OFFICE OF THE COMMISSION AUDITOR

FIRST BUDGET HEARING
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Commission Chambers

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Commission Auditor

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FY 2023-24 Proposed Budget Analysis By Department

This report examines Miami-Dade County's departmental budget by category for the FY 2022-23 Adopted Budget and the FY 2023-24 Proposed Budget. OCA analyzed and researched reasons for increases and decreases within selected expenditures and revenues based on the materiality of discoveries and provided findings and explanations of the differences.

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

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	**$ 113,623**	**$ 87,658**	**$ 97,501**	**$ 9,843**	**11%**
II. Operating Expenditures					
Salary	$ 115,305	$ 123,101	$ 128,722	$ 5,621	5%
Fringe Benefits	$ 41,717	$ 49,886	$ 54,643	$ 4,757	10%
Court Costs	$ 4	$ 287	$ -	$ (287)	-100%
Contractual Services	$ 131,239	$ 152,584	$ 169,967	$ 17,383	11%
Other Operating	$ 114,978	$ 131,191	$ 149,125	$ 17,934	14%
Charges for County Services	$ 110,019	$ 113,637	$ 126,953	$ 13,316	12%
Capital	$ 1,062	$ 2,849	$ 4,606	$ 1,757	62%
Operating Expenditures, Total	**$ 514,324**	**$ 573,535**	**$ 634,016**	**$ 60,481**	**11%**
III. Selected Non-Operating Expenditure					
Reserves	**$ -**	**$ 93,422**	**$ 107,783**	**$ 14,361**	**15%**
IV. Position Count					
Position Count	**1,456**	**1,482**	**1,534**	**52**	**4%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observations:

1. **Salary, Fringe Benefits, and Positions:** According to the Department, the net increase of $10.4 million is mainly due to 52 additional FTEs to support operational workload across Miami International Airport (MIA) and four General Aviation Airports (GAA) (+$5.2 million).

2. **Contractual Services:** The $17.3 million increase is mainly attributed to the following:

    a. Other Professional Services (+$1.9 million). This account represents Professional Services contracts. The increase is due to the Innovation Center of Excellence framework of operation and lab development, financial advisory services for projected bond issuances in FY 2023-24, claims resolutions due to an increase in claims, appraisal services related to MDAD's insurance program, and consultant services for Wireless License Agreement and RFP for airport lounges.

    b. Engineering Services (+$1.4 million). This account represents contracts with Architect and Engineering (A&E) firms for planning studies due to the anticipated increase in workload for A&E services.

    c. Other Outside Contractual Services (+$5.2 million). This account represents services for various types of equipment and systems. The increase is due to the anticipated increase in baggage handling system (BHS) maintenance contract, added staff for new BHS in the South Terminal, Chatbot omni-channel integration, Geographic Information System (GIS) inspection, and a new contract for Pre-Conditioned Air units for loading bridges, etc.

d. Building Maintenance - Contractor (+$2.6 million). This account represents contracts for the maintenance of buildings and facilities. The increase is due to a new Preventative Maintenance Program managed by the Maintenance Division. This new program will start in FY 2023-24 and covers the areas of HVAC systems, electrical and generators, airfield lighting, fire suppression, and locksmith shops.

e. Elevators (+$2.4 million). This account represents contracts to maintain and repair all conveyance equipment (elevators, escalators, and walkways). The increase is due to the new emergency contract established with Schindler Elevator after the existing contract with Oracle was terminated by the County.

3. **Other Operating:** The $17.9 million increase is due to the following:

a. Electrical Services (+$3.7 million). This account represents payments to Florida Power & Light. The increase is due to a catch-up for electrical rate increases in 2023 not included in the FY 2022-23 budget and anticipated rate increases for 2024.

b. Water & Sewer Service (+$3.1 million). This account represents payments to the Miami-Dade Water & Sewer Department. The increase is due to a catch-up for water rate increases not included in the FY 2022-23 budget.

c. Payment of use & sales taxes (+$1.5 million). This account represents sales tax payments to the State of Florida for taxable revenues collected. The increase is due to the projected increase in taxable revenues, specifically taxable rent revenue.

d. Management companies' sales tax payments (+$1.5 million). This account reflects the increase in sales tax payments to the State of Florida for taxable revenues collected by MDAD's management agreement companies.

4. **Charges for County Services:** The $13.3 million increase is mainly attributed to the following:

a. GSA Security Services (+$1.0 million). This account represents an MOU with ISD to reimburse Allied Universal security guard services provided at MDAD, plus a 6% admin fee. The increase is attributed to the additional security staff required by the Department to assume the responsibilities of the security functions at the Miami Intermodal Center (MIC), plus an anticipated increase in the hourly rate for the guards based on contract negotiations.

b. Police Services (+$7.03 million). This account represents the MOU payments made to the Police Department to reimburse personnel salaries and fringes. The increase is attributed to $985,000 for FY 2023-24 merit increases, $2.9 million for additional police presence at MIA during 2024 presidential campaigns, and $3.1 million for a 7.44% admin fee not included in prior year budgets.

c. Fire Services (+$2.06 million). This account represents the MOU payments made to the Fire Department to reimburse personnel salaries and fringes.

d. Customs & Border Patrol Services (+$1.3 million). This account represents payments to the CBP agency for reimbursement of overtime payments to CBP officers at MIA, per the CBP559 program. The increase is attributed to additional overtime hours that are forecasted for FY 2023-24, due to the projected growth in passengers and cargo.

5. **Reserves:** The Department is required to have 17% of operating expenses as a reserve fund pursuant to MDAD's Trust Agreement.

