of annual Surtax allocations. See Schedule I for summary financial information.

SUMMARY RESULTS

For the three years ended September 30, 2019, Miami Springs received \$1.8 million in Surtax Proceeds, an additional \$180,094 in grant funding and circulator fees, and claimed Transit and Transportation-related expenditures of \$3.2 million (Table I). After adjusting claimed expenditures for reimbursements and ineligible amounts, Miami Springs had \$148,139 in unspent Transit-related Surtax Proceeds as of September 30, 2019. However, Audited Financial Statements reflect no available Cash or Investments within the *Road and Transportation Fund*. Within 30 days, Miami Springs should fund the Cash deficiency.

Table I Surtax Statistics

		Fiscal Y	ear I	Ended Septe	mbe	r 30,		
Description		2017		2018		2019	1	Ul Years
Maintenance of Effort (MOE)	\$	218,678	\$	218,678	\$	218,678	\$	656,034
Revenues (Schedule I):								
Surtax Proceeds 1	\$	567,519	\$	597,011	\$	595,221	\$	1,759,751
State of Florida Grant Funding		-		-		119,600		119,600
Charges for Circulator Services to Virginia Gardens	_	19,247	_	19,381		21,866	_	60,494
	\$	586,766	\$	616,392	\$	736,687	\$	1,939,845
Claimed Expenditures (Schedule II):								
Transit	\$	128,166	\$	151,872	\$	151,866	\$	431,904
Transportation	_	839,351	_	809,893	_	1,102,358	_	2,751,602
	\$	967,517	\$	961,765	\$	1,254,224	\$	3,183,506
Unspent (Credit Carryforward) Balances as of September 30) (Schedule III):								
Transit	\$	172,184	\$	159,095	\$	148,139	130	
Transportation	\$	(312,003)	\$	(374,467)	\$	(588,419)		
Key Road and Transportation Fund Balances as of September 30 (Schedule I):								
Restricted Cash and Equity in Pooled Cash and Investments	\$		\$	29,118	\$			
Surtax Proceeds Receivable	\$	190,568	\$	199,242	\$	142,647	914	
Fund Balance	\$	107,998	\$	134,869	\$	24,583		

¹ Amount in FY 2017 differs from that reported by Miami Springs due to timing differences.

Further, pursuant to *CITT Resolution No. 15-027*, municipalities may carryforward Transportation-related expenditures that exceed their annual Surtax appropriation. As a result, Miami Springs had \$588,419 in Transportation-related expenditures as of September 30, 2019 that may be applied against Surtax Proceeds received in future years (Schedule III).

These and other findings are more fully discussed in the remainder of this document. Miami Springs' Response is incorporated herein, and presented in its entirety as Attachment I. Overall, we are pleased with the corrective actions planned, and thus the audit has been closed. 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, if you have any questions.

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FINDINGS AND RECOMMENDATIONS

Uses of Surtax Proceeds for Transit Projects

As mentioned previously, at least 20% of Surtax Proceeds, or \$351,950, must be used for Transit-related projects, of which Miami Springs claimed expenditures of \$431,904. The monies were used primarily for its *Miami Springs Free-Bee Shuttle* service and debt service on the Transit-related portion of its Capital Improvement Revenue Note, Series 2017 (Schedule II). The Note, together with a State grant of \$681,000, funded the Westward Bicycle Path, with a total project cost of \$1.13 million. The Note's debt service amounts related to bus stop connectivity (22%) were claimed as Transit-related costs, with the remainder (78%) claimed as Transportation expenditures. The interest rate is 2.13% and maturity is April 1, 2024.

The *Miami Springs Free-Bee Shuttle* operates on a fixed-route schedule, Monday through Friday, from 7:00 a.m. to 6:00 p.m., except for City-observed holidays, with annual ridership averaging 22,000 annually (Table II). Miami Springs provides shuttle service to the Village of Virginia Gardens (Virginia Gardens) for an annual fee of approximately \$20,000.

