



# City of Miami Gardens

**To: The Honorable Mayor and City Council**

**Via: Danny O. Crew, City Manager**

**Fr: William Alonso, Finance Director** *WAL*

**Date: January 15, 2008**

**Re: December 2007 Budget Status Report**

The following report is the December 2007 monthly budget report for fiscal year 2007-08 and is also a full first quarter report for FY 2008. The purpose of this report is to apprise the City's policy makers of the current budgetary status for the three month period ending December 2007. This report is organized as follows:

- I. General Fund Revenues
- II. General Fund Expenditures
- III. Transportation Fund
- IV. Development Services Fund
- V. General Services Fund
- VI. Stormwater Fund
- VII. CDBG Fund
- VIII. Capital Projects Fund
- IX. Special Revenue Fund
- X. SHIP Fund
- XI. Monthly and YTD Expenditure Report-All Funds
- XII. Monthly and YTD Revenue Report-All Funds
- XIII. City's Investment Report
- XIV. Attachments

## **BUDGET AMENDMENTS**

During December, 2007 there was one budget amendment to the Transportation Fund to budget for the receipt of \$626,292 in additional FEMA reimbursement for Hurricane Wilma.

## **FINANCIAL SUMMARY**

**We are currently projecting a fiscal year end unreserved general fund balance of approximately \$10-\$12 million. This represents an increase of approximately \$2-\$4 million to our general fund balance for the current fiscal year end.**

The projection is based on current revenue and spending patterns, actual year-end results may differ due to changes in revenues, current spending rates, or budget amendments for supplemental appropriations(if any) approved by Council during the fiscal year.

**FINANCIAL SUMMARY (Continued)**

As of the end of our first quarter, although still very early in our fiscal year, we can see some financial trends that will affect our year end operating results. On pages 24 and 25 of this report, we can already see that some general fund revenues are being received at a higher rate than last year. At the same time, general fund expenditures are at 21% of the total annual budget.

During our budget process, the State provides estimates of the projected distributions of revenue sharing and half cent tax funds. These amounts are then used by us in preparing the following year's revenue budget. On December 12, 2007, the State revised its projections based on the slow down of the economy in the State. Attachments A & B are copies of their new projections which represents a cumulative reduction of almost \$883,000 from our adopted budget. We hope to be able to make this difference up with other revenues that appear to be coming in higher than originally budgeted. For example, on page 24 you will notice that utility tax revenues are coming in higher than last year and higher than current year budget.

An area of concern is the development services operation. If you would refer to page 24 you will notice that revenues are coming in almost \$353,000 less than the prior year. Building permit revenues are reporting almost \$376,000 less than last year. Referring to page 8, for the first quarter of FY2008, the development service operation is reporting a deficit of almost \$463,000, which reduced their fund balance to \$286,000. If the deficit continues to increase and the remaining fund balance is used up, the general fund would have to provide a subsidy to this operation in order to cover the deficit. The Administration is already reviewing this situation in order to take necessary steps to prevent this. Among the issues being looked at are cost reductions as well as adjustments to the fee structure as recommended by our consultant.

On a positive note, the Transportation fund received a welcomed infusion of funds when FEMA provided an additional payment of \$626,000 for Hurricane Wilma costs. This helps to strengthen their fund balance which has been nearly depleted during the past few years.

I) GENERAL FUND REVENUES

Schedule of General Fund Budgeted and Actual Revenues  
Fiscal Year Ending September 30, 2008  
(25% OF YEAR COMPLETED)