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
II. Operating Expenditures					
Salary	$ 12,039	$ 13,395	$ 13,894	$ 499	4%
Fringe Benefits	$ 4,867	$ 5,468	$ 5,891	$ 423	8%
Contractual Services	$ 89	$ 319	$ 247	$ (72)	-23%
Other Operating	$ 1,796	$ 2,286	$ 5,717	$ 3,431	150%
Charges for County Services	$ 1,255	$ 1,980	$ 1,475	$ (505)	-26%
Capital	$ 109	$ 130	$ 252	$ 122	94%
Operating Expenditures, Total	**$ 20,155**	**$ 23,578**	**$ 27,476**	**$ 3,898**	**17%**
III. Selected Non-Operating Expenditure					
Reserves	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
IV. Position Count					
Position Count	**169**	**178**	**178**	**-**	**0%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observation:

1. **Other Operating:** The $3.4 million increase is mainly attributed to the Annual Operating impact (+$3.06 million) of implementing the new 311 Customer Relationship Management (CRM) solution adopted through Resolution R-645-23.

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	**$ -**	**$ -**	**$ 10**	**$ 10**	**0%**
II. Operating Expenditures					
Salary	$ 35,362	$ 45,320	$ 45,063	$ (257)	-1%
Fringe Benefits	$ 14,426	$ 18,703	$ 19,731	$ 1,028	5%
Court Costs	$ -	$ 1	$ -	$ (1)	-100%
Contractual Services	$ 14,355	$ 10,420	$ 26,460	$ 16,040	154%
Other Operating	$ 11,892	$ 9,696	$ 9,454	$ (242)	-2%
Charges for County Services	$ 4,107	$ 3,184	$ 3,190	$ 6	0%
Grants to Outside Organizations	$ 116,985	$ 83,186	$ 82,866	$ (320)	0%
Capital	$ 734	$ 185	$ 237	$ 52	28%
Operating Expenditures, Total	**$ 197,861**	**$ 170,695**	**$ 187,001**	**$ 16,306**	**10%**
III. Selected Non-Operating Expenditure					
Reserves	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
IV. Position Count					
Position Count	**618**	**666**	**666**	**-**	**0%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observations:

1. **Contractual Services:** The $16.04 million increase is mainly due to the following programs of the Miami-Dade County HOMES Plan: *Weatherization Assistance Program (MDCWAP)* (+$2.5 million) and the *Mortgage Relief Program (MRP)* (+$11.6 million) handled by Community Action and Human Services Department (CAHSD). Additionally, +$1.5 million is due to the Facilities Maintenance repairs of aging locations.

Key Observation:

1. At the time of the Proposed 2023-24 Budget book publication, the Department did not have accurate details to support what was reported in the Budget. OCA requested the Department's corrected budget details but has not yet received an adequate explanation at the time of this report.

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	$ 338	$ 234	$ 102	$ (132)	-56%
II. Operating Expenditures					
Salary	$ 255,195	$ 254,317	$ 280,281	$ 25,964	10%
Fringe Benefits	$ 125,894	$ 126,965	$ 149,155	$ 22,190	17%
Court Costs	$ 9	$ 44	$ 40	$ (4)	-9%
Contractual Services	$ 10,602	$ 10,701	$ 11,952	$ 1,251	12%
Other Operating	$ 28,146	$ 27,135	$ 31,789	$ 4,654	17%
Charges for County Services	$ 7,608	$ 9,348	$ 8,115	$ (1,233)	-13%
Grants to Outside Organizations	$ 110	$ -	$ -	$ -	0%
Capital	$ 1,670	$ 1,203	$ 1,404	$ 201	17%
Operating Expenditures, Total	**$ 429,234**	**$ 429,713**	**$ 482,736**	**$ 53,023**	**12%**
III. Selected Non-Operating Expenditure					
Reserves	**$ -**	**$ 1,067**	**$ -**	**$ (1,067)**	**-100%**
IV. Position Count					
Position Count	**3,121**	**3,085**	**3,085**	**-**	**0%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observations:

1. **Salary and Fringe Benefits:** The $26 million increase is due to employee overtime (+$20.3 million). According to the Department, MDCR continues to experience a significant increase in operational demands as a result of a growing inmate population with intensive medical and mental health needs. Additionally, the increase in Fringe Benefits is associated with the increase in employee overtime.

2. **Contractual Services:** The $1.3 million increase is due to price increases for water and sewer, electrical, and janitorial services, and an addition of the new headquarters location in Doral, per the Department. OCA will follow up with the Department to gather further information to support this increase.

3. **Other Operating:** The $4.7 million increase is mainly attributed to the food account (+$3.3 million) which is a 36% increase year-over-year. According to the Department, the increase was requested to account for food price increases and to be able to order food in large quantities to avoid supply chain issues.

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	**$ 12,787**	**$ 14,544**	**$ 13,277**	**$ (1,267)**	**-9%**
II. Operating Expenditures					
Salary	$ 7,430	$ 9,687	$ 10,564	$ 877	9%
Fringe Benefits	$ 2,768	$ 3,444	$ 4,019	$ 575	17%
Court Costs	$ -	$ 11	$ 11	$ -	0%
Contractual Services	$ 3,566	$ 4,694	$ 5,078	$ 384	8%
Other Operating	$ 2,672	$ 12,421	$ 14,205	$ 1,784	14%
Charges for County Services	$ 1,393	$ 1,765	$ 2,287	$ 522	30%
Grants to Outside Organizations	$ 20,841	$ 26,970	$ 26,968	$ (2)	0%
Capital	$ 4,130	$ 6,165	$ 6,168	$ 3	0%
Operating Expenditures, Total	**$ 42,800**	**$ 65,157**	**$ 69,300**	**$ 4,143**	**6%**
III. Selected Non-Operating Expenditure					
Reserves	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
IV. Position Count					
Position Count	**90**	**97**	**100**	**3**	**3%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observations:

1. **Other Operating:** The $1.8 million increase is due to an increase in the Contingency Reserve account (+$1.7 million). The Department includes Contingency Reserve with the Other Operating expenditures because the Department considers these funds as committed and to be used for the operation of the intended programs. The Contingency Reserve for the Art in Public Places Program increased by +$1.5 million in FY 2023-24 and is obligated to ongoing Art in Public Places Projects that may take several years to be realized per the Department.