Table II
Summary Circulator Ridership

Suin	mary Che	ulator Kiut	ramb	
	Fiscal	Year End	ed Septemb	per 30,
Description	2017	2018	2019	Total
October	1,758	1,852	2,421	6,031
November	1,883	1,747	2,291	5,921
December	1,709	944	1,806	4,459
January	1,705	1,984	1,610	5,299
February	1,714	1,664	2,092	5,470
March	2,177	1,988	1,689	5,854
April	1,713	2,213	1,678	5,604
May	2,311	2,405	1,664	6,380
June	1,583	2,020	1,361	4,964
July	1,317	1,561	1,405	4,283
August	1,957	2,234	1,251	5,442
September	1,569	2,017	1,406	4,992
	21,396	22,629	20,674	<u>64,699</u>

Source: Circulator Vendor's Ridership Reports

After adjusting claimed expenditures for amounts received from Virginia Gardens, Miami Springs had \$148,139 in unspent Transit-related monies as of September 30, 2019 (Schedule III).

Recommendation

Miami Springs should submit an updated Five-Year Transportation Plan reflecting how the unspent Surtax Proceeds restricted to Transit projects will be used, as required by *CITT Resolution No. 09-055*. Further, the unspent Proceeds should be funded and reflected in Cash or Investments within 30 days.

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Auditee Response

We have revised the Five Year Plan to reflect both the Transportation expenses applied to future years and the projected uses of the unspent Transit funds (see attached Revised Five Year Plan). As to the Cash, usually at fiscal year end there are about four months of Surtax proceeds that are set up as a receivable pending receipt. Since we used more of the Transportation funds than received during this three year period, this caused the non-available cash balance at the end of fiscal year 2019. We will ensure that the City fund the cash account at year end in order to have available cash to cover the unspent funds.

Uses of Surtax Proceeds for Transportation-Related Projects

For the remaining 80%, or \$1.4 million, Miami Springs claimed expenditures totaling \$2.8 million primarily for street lighting improvement projects and utilities, as well as citywide sidewalk repairs and installations, and debt service (Schedule II). After adjusting claimed costs for Grant receipts of \$119,600 and ineligible charges totaling \$237,931, Miami Springs fully expended its Transportation-related Surtax Proceeds (Schedules II and III).

Recommendation

Prospectively, greater diligence should be exercised in assuring that only eligible expenditures are paid with Surtax Proceeds.

Auditee Response

The City will exercise greater diligence prospectively to ensure that only eligible and supported expenses are paid with surtax funds. In the past there have been expenses that we interpreted to be eligible at the time they were incurred. We will ensure that going forward if there are any questions as to eligibility, we will check with OCITT before proceeding.

Certification and Reporting Requirements

Annual Certification Letters and other Compliance Reports were submitted as required. However, Quarterly Reports did not always agree to the General Ledger.

Recommendation

Prospectively, Compliance Reports should be submitted accurately to OCITT.

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Auditee Response

The City will ensure that compliance reports are filed timely and accurately. We have been working with OCITT during FY 2020 to accurately complete the new quarterly reports we submit.

CJ:bm

Attachments

c: Honorable Harvey A. Ruvin, Clerk of the Courts
Abigail Price-Williams, County Attorney
Edward Marquez, Deputy Mayor
Jennifer Moon, Deputy Mayor/Director, Office of Management and Budget
William Alonso, City Manager/Finance Director, City of Miami Springs

Charter County Transportation System Surtax Review - City of Miami Springs Road and Transportation Fund

