



## Office of Policy and Budgetary Affairs

### MEMORANDUM

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<b>TO:</b>	Honorable Chairman Jose "Pepe" Diaz and Members, Board of County Commissioners	<b>DATE:</b>	September 13, 2021
<b>FROM:</b>	Jennifer Moon, Chief  Office of Policy and Budgetary Affairs	<b>SUBJECT:</b>	Information for First Budget Hearing and Collective Bargaining Fiscal Impact

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This memorandum serves as a response to Chairman Diaz's September 7, 2021 request for information regarding the most recent offer to the unions, as well as to provide a preliminary analysis of Mayor Levine Cava's September 7, 2021 memorandum titled "Information for the First Budget Hearing – FY 2021-22 Proposed Budget," referred to as the "Change Memo."

#### **Collective Bargaining**

Based upon the Mayor's September 2, 2021 memorandum titled "Status of Labor Negotiations," the County labor unions were offered a two (2) percent one-time bonus for the first year of the contract (FY 2020-21) and a three (3) percent cost of living adjustment (COLA) for years two (FY 2021-22) and three (FY 2022-23). In total, for all three years of the collective bargaining agreement, this offer has a fiscal impact of \$248.534 million for all employees in all funds. The impact to the FY 2021-22 Budget is \$53.005 million for the property tax-supported budgets (including the Fire Rescue and Library districts) and \$38.971 million for the proprietary funds. The general fund portion will be funded through adjustments recommended in the Change Memo and reserves will be used to fund the COLA for the other funds.

#### **American Rescue Plan Act**

The Change Memo recommends utilizing the entirety of the American Rescue Plan Act (ARPA) funding (\$527.734 million) to replace revenues and support County operations. The schedule included in the Operating Budget Appropriations Schedules reflects \$47.625 million that will be used to replace revenues in FY 2020-21 in the Solid Waste Management, Finance and Internal Services departments and the Convention Development Tax Fund. For FY 2021-22, an additional \$51.56 million will be utilized for those activities, as well as \$428.349 million that will be used to replace revenues and fund public safety expenditures in the Countywide and Unincorporated Municipal Services Area (UMSA) general funds. This change in the application of ARPA funds releases an equivalent amount of general fund revenues that will

be used to fund the activities approved in Resolution R-777-21 (\$206 million), as well as \$119.048 million that will be used to fund public safety expenditures in FY 2022-23.

**American Rescue Plan Act (\$ in '000s)**

<i>Sources</i>		<i>Uses</i>	
ARPA Grant Revenues	<u>\$ 527,734</u>	FY 2020-21 DSWM (Collections)	\$ 9,000
		Finance	715
		Internal Services	5,128
		CDT	32,982
		FY 2021-22 DSWM (Collections)	11,000
		Finance	3,920
		Internal Services	5,554
		CDT	31,086
		MDPD	73,223
		MDCR	30,078
		FY 2022-23 Public Safety Expenditures	119,048
		Key Infrastructure Projects	121,000
		District-specific Priority Projects	26,000
		Funding for families impacted by pandemic	<u>59,000</u>
			<u>\$ 527,734</u>

**General Fund**

The Change Memo utilizes additional revenue projected in the current fiscal year to generate additional carryover revenue to be used in the FY 2021-22 Budget. Additional recommendations include increases to certain revenue sources for FY 2021-22 and certain reductions in budgeted allocations. These sources are added to the Enhanced County and District Program Fund (EDCP) included in the Proposed Budget for \$2.25 million, bringing the EDCP to a total of \$66.268 million.

Recommended allocations made from the EDCP include funding to the Wage Adjustment Reserve to fund the COLAs for employees funded by the General Fund, vaccination related expenses for the Public Health Trust, allocations for cultural grants and events and CBOs and a number of other allocations detailed in the list on the next page.