2. **Reserves:** The Department chooses to report its Contingency Reserves ($7.8 million in FY 2022-23 and $9.6 million in FY 2023-24) under Other Operating Expenditures. This approach inflates the other operating expenditure category significantly.

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
II. Operating Expenditures					
Salary	$ 13,119	$ 17,135	$ 23,133	$ 5,998	35%
Fringe Benefits	$ 3,638	$ 4,092	$ 4,531	$ 439	11%
Court Costs	$ 50	$ 50	$ 50	$ -	0%
Contractual Services	$ 2,637	$ 2,768	$ 2,933	$ 165	6%
Other Operating	$ 4,493	$ 6,002	$ 9,543	$ 3,541	59%
Charges for County Services	$ 4,539	$ 7,092	$ 5,498	$ (1,594)	-22%
Grants to Outside Organizations	$ -	$ -	$ -	$ -	0%
Capital	$ 32	$ 46	$ 100	$ 54	117%
Operating Expenditures, Total	**$ 28,508**	**$ 37,185**	**$ 45,788**	**$ 8,603**	**23%**
III. Selected Non-Operating Expenditure					
Reserves	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
IV. Position Count					
Position Count	110	**122**	**134**	**12**	**10%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observations:

1. **Salary and Positions:** The $6 million increase is due to an increase in the Temporary Help Outside Agency account (+ $4.7 million) and 12 new positions. According to the Department, the proposed budget includes funding for the upcoming elections in the Cities of Miami, Miami Beach, Hialeah, and Homestead in 2023; the 2024 Presidential Preference Primary Election; and the 2024 August Primary Election.

2. **Other Operating:** The main reasons for the increase of $3.5 million are due to the following: vehicle rentals increased by $800,000 for expenses related to election equipment deliveries and non-county poll workers increased by $968,000 due to the upcoming elections.

3. **Charges for County Services:** The $1.6 million decrease is mainly attributed to Printing and Reproduction charges which decreased by -$1.4 million. According to the Department, FY 2022-23 included higher printing costs due to re-districting and the issuance of new Voter Information Cards to 1.6 million registered voters.

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	**$ 38,197**	**$ 33,294**	**$ 17,848**	**$ (15,446)**	**-46%**
II. Operating Expenditures					
Salary	$ 331,329	$ 337,694	$ 367,180	$ 29,486	9%
Fringe Benefits	$ 157,728	$ 161,846	$ 190,169	$ 28,323	17%
Court Costs	$ 74	$ 18	$ 87	$ 69	383%
Contractual Services	$ 15,017	$ 15,233	$ 18,189	$ 2,956	19%
Other Operating	$ 40,011	$ 38,247	$ 40,835	$ 2,588	7%
Charges for County Services	$ 32,430	$ 36,943	$ 41,365	$ 4,422	12%
Grants to Outside Organizations	$ 29	$ -	$ -	$ -	0%
Capital	$ 23,459	$ 23,529	$ 10,546	$ (12,983)	-55%
Operating Expenditures, Total	**$ 600,077**	**$ 613,510**	**$ 668,371**	**$ 54,861**	**9%**
III. Selected Non-Operating Expenditure					
Reserves	**$ 11,678**	**$ 19,524**	**$ 40,005**	**$ 20,481**	**105%**
IV. Position Count					
Position Count	**2,803**	**2,825**	**2,930**	**105**	**4%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observations:

1. **Carryover:** According to the Department, the $15.45 million decrease in Carryover is attributed to higher salary and fringe expenses in FY 2021-22 than what was budgeted. This required the use of carryover revenue to cover the shortfall.

2. **Salary and Fringe Benefits:** The $57.8 million increase is mainly due to a +$10.4 million increase in overtime salary along with related fringe benefits.

3. **Contractual Services:** The $2.96 million increase is mainly due to increases in construction and raw materials (+$800,000), Aircraft expenses (+$200,000) and Helicopter maintenance expenses not covered under warranty (+$760,000).

4. **Other Operating:** The $2.59 million increase is mainly attributed to the debt service associated with the purchase of additional fleet vehicles (+$1.6 million) and an increase in demand for medical supplies (+$1.36 million).

5. **Capital:** According to the Department, the $12.98 million decrease is mainly due to the elimination of the pay-as-you-go purchases of the Heavy & Light fleet and switching to financing of future fleet purchases.

6. **Reserves:** According to the Department, the $20.5 million increase is mainly attributed to ad valorem revenue growth of ($60 million) and non-ad valorem revenues such as inspections, special events, and interest earnings which were offset in part by additional new services, an additional administrative staff positions, collective bargaining agreements and inflation.

Key Observation:

1. At the time of the Proposed 2023-24 Budget book publication, the Department did not have accurate details to support what was reported in the Budget. OCA requested the Department's corrected budget details but has not yet received an adequate explanation at the time of this report.

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	**$ (588)**	**$ 9,918**	**$ 760**	**$ (9,158)**	**-92%**
II. Operating Expenditures					
Salary	$ 59,492	$ 70,528	$ 74,601	$ 4,073	6%
Fringe Benefits	$ 22,966	$ 28,230	$ 31,043	$ 2,813	10%
Court Costs	$ 40	$ 16	$ 17	$ 1	6%
Contractual Services	$ 55,495	$ 69,565	$ 87,432	$ 17,867	26%
Other Operating	$ 91,950	$ 89,686	$ 98,346	$ 8,660	10%
Charges for County Services	$ 28,254	$ 33,406	$ 36,061	$ 2,655	8%
Capital	$ 136	$ 1,121	$ 1,025	$ (96)	-9%
Operating Expenditures, Total	**$ 258,333**	**$ 292,552**	**$ 328,525**	**$ 35,973**	**12%**
III. Selected Non-Operating Expenditure					
Reserves	**$ -**	**$ 4,614**	**$ 973**	**$ (3,641)**	**-79%**
IV. Position Count					
Position Count	**1,005**	**916**	**918**	**2**	**0%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observations:

1. **Carryover:** According to the Department, the $9.16 million reduction in carryover was due to an unanticipated increase in operational cost driven by economic conditions during FY 2022-23. All areas were affected but the most significant impact was an increase of 18% in electricity cost, an increase in the cost of security services because of a new contract, a reduction in revenue for the Print Shop, Real Estate costs for special projects, and an increase in the cost of parts and labor related to fleet management operations.