Balance Sheet	s					
		A	s of	September 3	0,	
Description		2017		2018		2019
Assets:						
Surtax Proceeds Receivable	\$	190,568	\$	199,242	\$	142,647
Other Receivables		1,573		1,573		1,715
Restricted Cash and Equity in Pooled Cash and Investments	_	100 111		29,118		- 111000
Total Assets	\$	192,141	<u>\$</u>	229,933	\$	144,362
Liabilities and Fund Balance:						
Liabilities:				0.7.044	_	
Accounts Payable and Accrued Liabilities Due to Other Funds	\$	35,117	\$	95,064	\$	15,830 103,949
Due to Other Pullus		49,026		05.064		
Fund Balance, Restricted		84,143		95,064		119,779
	<u> </u>	107,998	ф.	134,869	Φ.	24,583
Total Liabilities and Fund Balance	\$	192,141	\$	229,933	\$	144,362
Statements of Revenues, Expenditures, a	d Chang	es in Fund B	alan	ce		
		Year	End	ed Septembe	r 30	
Description		2017		2018		2019
Revenues (Schedule III):						
Intergovernmental:				30		
Surtax Proceeds	\$	570,629	\$	597,011	\$	595,221
State of Florida Grant Funding		-		-		119,600
Charges for Circulator Services Provided to Virginia Gardens		19,247	-	19,381		21,866
		589,876		616,392		736,687
Expenditures:						
Current - Public Works		498,283		493,155		775,566
Capital Outlay - Public Works		137		23,594		
		498,420		516,749		775,566
Excess (Deficiency) of Revenues over Expenditures		91,456		99,643		(38,879)
Other Financing Sources:						
Transfers Out - Debt Service		(17,690)		(72,772)		(71,407)
Net Change in Fund Balance		73,766		26,871		(110,286)
Fund Balance, Beginning		34,232		107,998		134,869

Source: City of Miami Springs Comprehensive Annual Financial Reports and General Ledgers

These Financial Statements are not complete without the accompanying Independent Auditors' Reports and Notes.

Charter County Transportation System Surtax Review - City of Miami Springs Claimed Transit and Transportation-Related Expenditures, as Adjusted

	Fiscal Vo.	ar Ended Se	ntombox 20	
Description	2017	2018	2019	Total
Transit-Related:	2017	2010	2017	Iotai
Road and Transportation Fund:				
Miami Springs Free-Bee Shuttle Operator Costs	\$ 123,437	\$ 134,581	\$ 136,156	\$ 394,174
Debt Service	3,892	16,010	15,710	35,612
Repairs and Supplies	837	1,281	15,710	2,118
,			¢ 151 966	
Total Eligible Transit Costs (Schedule III)	\$ 128,166	\$ 151,872	\$ 151,866	\$ 431,904
Transportation-Related:				
Road and Transportation Fund:				
Streets and Sidewalks Repairs and Maintenance	\$ 227,894	\$ 60,190	\$ 182,472	\$ 470,556
Streetlights Repairs and Replacement	25,388	147,310	196,094	368,792
Personnel Cost	82,527	84,079	86,550	253,156
Professional Services:				
Citywide Bicycle and Pedestrian Study	-	-	149,662	149,662
Traffic Study	-	19,187	1,881	21,068
Bicycle Path Design	6,974	-	-	6,974
Debt Service	13,798	56,762	55,697	126,257
Street Sweeping	20,160	25,650	20,790	66,600
Parts and Supplies	9,570	19,385	108	29,063
Purchase of Ford F-150 Truck	-	23,594	-	23,594
Liability Insurance	1,308	1,284	1,236	3,828
Telecommunications	325	208	617	1,150
Total Road and Transportation Fund Amounts Claimed	387,944	437,649	695,107	1,520,700
General Fund - Streets and Streetlights Division:				
Personnel Cost	172,727	155,183	164,012	491,922
Streetlighting Utilities	149,651	152,162	147,416	449,229
New Trees	49,535	23,295	42,040	114,870
Fleet Maintenance	16,053	12,127	16,262	44,442
Tornado Damage - Removal of Downed Trees	33,382	-	-	33,382
Operating Supplies	7,819	11,116	10,405	29,340
Fuel	5,971	6,273	8,267	20,511
Repairs and Maintenance	5,195	1,956	12,540	19,691
Inventory Adjustments	7,928	5,133	64	13,125
Liability Insurance	2,974	2,304	2,710	7,988
Fleet Supplies	172	2,183	603	2,958
Curtiss Parkway Civil Engineering Charges	-	\ -	2,875	2,875
Heavy Equipment Driver Training	-	500	-	500
Bank Charges	-	12	57	69
Total General Fund Amounts Claimed	451,407	372,244	407,251	1,230,902
Total Transportation-Related Amounts Claimed	839,351	809,893	1,102,358	2,751,602
			1,102,336	
Less: Ineligible Items: New Trees	(40.525)	(22.205)	(42.040)	(114 970)
Tornado Damage - Removal of Downed Trees	(49,535)	(23,295)	(42,040)	(114,870)
Operating Supplies (Christmas Lights, Utility Locator Service)	(33,382)	(11 116)	(10.405)	(33,382)
Non-Streetlighting Costs	(7,819)	(11,116)	(10,405)	(29,340)
Repairs and Maintenance (Chain Link Fence, Parking Lot)	(8,979)	(9,130)	(8,845)	(26,954)
- ,	(5,195)	(1,956)	(12,540)	(19,691)
Inventory Adjustments	(7,928)	(5,133)	(64)	(13,125)
Heavy Equipment Driver Training Bank Charges	-	(500)	(57)	(500)
	(110.000)	(12)	(57)	(69)
Total Ineligible Amounts	(112,838)	(51,142)	(73,951)	(237,931)
Total Eligible Transportation Costs (Schedule III)	<u>\$ 726,513</u>	\$ 758,751	<u>\$1,028,407</u>	\$ 2,513,671