**General Fund ('000s)**

*Sources*

Increased Carryover	\$ 27,042
WASD Administrative Reimbursement	22,292
Sales Tax	899
State Revenue Sharing	8,320
Utility Taxes	3,508
Office of the Mayor reduction	257
CAHSD reduction	1,200
Orange Blossom reduction	500
ECDP	2,250
	<u>\$ 66,268</u>

*Uses*

Wage Adjustment Reserve	\$ 47,208
CAD - cultural grants, culture shock	340
ISD - Downtown Redevelopment Project	500
ISD - Larcenia Bullard Plaza	510
MDEAT - Economic Development	300
MDPD - Miami River Enforcement	615
Children's Savings Accounts	1,000
Community Ventures Program	500
GGIF - Vision Zero	500
GGIF - Road projects	1,500
Jazz in the Gardens	500
Juneteenth Holiday Celebration	500
South Dade Smooth Jazz	500
Urban Impact Lab "Axis Helps"	350
PROS - Seaweed Removal	2,700
Public Health Trust	7,000
RER - Consumer Svcs Housing Advocate	175
RER - OOR SELF program	100
Share Your Heart	200
Liberty City Optimists	200
Lotus House	70
TPS Program	1,000
	<u>\$ 66,268</u>

**Transient Lodging and Food and Beverage Taxes**

Recognizing the improvements in the tourism and restaurant industries, additional funding is included in the Change Memo for Convention Development Tax (CDT), Tourist Development Tax (TDT), Tourist Development Surtax (TDS), Professional Sport Franchise Facility Tax (PSFFT) and Food and Beverage Surtax funds. Funding for Cultural Affairs (CAD) administration is switched from CDT to TDT and TDS. Also, the cost of seaweed removal is transferred from the TDT fund to the General Fund. The table below details the sources and uses of the changes to these funds, including funding to partially restore the reserves in Homeless Trust funding and support domestic violence shelter services. The use of each of these funds is limited and the unutilized balances are deposited in the reserves of each fund.

**Transient Lodging and Food and Beverage Taxes (\$'000s)**

*Sources*

CDT - new revenue	\$ 12,127
CDT - CAD reduction	873
TDT - new revenue	4,241
TDT - seaweed removal to GF	2,700
Tax	2,120
Tourist Development Surtax	281
Food & Beverage Tax	2,426
	<u>\$ 24,768</u>

*Uses*

CAD - Replace CDT with TDT	\$ 871
CAD - Replace CDT with TDS	2
HT - domestic violence shelters	364
HT - homeless program reserves	2,062
Tourist Tax fund reserves	21,469
	<u>\$ 24,768</u>

### **Peace and Prosperity**

At the request of a number of BCC members, the Change Memo included Attachment A providing information regarding the Safety Net Pilot Program for districts 2 and 9 and the Peace and Prosperity Program. Not included in this summary is the Office of Neighborhood Safety (ONS), which was introduced in the Mayor’s June 2, 2021 Update to the Peace and Prosperity Program and created via the August 3, 2021 memorandum, “Creation of the Office of Neighborhood Safety.” ONS was funded in the FY 2021-22 Proposed Budget at \$702,000. An adjustment recommended for the FY 2021-22 Proposed Budget reallocates \$200,000 from the General Fund subsidy to Head Start to the ONS, for a total recommended funding of \$902,000. The combination of the projected and budgeted expenditures for the Peace and Prosperity Program, including the ONS and the allocation for the State Attorney’s Office for a prosecutor for South Dade exceeds the total naming rights revenue included in the budget for both FY 2020-21 and FY 2021-22 (\$7.178 million). These figures do not include the amounts allocated to each BCC member to support program that address gun violence and promote economic prosperity.

### **New Grants and Other Adjustments**

Since the release of the Proposed Budget, the County has been notified of new grants that were not included in the Proposed Budget. They include a grant from the Friends of Miami Animals (FOMA) for mobile animal wellness services (\$350,000), an ARPA grant for the Seaport (\$66.901 million) and a grant from the National Endowment of the Arts for the Developing Arts in Neighborhoods grants (\$40,000).

Other necessary adjustments include a correction to the amount of housing surtax budgeted in Miami-Dade Economic Advocacy Trust (an increase of \$266,000, for a total of \$2.609 million). Also, additional resources are required the Information Technology Department for the implementation of the new Criminal Justice Information System (CJIS) (\$703,000). Funding from the County’s portion of Americans with Disabilities (ADA) parking fine revenues will be utilized to fund additional positions in the ADA Office (\$245,000).

Updated projections from the Department of Transportation and Public Works mean that there will be an additional \$15 million in fare revenues and an additional \$25 million in reimbursements from FEMA beyond what was anticipated in the Proposed Budget. This funding may be used to support the Better Bus Network being considered by the Board in the next few weeks, as well as reduce the projected extraordinary General Fund subsidy in the People’s Transportation Plan (PTP) Proforma.