2. **Contractual Services:** According to the Department, the $17.87 million increase is mainly due to the following:

    a. The new Medical Examiner's Office facility is being added to the Facilities and Infrastructure Management Division's (FIMD) responsibility.

    b. Electrical cost increase of 18% during FY 2022-23 and 10% in FY 2023-24 (+$2.35 million).

    c. Security Services cost increase due to a new contract (+$12.94 million).

    d. The Downtown redevelopment and special Real Estate project costs.

    e. The Solid Waste heavy equipment auction-related payment to the vendor managing the auction sales.

3. **Other Operating:** The $8.66 million increase is mainly attributed to an increase in the Heavy & Light auto repair cost (+$2.3 million), elevator maintenance cost (+$750,000), and fuel cost (+$6.1 million).

4. **Reserves:** The $3.6 million decrease in reserves was driven by the unanticipated increase in cost due to economic conditions. The main areas that impacted the Department were construction consultant expenses and service ticket orders supporting ISD projects, electrical cost increase of 18% during FY2022-23 and 10% in FY 2023-24, security cost increase due to a new contract, and elevator maintenance cost.

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
II. Operating Expenditures					
Salary	$ 99,884	$ 102,793	$ 119,365	$ 16,572	16%
Fringe Benefits	$ 33,883	$ 36,539	$ 29,843	$ (6,696)	-18%
Court Costs	$ -	$ -	$ -	$ -	0%
Contractual Services	$ 6,077	$ 5,845	$ 5,902	$ 57	1%
Other Operating	$ 51,333	$ 56,859	$ 63,292	$ 6,433	11%
Charges for County Services	$ 15,226	$ 19,700	$ 17,777	$ (1,923)	-10%
Grants to Outside Organizations	$ 1	$ -	$ -	$ -	0%
Capital	$ 3,357	$ 4,295	$ 4,255	$ (40)	-1%
Operating Expenditures, Total	**$ 209,761**	**$ 226,031**	**$ 240,434**	**$ 14,403**	**6%**
III. Selected Non-Operating Expenditure					
Reserves	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
IV. Position Count					
Position Count	**949**	**950**	**953**	**3**	**0%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observations:

1. **Salary and Fringe Benefits**: OCA observed that year-over-year Salaries are increasing (+16%), while Fringe Benefits are decreasing (-18%) in the Proposed Budget. At the time of the Proposed 2023-24 Budget book publication, the Department did not have accurate details to support what was reported/requested in the budget for these categories.

2. **Other Operating:** The $6.4 million increase is mainly attributed to the following categories:

    a. Operating system maintenance (+$1.55 million) related to End Point Detection Trend AV & SPAM Filtering costs that were previously included as part of the Cyber Security Capital Plan is now a part of the Operation & Maintenance cost.

    b. Software maintenance (+3.16 million) related to the renewal pricing of Autodesk and Microsoft Enterprise Agreement. Additionally, the Department reclassified +$2.3 million of Data processing services expenses (a "Charges for County Services" category) to the Software maintenance account (an "Other Operating" category) to properly align to the appropriate expenditure category.

3. **Charges for County Services.** The $1.9 million decrease is due to the Department reclassifying (-$2.3 million) of Data processing services expenses which were offset by reclass entries.

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	**$ 22,710**	**$ 11,539**	**$ 5,645**	**$ (5,894)**	**-51%**
II. Operating Expenditures					
Salary	$ 31,914	$ 34,546	$ 37,560	$ 3,014	9%
Fringe Benefits	$ 13,545	$ 14,788	$ 16,525	$ 1,737	12%
Court Costs	$ -	$ 5	$ 5	$ -	0%
Contractual Services	$ 5,078	$ 7,905	$ 7,669	$ (236)	-3%
Other Operating	$ 18,165	$ 25,486	$ 28,192	$ 2,706	11%
Charges for County Services	$ 8,882	$ 9,214	$ 9,957	$ 743	8%
Capital	$ 1,256	$ 1,616	$ 1,892	$ 276	17%
Operating Expenditures, Total	**$ 78,840**	**$ 93,560**	**$ 101,800**	**$ 8,240**	**9%**
III. Selected Non-Operating Expenditure					
Reserves	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
IV. Position Count					
Position Count	**512**	**515**	**534**	**19**	**4%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observations:

1. **Salary:** The $3 million increase is mainly due to the 19 additional Full-time employees (+$1.08 million).

2. **Carryover:** The $5.89 million reduction (use of funds) is attributed to the transfer to fund capital projects in FY 2022-23 according to the Department.

3. **Reserves:** The Reserve category shows a $0 balance as of the Adopted Budget FY 2022-23 and the Proposed Budget FY 2023-24. However, the Department confirmed that the Contingency Reserve amounts are included in the Other Operating category in the Budget Book for $4.8 million in FY 2022-23 and $8.63 million in FY 2023-24 because the Department considers these funds as operating contingency reserves. This approach inflates the other operating expenditure category.

