

Items # 81, 82 & 84

ADDITIONAL MATERIAL

Regular Meeting

JUNE 16, 2020

SUBMITTED AT THE REQUEST OF

OFFICE OF THE COUNTY

AUDITOR



Estimated Financial Impact of Proposed Charter Amendments on the 2020 General Election Ballot

Office of the County Auditor

Audit Report

Robert Melton, CPA, CIA, CFE, CIG
County Auditor

Audit Conducted by:
Kathie-Ann Ulett, CPA, Deputy County Auditor
Jed Shank, CPA, CIA, Audit Manager

Report No. 20-14
June 4, 2020



Broward County Board of County Commissioners

Mark D. Bogen • Lamar P. Fisher • Beam Furr • Steve Geller • Dale V.C. Holness • Nan H. Rich • Tim Ryan • Barbara Sharief • Michael Udine
www.broward.org



OFFICE OF THE COUNTY AUDITOR

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June 4, 2020

Honorable Mayor and Board of County Commissioners

We have prepared the estimated financial impact for each of the three (3) Broward County Charter amendments set forth for voter consideration at the 2020 General Election. Exhibit 1 shows the estimated financial impacts associated with each proposed Charter amendment.

**Exhibit 1
Estimated Financial Impact Associated With Each Charter Amendment
on the 2020 General Election Ballot.**

Charter Amendment Proposal	Financial Impact Statement
Broward County Mayor Elected at Large	<i>It is estimated that this amendment would result in a financial impact of additional costs in the amount of approximately \$707,000 per year.</i>
Ability to Use Regional Parks to Protect Public Health and Safety, Including Under Declared Emergencies	<i>It is estimated that this amendment will have no financial impact to Broward County.</i>
Regulating Development and Use of County Property That Serves a Countywide Public Purpose	<i>It is estimated that this amendment will have no financial impact to Broward County.</i>

The financial impact analyses and statements contained in this report contemplate only the required and determinable activities of each proposed Charter amendment. For example, the ascertainable costs of creating, staffing, and operating an entity created by a proposed Charter amendment have been considered. However, hypothetical, contingent and uncertain future financial impacts have not been considered. As is typical when preparing financial estimates, we developed assumptions and used comparative data, where possible, to determine financial impact. The use of assumptions is necessary because most proposed Charter amendments only provide a general mandate to the County. The proposed amendments do not, however, dictate the method(s) of implementation to be used by the County. For example, proposed Charter amendments do not define the number and type of staff that should support proposed offices.

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Thus, we consulted with appropriate County staff to develop assumptions pertaining to the County's implementation of proposed Charter amendments.

Respectfully submitted,



Bob Melton
County Auditor

cc: Bertha Henry, County Administrator
Andrew Meyers, County Attorney

TABLE OF CONTENTS

INTRODUCTION	2
Scope and Methodology	2
Overall Conclusion	3
FINANCIAL IMPACT STATEMENTS.....	4
1. Broward County Mayor Elected at Large	4
2. Ability to Use Regional Parks to Protect Public Health and Safety, Including Under Declared Emergencies	5
3. Regulating Development and Use of County Property That Serves a Countywide Public Purpose .	6

INTRODUCTION

Scope and Methodology

The County Auditor's Office conducts audits of Broward County's entities, programs, activities, and contractors to provide the Board of County Commissioners, Broward County's residents, County management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

As required by the Charter of Broward County (Article XI, Section 11.09), we estimated the projected financial impact of three (3) proposed Broward County Charter amendments set forth for voter consideration at the 2020 General Election. Our objective was to prepare financial impact statements estimating the increase or decrease in revenues or costs to the County resulting from the approval of any proposed amendments.

To estimate the financial impact of the proposed Charter amendments, we consulted with appropriate County staff, external agencies, the County Attorney's Office, and developed assumptions relative to the amendment requirements.

The financial impact analyses and statements contained in this report contemplate only the required and determinable activities of each proposed Charter amendment. For example, the ascertainable costs of creating, staffing, and operating an entity created by a proposed Charter amendment have been considered. However, hypothetical, contingent and uncertain future financial impacts have not been considered. As is typical when preparing financial estimates, we developed assumptions and used comparative data, where possible, to determine financial impact. The use of assumptions is necessary because most proposed Charter amendments only provide a general mandate to the County. The proposed amendments do not, however, dictate the method(s) of implementation to be used by the County. For example, proposed Charter amendments do not define the number and type of staff that should support proposed offices. Thus, we consulted with appropriate County staff to develop assumptions pertaining to the County's implementation of proposed Charter amendments.

Additionally, our estimates are limited to the financial impacts the proposed Charter amendments will have on the Board of County Commissioners, the County's departments, agencies, offices and the County's budgetary obligations to constitutional officers. This is not

considered an audit in accordance with Generally Accepted Governmental Auditing Standards. Had we conducted an audit, we may have identified additional findings and concerns.

Overall Conclusion

We conclude that one of the proposed Charter amendments has a financial impact of additional costs in the amount of approximately \$707,000 per year, and two of the proposed Charter amendments have no financial impact.