Reserves in the Code Compliance and Construction, Permitting and Building Code divisions of Regulatory and Economic Resources (RER) will be utilized to fund additional positions for code compliance activities, as well as personnel to bolster the building recertification process.

### **Solid Waste Management**

In the Proposed Budget, the Consumer Price Index (CPI) for All Urban Consumers, South Region, June was anticipated to be approximately one (1) percent, consistent with this CPI measure for the last six months of 2020 and the first month of 2021. However, beginning in March, the 12-month change in the CPI grew significantly and in both June and July, the 12-month change was 5.8 percent. The fees for disposal paid by municipalities, contractors and the Department of Solid Waste Management (DSWM) collections division to the DSWM disposal division are adjusted based upon this CPI measure. The increase is capped

at five (5) percent and the required adjustments are reflected below, along with addition of resources for the Labor Relations, Safety and Training Section of DSWM.

**Solid Waste Management ('000s)**

<i>Sources</i>		<i>Uses</i>	
New Disposal Revenues	\$ 4,815	Labor Relations, et al. (Collections)	\$ 204
Disposal Reserve	319	Labor Relations, et al. (Disposal)	115
New Disposal fund transfer to Collections	2,534	Collections revised payment to Disposal	2,584
	50	Increased Disposal Reserve	4,865
New Recycling Revenue	50		<u>\$ 7,768</u>
	<u>\$ 7,768</u>		

**Capital Budget**

The table below summarizes the adjustments to the Capital Budget. They include projects that were inadvertently left out of the Proposed Budget (the Building Better Communities General Obligation Bond program municipal projects schedule and funding for land acquisition and development of additional parking for the Animal Services Pet Adoption and Protection Center), projects funded above (Vision Zero and Roadway projects), a new Quality Neighborhoods Improvement Program (QNIP) issuance of \$10 million, Redevelopment of Public and Affordable Housing and other projects listed below.

**Capital Budget**

<i>Sources</i>		<i>Uses</i>	
Affordable Housing Trust Fund	\$ 26,000	PHCD - Redevelopment Projects	\$ 26,000
CIIP	4,016	Animal Services - Land Acquisition	2,300
Future Financing	3,403	Animal Services - Parking Lot	1,716
BBC GOB Proceeds	18,500	ITD - Fiber Optic Infrastructure Expansion	2,700
GGIF	2,000	ITD - CJIS Replacement	703
QNIP 2022	10,000	Municipal Projects (BBC GOB)	18,500
ISD charges	5,832	DTPW - Vision Zero	500
	<u>\$ 69,751</u>	DTPW - Roadway projects	1,500
		District Capital Needs	10,000
		CIIP Debt Payment	5,832
			<u>\$ 69,751</u>

**People’s Transportation Plan (PTP) Proforma and Five-year Financial Forecast**

We are reviewing the PTP Proforma and the Five-Year Financial Forecast, updated for the adjustments included in the Change Memo. Recognizing additional ARPA and FEMA funds have improved the condition of both the PTP proforma and the five-year forecast for the general fund. The full impact of the bonus and COLAs offered to the labor unions have also been included. We will continue to work with the Office of Management and Budget (OMB) to refine the analysis and seek further improvement. We are also working with OMB to develop a plan to fund future SMART Corridors.

**Waivers**

Any action of the Board that is not included in the Proposed Budget requires a waiver. The FY 2021-22 Proposed Budget requires the following waivers:

- Section 29-7 (G) of the Miami-Dade County Code relating to the use of documentary surtax funds to allow the funds to be used to pay debt;
- Resolution R-924-08 relating to Consumer Price Index adjustments to transit fares and fees because although the CPI would allow for an increase in fares, no increase is recommended; and
- Resolution R-458-21 relating to the implementation of a student loan repayment assistance program because the program is still in development.

Once again, we appreciate the time staff from OMB spent with us to discuss this information. Flexibility still exists for Board members to ensure community priorities are addressed. Should you have additional questions or want further clarification or information, please feel free to contact me.

C:      Honorable Daniella Levine Cava, Mayor  
         Geri Bonzon-Keenan, County Attorney  
         Gerald Sanchez, First Assistant County Attorney  
         Jess McCarty, Executive Assistant County Attorney  
         Edward Marquez, Chief Financial Officer/Finance Director  
         David Clodfelter, Director, Office of Management and Budget  
         Yinka Majekodunmi, Commission Auditor  
         Melissa Adames, Clerk of the Board