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	**$ 10,113**	**$ 6,511**	**$ 11,123**	**$ 4,612**	**71%**
II. Operating Expenditures					
Salary	$ 82,567	$ 98,532	$ 106,585	$ 8,053	8%
Fringe Benefits	$ 35,479	$ 42,262	$ 46,352	$ 4,090	10%
Court Costs	$ -	$ 69	$ 66	$ (3)	-4%
Contractual Services	$ 32,353	$ 31,629	$ 36,323	$ 4,694	15%
Other Operating	$ 46,355	$ 61,012	$ 59,131	$ (1,881)	-3%
Charges for County Services	$ 22,424	$ 27,302	$ 29,065	$ 1,763	6%
Grants to Outside Organizations	$ (3)	$ 90	$ 811	$ 721	801%
Capital	$ 1,035	$ 2,386	$ 2,480	$ 94	4%
Operating Expenditures, Total	**$ 220,210**	**$ 263,282**	**$ 280,813**	**$ 17,531**	**7%**
III. Selected Non-Operating Expenditure					
Reserves	**$ -**	**$ 4,292**	**$ 8,508**	**$ 4,216**	**98%**
IV. Position Count					
Position Count	**1,473**	**1,597**	**1,593**	**(4)**	**0%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observations:

1. **Carryover:** According to the Department, the $4.6 million increase is mainly driven by unrealized increases in FPL rates that were forecasted as a result of the Florida Public Service Commission approved rate increases. As a result, the budgeted funds went unspent.

2. **Salary, Fringe Benefits, and Positions:** The $12.1 million increase is due to the Department fully implementing the $15 minimum wage that was executed during the FY 2022-23 budget development process. Part-time staff also received an average salary increase of 25% resulting from compensation reviews that were completed, per the Department. There was also a reduction of four positions.

3. **Contractual Services:** According to the Department, the $4.7 million increase is mainly attributed to the $2.5 million in Miami-Dade Rescue Plan funding for tree canopy reimbursements and a change in the mapping of internships funded through the Peace & Prosperity Trust to the Other Operating costs category.

4. **Reserves:** According to the Department, the $4.2 million increase is mainly attributed to unrealized increases in FPL rates that were forecasted as a result of the Florida Public Service Commission approved rate increases.

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	**$ 23,138**	**$ 20,491**	**$ 24,700**	**$ 4,209**	**21%**
II. Operating Expenditures					
Salary	$ 473,919	$ 482,840	$ 510,718	$ 27,878	6%
Fringe Benefits	$ 211,367	$ 231,569	$ 259,562	$ 27,993	12%
Court Costs	$ 490	$ 686	$ 631	$ (55)	-8%
Contractual Services	$ 15,510	$ 11,295	$ 12,651	$ 1,356	12%
Other Operating	$ 52,600	$ 59,833	$ 67,666	$ 7,833	13%
Charges for County Services	$ 44,447	$ 61,198	$ 64,420	$ 3,222	5%
Grants to Outside Organizations	$ 194	$ 310	$ -	$ (310)	-100%
Capital	$ 6,480	$ 9,404	$ 12,055	$ 2,651	28%
Operating Expenditures, Total	**$ 805,007**	**$ 857,135**	**$ 927,703**	**$ 70,568**	**8%**
III. Selected Non-Operating Expenditure					
Reserves	**$ -**	**$ 12,853**	**$ 13,331**	**$ 478**	**4%**
IV. Position Count					
Position Count	**4,450**	**4,509**	**4,510**	**1**	**0%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observations:

1. **Carryover:** According to the Department, the $4.2 million increase is mainly attributed to current year approved allocations that were deferred to the proposed budget year due to delays in procurement and an increase in revenues from a significant forfeiture legal settlement that was received in FY 2022-23.

2. **Salary and Fringe Benefits:** According to the Department, the $55.87 million increase is mainly due to employee overtime (+$9.5 million). The largest increase in overtime is mainly attributed to police services contracted to the Aviation Department of (+$2.9 million), 50% of which is expected due to the Presidential election activities during the proposed fiscal year.

3. **Other Operating:** The $7.83 million increase is mainly due to the following:

    a. $1.07 million for Other Outside Maintenance: Special Patrol Aviation Unit (+$597,000) and Helicopter Maintenance (+$418,000).

    b. $3.67 million for Software Maintenance attributed to the following: ITSB (+$1.98 million) for IT MOU allocations and (+$1.6 million) for the "Cybersecurity-Cellebrite OSINT" upgrade. Cellebrite OSINT is a way of collecting and analyzing information from publicly available sources.

c. $1.28 million for Radio Maintenance due to contractual obligations for the new Motorola smart police radios.

4. **Capital:** The $2.65 million increase is mainly due to Software Packages (+$1.87 million) and an increase in Special Equipment (+$587,000) to replace outdated equipment in the Robbery and Mounted Patrol Divisions.

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	**$ 248,425**	**$ 211,631**	**$ 293,224**	**$ 81,593**	**39%**
II. Operating Expenditures					
Salary	$ 82,072	$ 95,927	$ 102,186	$ 6,259	7%
Fringe Benefits	$ 29,991	$ 37,709	$ 42,319	$ 4,610	12%
Court Costs	$ 4	$ 12	$ 21	$ 9	75%
Contractual Services	$ 9,242	$ 11,785	$ 13,271	$ 1,486	13%
Other Operating	$ 11,003	$ 20,056	$ 18,525	$ (1,531)	-8%
Charges for County Services	$ 25,403	$ 31,892	$ 36,247	$ 4,355	14%
Grants to Outside Organizations	$ -	$ 430	$ 430	$ -	0%
Capital	$ 1,607	$ 13,003	$ 14,986	$ 1,983	15%
Operating Expenditures, Total	**$ 159,322**	**$ 210,814**	**$ 227,985**	**$ 17,171**	**8%**
III. Selected Non-Operating Expenditure					
Reserves	**$ -**	**$ 166,659**	**$ 244,968**	**$ 78,309**	**47%**
IV. Position Count					
Position Count	**$ 1,078**	**$ 1,108**	**$ 1,230**	**$ 122**	**11%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observations:

1. **Carryover:** According to the Department, the $81.59 million increase is mainly attributed to the following:

    a. $23.52 million in carryover that resulted from contributions received from the US Army Corps of Engineers for the Miami River Project.

    b. $46.4 million increase in the proprietary funds for which revenues are either restricted or dedicated for specific uses. This large increase is primarily due to these dedicated proprietary funds for various construction and environmental land development and compliance services provided by the Department, which generated more revenue than anticipated and was previously conservatively budgeted in FY 2021-22.

    c. $11.6 million is due to estimated revenues exceeding expenditures in the current fiscal year, partly due to delays in capital projects.

    d. $1.29 million of FEMA reimbursement of COVID-19-related expenses received by RER in FY 2021-22.

    e. $2.7 million lower than budgeted stormwater-related capital expenses.