Source: Miami Springs General Ledgers, Vendor Invoices, and Other Supporting Documentation

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

Surtax Proceeds	Usaş	ge Analysis	S				-	
		Fiscal Y	ear l	Ended Septe	emb	er 30,		
Description		2017		2018		2019		All Years
Revenues (Schedule I):								
Surtax Proceeds ¹	\$	567,519	\$	597,011	\$	595,221	\$	1,759,751
State of Florida Grant Funding				-		119,600		119,600
Charges for Circulator Services Provided to Virginia Gardens		19,247		19,381		21,866	_	60,494
	\$	586,766	\$	616,392	\$	736,687	\$	1,939,845
Surtax Uses:			-					
Eligible Transit Expenditures (Schedule II)	\$	128,166	\$	151,872	\$	151,866	\$	431,904
			_		_			1
Eligible Transportation Expenditures (Schedule II)	\$	726,513	\$	758,751	\$	1,028,407	\$	2,513,671
Less Maintenance of Effort (MOE, Table I)		(218,678)		(218,678)	_	(218,678)	_	(656,034)
Expenditures Available For Surtax Use	\$	507,835	\$	540,073	\$	809,729	\$	1,857,637
AMS Analysis:								
Transit-Related Expenditures:								
Expenditures Available for Surtax Use	\$	128,166	\$	151,872	\$	151,866	\$	431,904
Less 20% Minimum Amount ²		(113,504)		(119,402)		(119,044)		(351,950)
Less Circulator Services Payments from Virginia Gardens		(19,247)		(19,381)		(21,866)	l	(60,494)
(Increase) Decrease in Unspent Amount	\$	(4,585)	\$	13,089	\$	10,956	\$	19,460
Analysis of Unspent Balance:								
Beginning Balance ³	\$	167,599	\$	172,184	\$	159,095	\$	167,599
Increase (Decrease) in Unspent Amount		4,585		(13,089)		(10,956)		(19,460)
Remaining Unspent Balance	\$	172,184	\$	159,095	\$	148,139	\$	148,139
Transportation-Related Expenditures:								
Expenditures Available for Surtax Use	\$	507,835	\$	540,073	\$	809,729	\$	1,857,637
Less Remaining 80% Amount ²		(454,015)		(477,609)		(476,177)		(1,407,801)
Less State of Florida Grant Funding						(119,600)		(119,600)
Increase in Carryforward Credit Amount	\$	53,820	\$	62,464	\$	213,952	\$	330,236
Analysis of Carryforward Credit:								
Beginning Balance ³	\$	(258,183)	\$	(312,003)	\$	(374,467)	\$	(258,183)
Increase in Carryforward Credit Amount	"	(53,820)	*	(62,464)	4	(213,952)	*	(330,236)
Remaining Carryforward Credit	\$	(312,003)	\$	(374,467)	\$	(588,419)	\$	(588,419)
			_					

¹ Amount in FY 2017 does not agree with Schedule I due to timing differences.

