



Office of Policy and Budgetary Affairs

MEMORANDUM

TO: Honorable Jose “Pepe” Diaz
Chairman, Board of County Commissioners

DATE: June 2, 2022

FROM: Jennifer Moon, Chief 
Office of Policy and Budgetary Affairs

SUBJECT: FY 2021-22 Mid-Year Budget Supplement & Amendment (Legistar No. 220849)

At your request, the Office of Policy and Budgetary Affairs (OPBA) reviewed the FY 2021-22 Mid-Year Budget Supplemental and Amendment (Mid-Year item). This year, pursuant to Ordinance 21-61, sponsored by Senator Rene Garcia, quarterly budget reports have been placed on an agenda of the Board of County Commissioners (BCC) and the Mid-Year item prepared and presented. The purpose of this Ordinance was to have presented to the Board “any necessary revisions to the then-current year’s budget, including but not limited to, appropriations and expenditures, and to account for increased or decreased revenues and source of funds.”

In accordance with Ordinance 21-61, the FY 2021-22 First Quarter Budget Report was placed on the May 17, 2022 BCC Agenda, with the FY 2021-22 Mid-Year item is working its way through the legislative process to be considered by the Chairman’s Council of Policy on June 8, 2022. In addition, on April 26, 2022, as required by the County Code, the Revenue Estimating Conference information was sent from the Budget Director to the Chief Financial Officer, the Commission Auditor and all Commissioners.

This memorandum serves to compare the information provided in the First Quarter Budget Report, the Mid-Year item, and Revenue Estimating Conference Information.

The Mid-Year item makes adjustments to various funds to recognize carryover or fund balance from the prior year in excess of what was included in the Adopted Budget. It is not uncommon for actual carryover amounts to differ from what is included in the budget as both revenues and expenditures anticipated at the time the budget is developed can vary from what actually happens. Expenditures can vary because of anticipated purchases that do not occur, unexpected personnel changes and a variety of other reasons. Revenues are typically projected in a very conservative manner and may perform better than anticipated, as happened last fiscal year. The Mid-Year item includes carryover adjustments to more than 70 funds. The item does not, however, explain why each amount is different than budgeted. Without this explanation, it is not possible to determine if the funding is available to be spent or has been the result of a delay in a planned expenditure and is, therefore, already allocated. The Mid-Year item also does not include any debt

service or capital project funds. Excess carryover in these funds could be allocated for eligible capital projects or be used to pay down debt earlier, as applicable.

OPBA compared the Mid-Year item to the First Quarter Budget Report. The First Quarter Budget Report is presented by department, rather than by fund. A comparison of the actual departmental carryover revenues for the first quarter with those included in the Mid-Year item found that most were very close in value. Any differences can be explained by financial adjustments made after the conclusion of the fiscal year as the annual audit is performed and the Comprehensive Annual Financial Report (CAFR) is prepared. Certain non-departmental revenues, such as the tourist taxes, Mom & Pop grants and funding model proceeds are not included in the First Quarter Budget Report but should have been included in the Mid-Year item. The First Quarter Budget Report also reflects the actual expenditures as of the end of December 31, 2021. While the First Quarter Budget Report generally includes explanations for any deviation of more than ten (10) percent, the Mid-Year item does not reflect any adjustments for higher or lower expenditures or revenue collection reflected in the First Quarter Budget Report.

A comparison of the Mid-Year item to the Revenue Estimating Worksheets was also performed. Of the 81 categories of revenues (some pages include groupings of revenues), only ten (10) were projected to perform the same as budgeted. There are 12 revenues projected to perform below budget and the rest are projected to come in higher than budgeted (see Attachment). Many revenues are expected to come in higher than budgeted every year, since State Law requires that ad valorem revenue (property taxes) be budgeted at 95 percent of the amount projected and County practice dictates that many other revenues are also budgeted at less than 100 percent of projections. The Mid-Year item does not reflect, appropriate or allocate the additional revenues anticipated in the Revenue Estimating Worksheets.

The Mid-Year item provides a limited set of information for the Board's consideration and does not make adjustments for certain budget deviations that have already happened. As part of OPBA's role in reviewing and providing recommendations regarding the Proposed Budget, we have already begun to prepare projections of both revenues and expenditures to identify funding to address the priorities of the Board.

My staff and I are available should you have additional questions or require additional information.

Attachment

c: Honorable Vice Chairman Oliver G. Gilbert III,
and Members, Board of County Commissioners
Honorable Daniella Levine Cava, Mayor
Geri Bonzon-Keenan, County Attorney
Gerald Sanchez, First Assistant County Attorney
Jess McCarty, Executive Assistant County Attorney
Yinka Majekodunmi, Commission Auditor
Basia Pruna, Director, Clerk of the Board
David Clodfelter, Director, Office of Management and Budget

Attachment - Selected Revenues Projected Above Budget*

Department	Revenue Source	Budget	Actual	Increase
General Government	Countywide Ad Valorem	\$ 1,498,402,000	\$ 1,504,865,000	\$ 6,463,000
General Government	UMSA Ad Valorem	168,890,000	169,130,000	240,000
General Government	Half-Cent Sales Tax	175,499,000	210,104,000	34,605,000
General Government	County Revenue Sharing	70,107,000	78,267,000	8,160,000
General Government	Utility Tax	103,733,000	107,343,000	3,610,000
General Government	Communications Services Tax	24,225,000	25,637,000	1,412,000
General Government	General Fund Carryover	60,687,000	80,994,000	20,307,000
General Government	Interest	804,000	948,000	144,000
General Government	Local Option Gas Tax	41,606,000	43,200,000	1,594,000
General Government	Ninth Cent Gas Tax	10,505,000	11,000,000	495,000
General Government	State Gas Tax	12,990,000	13,300,000	310,000
General Government	Convention Development Tax	75,225,000	119,162,000	43,937,000
General Government	Tourist Development Tax	25,765,000	41,086,000	15,321,000
General Government	Professional Sports Facilities Tax	12,882,000	20,543,000	7,661,000
General Government	Tourist Development Surtax	4,879,000	8,182,000	3,303,000
Homeless Trust/DVOB	Food & Beverage Tax	28,103,000	38,235,000	10,132,000
Finance (Tax Collector)	Tourist Tax Fees	4,750,000	5,346,000	596,000
DTPW/CITT	Charter County Surtax	281,808,000	343,000,000	61,192,000
Finance (Tax Collector)	Auto Tag Fees	14,345,000	15,311,000	966,000
Finance (Tax Collector)	Ad Valorem Fees	15,308,000	15,810,000	502,000
Parks, Recreation and Open Spaces	Causeways	16,426,000	17,380,000	954,000
Parks, Recreation and Open Spaces	Zoo Miami	16,096,000	22,211,000	6,115,000
Public Health Trust	Public Hospital Sales Surtax	281,808,000	343,000,000	61,192,000
Public Housing and Community Development	Documentary Stamp Surtax	30,000,000	41,357,000	11,357,000
Miami-Dade Economic Advocacy Trust	Documentary Stamp Surtax	2,609,000	4,000,000	1,391,000
TOTAL			\$	301,959,000

* Projections reported by OMB in the Revenue Estimating Worksheets sent on April 26, 2022