2. **Salary, Fringe Benefits, and Positions:** According to the Department, the net increase of $10.8 million is mainly due to 122 additional FTEs to support construction and environmental land development and enforcement (+$12.5 million) which was offset in part by attrition budgeted at -$8.2 million.

3. **Contractual Services:** The $1.46 million increase is mainly due to an increase in Credit Card Merchant Fees related to Impact Fee Collections and Building Permit Fee Collections, security services at the Permit and Inspections Center, and an increase in Stormwater Water Management Consulting Services.

4. **Charges for County Services:** The $4.36 million increase is attributed to the increase in rent expense at the Permit and Inspection Center (+$854,000), IT Software Maintenance to modernize Goldkey and the Automation of Product Control (+$1.1 million), ITD SLA Cost for the various Divisions in RER (+$735,000) and IT Funding model (+$805,000).

5. **Capital**: The $1.98 million increase is mainly due to Contract Management and Professional Surveyor costs driven by Stormwater Capital Projects (+$600,000), Utility Service Fee funded projects which are partially budgeted under the Other Contractual Construction account (+$940,000), and an increase in PWD Engineering charges for DTPW salary cost recovery for services provided to RER-Stormwater Utility (SWU), and Surveying and mapping services for various locations within Miami-Dade County (+$600,000).

6. **Reserves:** The $78.3 million increase is mainly due to actual revenues exceeding expenditures in FY 2021-22 because of the construction and environmental land development, business regulatory, and related enforcement services.

Key Observation:

1. At the time of the Proposed 2023-24 Budget book publication, the Department did not have accurate details to support what was reported in the Budget even after considering Merit & COLA, intradepartmental transfers, and grant funds. OCA requested the Department's corrected budget details but has not yet received an adequate explanation at the time of this report.

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	**$ 124,180**	**$ 150,686**	**$ 234,921**	**$ 84,235**	**56%**
II. Operating Expenditures					
Salary	$ 13,548	$ 33,346	$ 37,010	$ 3,664	11%
Fringe Benefits	$ 10,035	$ 15,174	$ 20,129	$ 4,955	33%
Court Costs	$ 14	$ 14	$ 22	$ 8	57%
Contractual Services	$ 15,375	$ 20,090	$ 23,888	$ 3,798	19%
Other Operating	$ 12,091	$ 13,074	$ 38,773	$ 25,699	197%
Charges for County Services	$ 21,262	$ 31,905	$ 34,498	$ 2,593	8%
Grants to Outside Organizations	$ 40	$ -	$ -	$ -	0%
Capital	$ 606	$ 13,304	$ 14,321	$ 1,017	8%
Operating Expenditures, Total	**$ 72,971**	**$ 126,907**	**$ 168,641**	**$ 41,734**	**33%**
III. Selected Non-Operating Expenditure					
Reserves	**$ -**	**$ 170,917**	**$ 270,229**	**$ 99,312**	**58%**
IV. Position Count					
Position Count	**461**	**518**	**518**	**0**	**0%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observations:

1. **Salary:** According to the Department, the $3.7 million increase is mainly due to the reclassification of salaries for vacant positions to address hiring challenges and an increase in overtime (+$772,000) related to anticipated growth in cruise passenger traffic.

2. **Carryover:** OCA will follow up to determine the reserve increase of +$84.2 million.

3. **Fringe Benefits:** The $4.96 million increase is primarily caused by a +$2.9 million addition of FRS pension benefits which Seaport did not budget in prior periods, per the Department. OCA will follow up on the nature of these benefits and the associated impact.

4. **Contractual Services:** The increase of $3.8 million is mainly due to three factors.

    a. +$1.2 million increase is due to the anticipated electrical service rate and usage increase following the commencement of Shore Power in FY 2023-24.

    b. +$1.7 million increase is driven by a rate increase from the Water and Sewer Department (WASD).

    c. Increased Port activity, including water consumption by cruise vessel calls.

5. **Other Operating:** The Department was unable to explain how the PortMiami incentive program caused the $25.7 million increase. OCA will follow up with the Department to gather further documentation to support this increase.

6. **Charges for County Services:** The main driver for the +$2.6 million increase in this category pertains to Police and Fire services, which grew by +$1.29 million.

7. **Reserves:** OCA will follow up to determine the reserve increase of +$100 million.

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	**$ 255,924**	**$ 271,790**	**$ 270,955**	**$ (835)**	**0%**
II. Operating Expenditures					
Salary	$ 74,454	$ 77,890	$ 83,341	$ 5,451	7%
Fringe Benefits	$ 34,431	$ 34,606	$ 37,856	$ 3,250	9%
Court Costs	$ 3	$ 8	$ 7	$ (1)	-13%
Contractual Services	$ 172,624	$ 192,935	$ 197,545	$ 4,610	2%
Other Operating	$ 18,139	$ 22,964	$ 24,306	$ 1,342	6%
Charges for County Services	$ 57,848	$ 59,804	$ 65,038	$ 5,234	9%
Grants to Outside Organizations	$ 400	$ 125	$ 125	$ -	0%
Capital	$ 12,421	$ 506	$ 1,224	$ 718	142%
Operating Expenditures, Total	**$ 370,320**	**$ 388,838**	**$ 409,442**	**$ 20,604**	**5%**
III. Selected Non-Operating Expenditure					
Reserves	**$ -**	**$ 244,919**	**$ 207,981**	**$ (36,938)**	**-15%**
IV. Position Count					
Position Count	**1,119**	**1,140**	**1,172**	**32**	**3%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observations:

1. **Salary, Fringe Benefits, and Positions:** According to the Department, the $8.7 million increase is mainly due to the following:

    a. Employee overtime (+$3.3 million) is required to cover anticipated high levels of vacancies and includes +$700,000 in increased costs for transferring waste to Waste Management, Inc. due to the fire at the Resource Recovery Facility in Doral in February 2023.

    b. 20 additional FTEs for Illegal Dumping Enhancement (+$968,000)

    c. 7 additional FTEs for Department reorganization (6 in the Office of the Director/Administration and Financial Services; 1 position in Environmental and Technical Services).

    d. 5 Part-time positions converted to Full-time positions.