Background

The Charter of Broward County, effective January 1, 1975, is the central document that defines the duties, responsibilities and general structure of Broward County government. Any proposed change(s) to the Charter must be approved by the voters of Broward County. Charter changes may be proposed to the voters by the Board of County Commissioners, the Charter Review Commission, or through an initiative of the people.

FINANCIAL IMPACT STATEMENTS

1. Broward County Mayor Elected at Large

Ballot Question:

Shall the Broward County Charter be amended to provide a Charter Office of Broward County Mayor, to be elected at large starting with the 2022 General Election, with (1) the Mayor exercising such powers as granted by the Charter, (2) annual compensation of \$220,000 as adjusted for inflation, (3) no person eligible to serve as Mayor for more than two consecutive four-year terms; and (4) a prohibition on outside employment while serving as Mayor? (Vote “Yes” for approval; vote “No” for rejection).

Financial Impact Statement:

It is estimated that this amendment would result in a financial impact of additional costs in the amount of approximately \$707,000 per year.

Amendment Summary:

The Amendment, if approved by County voters, would establish the Broward County Mayor as a Charter Office elected countywide beginning in November 2022.

Amendment Requirements:

The Amendment, if approved by County voters, would change the Office of Mayor from being Commissioner-elected on an annual basis to being elected countywide for a four-year term, but would not alter the substantive powers of the Broward County Mayor. The County Commission would increase to ten (10) members consisting of nine (9) Commissioners elected from single-member and one (1) Mayor elected at large.

Assumptions/Expectations:

- A. The newly created office will be staffed with four positions, which is one more (33%) than the current number of budgeted positions for each of the current Board of County Commissioner Offices.
- B. The newly created office will have an operating budget that is 33% more than each Board of County Commissioner Offices.

- C. The newly created office will require an additional \$10,000 to the shared County Commission business travel budget which is currently \$90,000 in total for all nine Board of County Commissioner Offices.
- D. One-time capital cost of office and equipment is not significant relative to the ongoing annual cost.

Revenue/Cost Estimates:

We estimated staffing and employee benefits cost based upon the current budgeted rate as positions within each Board of County Commissioner Offices.

2. Ability to Use Regional Parks to Protect Public Health and Safety, Including Under Declared Emergencies

Ballot Question:

Amends County Charter to enable Regional Park use without referendum: (1) during emergencies for public health purposes such as medical testing, food distribution, or logistical staging; or (2) for siting emergency communications infrastructure when County Commission, by supermajority vote, determines the infrastructure is necessary to protect public safety and first responders, would not materially affect public enjoyment or environmental condition of the park, and uses the least amount of property needed to effectuate the use. (Vote "Yes" for approval; vote "No" for rejection).

Financial Impact Statement:

It is estimated that this amendment will have no financial impact to Broward County.

Amendment Summary:

The amendment, if approved by County voters, would allow County regional parks to be used for public safety purposes which includes (a) use during a declared state of emergency for public health purposes, such as medical testing, food distribution, or logistical staging; or (b) for emergency communications infrastructure.

Amendment Requirements:

The amendment would not place requirements on Broward County that result in a financial impact. For example, the amendment places no requirement on the County to create a new

process, hire additional staff, reallocate staff resources or implement organizational change(s), etc.

Assumptions/Expectations:

There will be no requirement on the County to create a new process, hire additional staff, reallocate staff resources or implement organizational change(s), etc.

Revenue/Cost Estimates:

No financial impact.

3. Regulating Development and Use of County Property That Serves a Countywide Public Purpose

Ballot Question:

Ensures County-owned or County-leased property can be used for public purposes with a countywide benefit, such as for siting or operating public safety infrastructure, transportation facilities developed pursuant to the surtax-funded transportation improvement plan, or government offices, by amending the Broward County Charter to provide that County ordinances will prevail over conflicting Municipal ordinances that would restrict the County's ability to develop and use the property for such countywide public benefit. (Vote "Yes" for approval; vote "No" for rejection).

Financial Impact Statement:

It is estimated that this amendment will have no financial impact to Broward County.

Amendment Summary:

This amendment, if approved by County voters, would allow County ordinances to prevail over conflicting Municipal ordinances under certain circumstances. These circumstances include a) whenever the County acts with respect to the development, including regulation of zoning, permitting, construction, operation, and administration, of County-owned or County-leased property used or to be used to serve a public purpose with a regional benefit, such as use as transportation facilities pursuant to the surtax-funded transportation improvement plan, b) the siting and operation of public safety infrastructure, or c) government offices.

Amendment Requirements:

The amendment would not place requirements on Broward County that result in a financial impact. For example, the amendment places no requirement on the County to create a new process, hire additional staff, reallocate staff resources or implement organizational change(s), etc.

Assumptions/Expectations:

There will be no requirement on the County to create a new process, hire additional staff, reallocate staff resources or implement organizational change(s), etc.

Revenue/Cost Estimates:

No financial impact.