² 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.

³ See the October 16, 2017 Audit Report for beginning balances.

Charter County Transportation System Surtax Review Summary of Payments to Municipalities

			Fiscal Y	ear	Ended Septer	nber	30.				
Municipality	2003 to 2015		2016		2017		2018		2019		All Years
City of Miami 1	\$ 163,251,890	\$	16,889,133	\$	16,523,990	\$	18,187,632	\$	19,212,362	\$	234,065,007
City of Hialeah	94,519,774		9,243,159		9,346,775		9,873,020		10,107,558		133,090,286
City of Miami Beach	37,554,491		3,670,335		3,678,499		3,925,123		3,963,754		52,792,202
City of Miami Gardens ²	22,375,665		4,336,722		4,409,954		4,737,286		4,846,211		40,705,838
City of North Miami	24,592,952		2,454,241		2,473,804		2,665,998		2,700,412		34,887,407
City of Homestead	20,867,813		2,669,792		2,788,854		2,969,698		3,152,022		32,448,179
City of Coral Gables	18,755,177		1,955,854		1,981,236		2,091,593		2,132,315		26,916,175
City of North Miami Beach	17,154,830		1,733,203		1,746,039		1,882,765		1,945,188		24,462,025
City of Aventura	12,992,928		1,494,036		1,502,980		1,590,870		1,613,705		19,194,519
City of Doral ²	9,003,402		2,120,606		2,232,433		2,508,437		2,747,033		18,611,911
Town of Miami Lakes 1	11,086,213		1,209,319		1,211,635		1,288,227		1,309,407		16,104,801
Town of Cutler Bay 2	8,525,502		1,721,858		1,769,140		1,899,220		1,935,984		15,851,704
Village of Palmetto Bay	10,074,295		952,951		956,304		1,013,542		1,033,365		14,030,457
City of Hialeah Gardens	8,635,855		904,713		922,372		986,599		1,007,122		12,456,661
City of Sunny Isles Beach	7,759,606		869,990		866,019		933,221		951,809		11,380,645
Village of Pinecrest	7,840,962		737,876		738,316		777,521		790,584		10,885,259
City of Miami Springs	5,682,283		562,418		565,087		601,223		608,639		8,019,650
City of Opa-locka 1	6,329,004		90,323		195,000		210,000		165,000		6,989,327
City of South Miami	4,767,184		546,219		547,720		546,151		541,343		6,948,617
Village of Key Biscayne	4,809,375		502,197		508,734		540,692		550,288		6,911,286
City of Florida City	4,132,139		498,385		504,443		542,769		557,265		6,235,001
City of Sweetwater ¹	5,070,356		273,778		133,332		466,662		166,116		6,110,244
Miami Shores Village	4,308,419		419,557		420,697		443,831		447,113		6,039,617
North Bay Village	2,808,576		314,789		328,007		378,523		384,140		4,214,035
City of West Miami	2,445,250		241,053		241,373		279,166		307,465		3,514,307
Town of Surfside	2,314,098		229,428		228,739		234,500		248,902		3,255,667
Town of Bay Harbor Islands	2,209,631		231,953		222,682		234,375		249,414		3,148,055
Village of Biscayne Park	1,342,176		125,900		126,220		135,905		135,965		1,866,166
Bal Harbour Village	1,262,745		114,472		111,421		114,881		125,178		1,728,697
Village of El Portal ³	1,012,447		6,467		174,873		90,094		89,175		1,373,056
Village of Virginia Gardens	973,380		96,229		96,903		102,910		103,132		1,372,554
Town of Medley	429,285		34,442		33,529		35,277		35,617		568,150
Town of Golden Beach 1	365,820		36,766		37,221		39,423		39,386		518,616
Indian Creek Village	3,604	_			-			_		_	3,604
· .	\$ 525,257,127	\$	57,288,164	\$	57,624,331	\$	62,327,134	<u>\$</u>	64,202,969	\$	766,699,725

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

¹ Amounts are net of withholdings of \$76,553 from the Town of Miami Lakes, \$2.1 million from the City of Sweetwater, \$21,058 from the Town of Golden Beach, \$2.3 million from the City of Opa-locka, and \$3.3 million from the City of Miami, due to specific instances of noncompliance. Partial amounts were released as follows: \$1.3 million to Sweetwater on 11/27/2019, and \$901,927 to Opa-locka on 3/9/2020.