2. **Contractual Services:** The $4.6 million increase is mainly due to the following:

    a. Charges for FPL Transmission that were previously covered by the operators of the Waste to Energy Plant are now under a new contractual agreement that requires DSWM to cover these charges (+1.83 million).

b. SWM Charges for waste disposal (+$4 million) due to increased tons (19,830 tons) and increased CPI rate.

c. Disposal Fees for other facilities (+$4.3 million) due to increased tons (122,855 tons) processed through Waste Management for waste being diverted due to fire at Waste to Energy Plant in February 2023.

d. These increases are offset in part by (-$6.7 million) decrease in Other outside contractual services primarily due to the reduction in Operations at the Waste to Energy Plant due to the fire.

3. **Other Operating:** The $1.3 million increase is mainly attributed to the Office Equipment (Non-Capital) account due to the increased cost for green and blue containers, steel dumpsters, and roll-off containers used in the Collections Operations.

4. **Charges for County Services:** The $5.2 million increase is mainly due to an increase in costs for fuel (+$3.3 million) and an increase in Heavy Equipment parts (+$1.4 million) based on prior year actuals, increased fleet needed for illegal dumping enhancement, and inflation.

5. **Reserves:** The $36.9 million decrease is mainly due to a loan to the Collections Operations (-$25.2 million).

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	**$ -**	**$ 7,965**	**$ 9,888**	**$ 1,923**	**24%**
II. Operating Expenditures					
Salary	$ -	$ 14,373	$ 15,511	$ 1,138	8%
Fringe Benefits	$ -	$ 5,945	$ 6,822	$ 877	15%
Contractual Services	$ -	$ 742	$ 2,180	$ 1,438	194%
Other Operating	$ -	$ 6,320	$ 5,616	$ (704)	-11%
Charges for County Services	$ -	$ 1,948	$ 2,584	$ 636	33%
Capital	$ -	$ 780	$ 655	$ (125)	-16%
Operating Expenditures, Total	**$ -**	**$ 30,108**	**$ 33,368**	**$ 3,260**	**11%**
III. Selected Non-Operating Expenditure					
Reserves	$ -	$ -	$ -	$ -	0%
IV. Position Count					
Position Count	**-**	**190**	**204**	**14**	**7%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observations:

1. **Carryover:** The $1.9 million increase in Carryover is driven by a higher projection in revenues over expenses. The Department had a higher Carryover than anticipated at the end of FY 2021-22.

2. **Salary, Fringe Benefits, and Positions:** The $2 million increase is mainly driven by the 14 additional positions in the Proposed Budget FY 2023-24 which is attributed to the Department's transition to a constitutional office.

3. **Contractual Services:** The $1.4 million increase is mainly due to the reclassification of expenses from Software Maintenance (used in prior years) to Outside Contractual services for +$1.3 million in the Proposed Budget FY 2023-24.

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	**$ 174,670**	**$ 224,855**	**$ 196,856**	**$ (27,999)**	**-12%**
II. Operating Expenditures					
Salary	$ 303,352	$ 323,351	$ 327,371	$ 4,020	1%
Fringe Benefits	$ 125,593	$ 130,043	$ 139,208	$ 9,165	7%
Court Costs	$ 4	$ 13	$ 14	$ 1	8%
Contractual Services	$ 92,899	$ 117,765	$ 134,509	$ 16,744	14%
Other Operating	$ 131,052	$ 134,989	$ 144,767	$ 9,778	7%
Charges for County Services	$ 33,117	$ 43,204	$ 45,935	$ 2,731	6%
Grants to Outside Organizations	$ 4,235	$ 4,235	$ 4,235	$ -	0%
Capital	$ 5,859	$ 10,023	$ 17,388	$ 7,365	73%
Operating Expenditures, Total	**$ 696,111**	**$ 763,623**	**$ 813,427**	**$ 49,804**	**7%**
III. Selected Non-Operating Expenditure					
Reserves	**$ 1,176**	**$ 156,318**	**$ 124,857**	**$ (31,461)**	**-20%**
IV. Position Count					
Position Count	**4,062**	**4,074**	**4,203**	**129**	**3%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observations:

1. **Carryover:** The $28 million decrease is mainly due to the following:

    a. Based on the FY 2022-23 Forecast, the actual FY 2022-23 carryover was lower than budget.

    b. According to the Department, the Federal Relief for COVID-19 in FY 2022-23 was lower than budgeted.

2. **Contractual Services:** The $16.7 million increase is mainly due to the following:

    a. $5.7 million increase in Security Services to support Bus Rapid Transit (BRT) operations throughout the South Corridor and additional hours throughout the Transit system and increases in contractual rates.

    b. $3.3 million increase for Electrical Services to support the electric bus fleet and higher Florida Power and Light (FPL) rates.

    c. $1.5 million increase for Outside Contractual Services to support an enhancement to traffic signals and signs for loop detector repairs and the masterplan development for the Rickenbacker causeway.

3. **Other Operating:** The $9.8 million increase is attributed to the following:

    a. $1.1 million in P.C. Maintenance to support the implementation of the E-Builder program.

    b. $3.3 million increase in Auto & Passenger Vehicle Leases for Routes 301 & 302.

    c. $3 million increase for Compressed Natural Gas to comply with contract increases.