² 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.

³ 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 Springs (Miami Springs) Status of Prior Audit Findings 1

		b	
Finding	Recommendation	Auditee Response	Current Status
Use of Surtax Proceeds for Transit Projects	2		
Miami Springs claimed \$1.1 million in Transit-related expenditures, of which \$16,352 was determined ineligible. The City how the unspent Surta had \$167,599 in unspent Proceeds as of \$No. 09-055. Further, should be funded and a should be should be funded and a should be	Miami Springs should submit an updated Five-Year Transportation Plan reflecting how the unspent Surtax Proceeds will be used, as required by CITT Resolution No. 09-055. Further, unspent Proceeds should be funded and reflected in Cash or Investments within 30 days.	Miami Springs revised its Five-Year Transportation Plan. As to unfunded Cash, there are about four months of Surtax Proceeds receivable as of yearend, and a carryover credit in Transportation-related funds. We will work with OCITT to address the cash issue.	Unresolved Miami Springs had \$148,139 in unspent Transit-related Proceeds, with no available Cash or Investments as of September 30, 2019. See Pages 3 to 4 of the Audit Report.
Use of Surtax Proceeds for Transportation Projects	Projects		
Miami Springs claimed \$6.7 million in Prospectively, greater Transportation-related expenditures, of exercised in assuring the which \$940,772 was ineligible. However, supported expenses at the City fully expended its Transportation-related Surfax Proceeds.		diligence should be The City concurs and will check with nat only eligible and OCITT if there are any questions e paid with Surtax regarding eligibility.	Unresolved Ineligible costs totaled \$237,931 during the audit period. See Page 4 of the Audit Report.
Certification and Reporting Requirements			
Several required reports were submitted late, and Quarterly Reports did not always agree with the General Ledger.	Prospectively, Compliance Reports should be submitted timely and accurately to OCITT.	The City concurs.	Unresolved Reports were submitted timely but did not agree with the General Ledger. See Pages 4 to 5 of the Audit Report.
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¹ For the full text, see the October 16, 2017 Audit Report.

CITY OF MIAMI SPRINGS



City Manager 201 Westward Drive Miami Springs, FL 33166-5289 Phone: (305) 805-5011 Fax: (305) 805-5037

October 7,2020

Ms. Cathy Jackson Director Audit and Management Services Department 701 NW 1st Court-Suite 8-175 Miami, Fla. 33136

Re; Charter County Transit System Surtax Audit-City of Miami Springs

Dear Ms. Jackson:

We have received and reviewed the draft copy of the Audit report we discussed with you and you staff a few weeks ago. The following are the city's responses to the three findings noted:

- 1. Submit an updated Five-Year Transportation Plan reflecting how unspent Surtax Proceeds restricted to Transit projects will be used and Unspent proceeds should be funded and reflected in Cash or Investments within the Road and Transportation Fund within 30 days- We have revised the five year plan to reflect both the Transportation expenses applied to future years and the projected uses of the unspent Transit funds (see attached Revised Five Year Plan). As to the Cash, usually at fiscal year end there are about four months of Surtax proceeds that are set up as a receivable pending receipt. Since we used more of the Transportation funds than received during this three year period, this caused the non-available cash balance at the end of fiscal year 2019. We will ensure that the city fund the cash account at year end in order to have available cash to cover the unspent funds.
- 2. <u>Ineligible expenses-</u> The City will exercise greater diligence prospectively to ensure that only eligible and supported expenses are paid with surtax funds. In the past there have been expenses that we interpreted to be eligible at the time they were incurred. We will ensure that going forward if there are any questions as to eligibility, we will check with OCITT before proceeding.
- 3. <u>Compliance reports-</u> The City will ensure that compliance reports are filed timely and accurately. We have been working with OCITT during FY2020 to accurately complete the new quarterly reports we submit.

Charter County Transit System Surtax Audit-City of Miami Springs Page 2

We thank you for your assistance and professionalism during this process. Please feel free to contact me if you have any questions.

Sincerely

William Alonso

City Manager

REVISED 5 YR PLAN

PTP/TRANSIT FIVE-YEAR MUNICIPAL TRANSIT IMPROVEMENT PROGRAM. & QUARTERLY REPORTING

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MAINICIPALITY:	The second of th	
2	MUNICIPALTY	
2	CONTACT NAME:	
hsen	TITLE / POSITION:	Director of Public Works
nash	TELEPHONE	305-805-5170
	E-MAIL:	nasht@mlamisprings-fl.gov
	REPORT DATE:	October 7, 2020

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(1) FOR CAPITAL PROJECTS ONLY (2) PHASE CODES:

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ROVY: Right or twey Acquisition
PE: Preliminary Engineering
FS: Framibility Study
PP: Procurement Process
SP: Service Planning
PP: Implementation Process
ON: On-Colog

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Page 3 of 4

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TOTAL Projected
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TOTAL Projected
Expenditure

REVISED 5 YR PLAN

Instructions: Please com	INETUCIONE: Please complete un-shaded portions of this spreadsheet. Un-hide rows at the end of
spreadshed as needed.	
MUNICIPALITY:	City of Miami Springs
CONTACT NAME:	Thomas Nash
TITLE / POSITION:	Director of Public Works
TELEPHONE:	305-805-5170
E-MAIL:	nasht@miamisprings-fl.gov
REPORT DATE:	October 7, 2020

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				Current P	Current PTP Allocation	\$ 476,000	Current F	Current PTP Allocation	\$ 476,000	Current P1		\$ 476,000	Current PT	Current PTP Allocation s	476,000	Current PT	Current PTP Allocation s	476.000
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Two new riding mowers to replace units purchased in pnor years with PTT funds	City-Wide	Start mryy 10/15 End mryyy			qIq	47,200		PTP	0		919	0		did		<u>ald</u>	a	0
Sidewalk Restoration	Chy-Wide	Start mm/yy 10/15 End mm/yy 09/16			ЫР	30,000		РТР	35,000	411	PTP	35,000		did	30,000	did	a	30,000
Alley Rocking & Grading	Cay-Wide	Start mm/yy 10/15 End mm/yy.			did	2,000		PTP	20,000		PTP	20,000		PTP	20,000	<u>aa</u>		20,000
Street Sweeping	Downtown Mlami Springs	Start mm/yy 10/15 End mm/yy 08/16			МБ	37,800		РТР	37,800		did	37.800		वीव	37,800	<u>a</u>	a	37,800
Street Light Repairs & Upgrades	Cir-Wide	Start mrelyy: 10/15 End mm/yy 09/16			РТР	100,000		PTP	100,000	ا ا	PTP	100,000		did	100,000	<u>gr</u>	0	100,000
Westward Bike Path projecy/Debt Service payment	Westward Dine	Start mm/yy 10:15 End mm/yy 02/16			РТР	54,634		PTP	54,217		PTP	54,217		PTP.	54,217	<u>ata</u>	0	54,217
Milling & Paving	S00 Blk South Drive	Start mm/yy 11/18 End mm/yy 1020			РТР	46,196		РТР	Ш	<u> </u>	FIF		-	ЭТР		<u>a</u>		
(1) FOR CAPITAL PROJECTS ONLY (2) PHASE CODES:	L	GST: Construction		BEST STATE	FY 2019-2020	THE STATE OF	A	FY 2020-2021	The Control of the	11.55.05.01	FY2021-2022	HAMM!	THE PERSON NAMED IN	FY2022-2023			FY2023-24	574.00

(1) FOR CAPITAL PROJECTS ONLY (2) PHASE CODES:

PE: Praiminary Engineering
FS: Fessibility Study
PF: Procurements Process
SP: Sarvice Planning
W. Implementation Process
ON: On-Going
Five Year Plan-CITT P720-24 Revice after audit TRANSURIATION CST: Construction ROW: Right of Way Acquisition