4. **Charges for County Services:** The $2.7 million increase is mainly due to an increase in Service Ticket Charges associated with the restructuring of the Overtown Transit Village (OTV) office space and miscellaneous repairs.

5. **Capital:** The $7.4 million increase is mainly due to additional funding requested for Auto & Truck Replacement to support maintenance of the Bus Rapid Transit (BRT) along the South Corridor, and vehicles for drain and canal maintenance.

6. **Reserves:** The $31.5 million decrease in the reserve is due to additional expenses required to support Transit services in FY 2023-24, including BRT operations and maintenance, and personnel and contractual expenses being higher than FY 2022-23.

7. **Positions:** According to the Department, the net increase of $10.8 million is mainly due to 129 additional FTEs to support the following:

    a. 1 Human Resource Specialist who will assist with increased recruitment activities for the Department ($48,000).

    b. 6 positions in the Project Engineering Section of the Major Projects and Programs Implementation Division who will be responsible for managing mid-term overhaul capital projects as well as construction projects included in the Infrastructure Renewal Program ($450,000).

    c. 1 Security Program Supervisor in the Safety and Security Division.

    d. 3 positions in the Construction Engineering Section within the Project Delivery Division to perform the day-to-day management of projects associated with the South Dade BRT and Bus Maintenance Garage ($235,000).

    e. 31 positions in the Traffic Signal and Signs Section to support the South Dade Bus Rapid Transit (BRT) ($2.1 million).

    f. 2 position crew that will be dedicated to fixing the backlog of potholes awaiting repair in the Unincorporated Municipal Service Area (UMSA).

    g. 9 positions for 4 Neighborhood Enhancement Action Teams (NEAT) that would specialize in roadway and maintenance activities ($1.4 million).

h. 42 positions in the Bus Service Section within the Transit Operations and Maintenance Division; these positions are required to support the new South Dade Garage ($2.7 million).

i. 18 positions in the Facilities Maintenance Section within the Operations and Maintenance Division to support the South Dade BRT and Bus Maintenance Garage ($965,000).

j. 16 positions in the Farebox, Radio, and Telecommunications Repair Section within the Operations and Maintenance Division to support the South Dade BRT and Bus Maintenance Garages ($895,000).

Key Observation:

1. At the time of the Proposed 2023-24 Budget book publication, the Department did not have accurate details to support what was reported in the Budget even after considering Merit & COLA, intradepartmental transfers, and grant funds. OCA requested the Department's corrected budget details but has not yet received an adequate explanation at the time of this report.

Table 1 (in thousands)

Category Name	Actual FY 21-22	Adopted Budget FY 22-23	Proposed Budget FY 23-24	Increase/ (Decrease) ($)	Increase/ (Decrease) (%)
I. Selected Revenue					
Carryover	**$ 79,261**	**$ 82,900**	**$ 85,884**	**$ 2,984**	**4%**
II. Operating Expenditures					
Salary	$ 228,562	$ 221,022	$ 228,122	$ 7,100	3%
Fringe Benefits	$ 89,988	$ 94,575	$ 107,292	$ 12,717	13%
Contractual Services	$ 80,111	$ 90,813	$ 104,317	$ 13,504	15%
Other Operating	$ 41,466	$ 28,900	$ 53,025	$ 24,125	83%
Charges for County Services	$ 69,387	$ 79,995	$ 81,237	$ 1,242	2%
Capital	$ 121,652	$ 112,928	$ 102,600	$ (10,328)	-9%
Operating Expenditures, Total	**$ 631,166**	**$ 628,233**	**$ 676,593**	**$ 48,360**	**8%**
III. Selected Non-Operating Expenditure					
Reserve	**$ -**	**$ 85,883**	**$ 95,665**	**$ 9,782**	**11%**
IV. Position Count					
Position Count	**2,819**	**2,904**	**3,086**	**182**	**6%**

Source: FY 2023-24 Proposed Budget and Multi-Year Capital Plan

Observations:

1. **Carryover:** According to the Department, the $2.98 million increase in Carryover is driven by the operating cash balance carried over from the Adopted Budget FY 2022-23.

2. **Salary, Fringe Benefits, and Positions:** The $7.1 million increase is mainly driven by the overtime salary costs for the operational needs of the plants that are manned 24 hours a day, 7 days a week.

   The budget amount for the 182 additional FTEs to support customer service and maintenance appears to have been artificially budgeted (+$3.3 million) lower than the normal attrition rate.

3. **Contractual Services:** The $13.5 million increase is primarily due to the following:

   a. Consulting services for engineering and permitting requirements (+$5.3 million).

   b. The growth in electricity costs.

   c. An increase in fuel surcharges for water and wastewater treatment plants and pump stations throughout the County (+$3.1 million).

   d. Outsourcing water quality testing (+$1.7 million).

   e. Laboratory services for testing water quality (+$1.4 million).

4. **Other Operating:** The +$24.1 million increase is attributed to the following factors: uncollectible bad debts from delinquent customer bills related to the moratorium (OCA is following up on this unusual transaction to determine if it was done appropriately), increased use of a softener in the water treatment process while plants are in downtime (+$3.6 million), an increase in ultra-low sulfur diesel costs and market fluctuations (+$2.4 million), equipment rental for treatment plants (+$2.3 million), increase in filter maintenance costs and chemical cleaning supplies (+1.7 million), and heavy equipment usage (+$1.2 million). These increases are offset in part by an increase in reimbursements for general and administrative costs related to capital projects (-$9.2 million).

5. **Capital:** According to the Department, the -$10.3 million is a decrease in the annual allocation to the Renewal and Replacement/Special Construction Fund from Operating Funds.

6. **Reserves:** The $9.8 million increase in the reserve is partly due to the Master Bond Ordinance which requires the Department to maintain a two-month reserve balance of the proposed operating budget.

CONTRIBUTORS

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The Office of the Commission Auditor

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

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