| Department                             | FISCAL YEAR 2007-2008 |                      |                      |                      | % OF ACTUAL<br>VS. BUDGET | NOTES      |
|--|-----------------------|----------------------|----------------------|----------------------|---------------------------|------------|
|  | FY2005-06<br>ACTUAL   | FY2006-07<br>ACTUAL  | AMENDED<br>BUDGET    | As of<br>Dec-07      |                           |            |
| Ad Valorem Taxes - Current             | \$ 11,635,651         | \$ 19,180,662        | \$23,683,854         | \$ 14,912,015        | 63.0%                     | (1)        |
| Franchise Fees-Electric                | 3,015,219             | 3,477,481            | 2,475,000            | -                    | 0.0%                      |            |
| Franchise Fees-Gas                     | 297,989               | 234,788              | 290,000              | 599                  | 0.2%                      |            |
| Franchise Fees-SolidWaste              | 667,007               | 863,951              | 850,000              | 264,787              | 31.2%                     |            |
| Franchise Fees-Water                   | 49,749                | 47,811               | -                    | -                    | 0.0%                      |            |
| Franchise Fees-Other                   | 39,743                | -                    | -                    | -                    | 0.0%                      |            |
| Utility Tax-Electric                   | 2,562,561             | 4,280,978            | 3,850,000            | 531,330              | 13.8%                     |            |
| Utility Tax-Water                      | 559,457               | 796,199              | 775,000              | 87,062               | 11.2%                     |            |
| Utility Fees-Gas                       | 631,705               | 198,653              | 200,000              | 109,058              | 54.5%                     | (4)        |
| Utility Fees-Other                     | 17                    | 11,221               | -                    | -                    | 0.0%                      |            |
| Communications Tax                     | 3,313,754             | 2,728,564            | 3,700,000            | 608,395              | 16.4%                     |            |
| Occupational Licenses - City           | 701,176               | 811,926              | 1,214,965            | 785,165              | 64.6%                     | (2)        |
| Occupational Licenses - County         | 111,814               | 73,115               | 210,000              | 48,579               | 23.1%                     |            |
| Certificates of Use                    | 114,627               | 262,838              | 220,000              | 113,468              | 51.6%                     | (2)        |
| Other Licenses                         | 17,645                | 7,894                | -                    | -                    | 0.0%                      |            |
| Landlord Permits                       | 154,832               | 151,020              | 175,000              | 2,335                | 1.3%                      |            |
| Lien Search                            | 87,374                | 79,954               | 90,000               | 9,020                | 10.0%                     |            |
| Recording fees                         | -                     | 436                  | -                    | 367                  | 0.0%                      |            |
| Bid Spec Fees                          | 245                   | 8,136                | 2,000                | 4,800                | 240.0%                    | (3)        |
| State Revenue Sharing                  | 3,826,368             | 2,846,204            | 3,410,615            | 458,022              | 13.4%                     |            |
| Alcoholic Beverage License             | 17,776                | 13,648               | 15,000               | -                    | 0.0%                      |            |
| 1/2-cent Sales Tax                     | 7,054,689             | 7,002,963            | 7,394,785            | 1,101,277            | 14.9%                     |            |
| Parks Program fees                     | 450,687               | 485,488              | 600,000              | 80,604               | 13.4%                     |            |
| MLK Celebration                        | 20,431                | 12,484               | 10,000               | 12,225               | 122.3%                    | (3)        |
| Special Events                         | -                     | -                    | -                    | 5,700                | 100.0%                    |            |
| Alarm permits                          | 27,099                | 42,200               | 35,000               | 5,133                | 14.7%                     |            |
| Local Code Violations                  | 37,248                | 136,765              | 115,000              | 30,327               | 26.4%                     |            |
| False Alarm Fines                      | -                     | -                    | 1,000                | -                    | 0.0%                      |            |
| Traffic fines                          | 84,331                | 113,923              | 150,000              | 8,394                | 5.6%                      |            |
| Parking fines                          | 27,673                | 36,951               | 45,000               | 12,631               | 28.1%                     |            |
| School crossing guards 1               | 313,132               | 255,491              | 320,000              | 84,192               | 26.3%                     |            |
| School crossing guards 2               | 5,688                 | 4,970                | 15,000               | 502                  | 3.3%                      |            |
| Interest                               | 733,714               | 1,011,767            | 900,000              | 91,201               | 10.1%                     |            |
| Rent - Bus Benches                     | 75,326                | 92,430               | 105,000              | 23,723               | 22.6%                     |            |
| County Code Enforcement Grant          | 115,534               | 4,691                | -                    | -                    | 0.0%                      |            |
| Byrne Grant                            | 28,725                | 6,746                | 15,352               | -                    | 0.0%                      |            |
| Childrens Trust Grant                  | -                     | 116,363              | 91,109               | -                    | 0.0%                      |            |
| Hurricane Relief                       | 1,873,479             | 68,062               | -                    | -                    | 0.0%                      |            |
| Transportation                         | -                     | 965                  | -                    | -                    | 0.0%                      |            |
| Tennis in theParks Grant               | -                     | -                    | -                    | 600                  | 100.0%                    |            |
| Other Miscellaneous                    | 137,528               | 198,675              | 20,000               | 8,057                | 40.3%                     |            |
| Grants and Donations                   | 551,305               | 9,600                | 261,000              | -                    | 0.0%                      |            |
| Insurance Reimbursements               | 88,590                | 1,977                | 2,500                | 12,269               | 490.8%                    | (4)        |
| Lobbyist registration fees             | 5,807                 | 5,250                | 5,000                | 2,500                | 50.0%                     |            |
| County Misc Fees                       | -                     | -                    | 65,000               | -                    | 0.0%                      |            |
| Transfer from Transportation QNIP      | 118,274               | 317,000              | 317,000              | 298,878              | 94.3%                     | (4)        |
| Transfer from Impact Fee Fund          | -                     | 135,936              | -                    | 1,250                | 0.0%                      |            |
| Overhead Charge-Transportation         | 116,247               | 159,463              | 172,060              | 43,015               | 25.0%                     |            |
| Overhead Charge-Development            | 55,644                | 189,309              | 164,284              | 41,071               | 25.0%                     |            |
| Overhead Charge-Stormwater             | -                     | 190,120              | 196,254              | 49,064               | 25.0%                     |            |
| Overhead Charge-CDBG                   | -                     | -                    | 19,971               | -                    | 0.0%                      |            |
| Overhead Charge-GSF                    | 50,300                | 313,070              | 435,126              | 108,782              | 25.0%                     |            |
| Overhead Charge-Capital Projects       | -                     | 194,550              | 374,637              | 93,659               | 25.0%                     |            |
| Debt Proceeds                          | -                     | 1,725,000            | 2,653,371            | -                    | 0.0%                      |            |
| Appropriated fund balance              | 10,181,219            | 11,692,700           | 10,462,321           | -                    | 0.0%                      |            |
| <b>SUB TOTAL GENERAL FUND</b>          | <b>\$ 49,957,382</b>  | <b>\$ 60,600,388</b> | <b>\$ 66,107,204</b> | <b>\$ 20,050,056</b> | <b>30.3%</b>              |            |
| General Services Fund:                 |                       |                      |                      |                      |                           |            |
| Transfers in from other funds          | 880,536               | 3,692,140            | 8,644,770            | 2,836,099            | 32.8%                     | (1)        |
| Debt proceeds                          | -                     | 5,675,000            | 1,500,900            | -                    | 0.0%                      |            |
| Interest earnings                      | -                     | 166,204              | -                    | 2,600                | 0.0%                      |            |
| Misc Revenues                          | 14,058                | 1,872                | -                    | -                    | 0.0%                      |            |
| <b>SUB TOTAL GENERAL SERVICES FUND</b> | <b>894,594</b>        | <b>9,535,216</b>     | <b>10,145,670</b>    | <b>2,838,699</b>     | <b>28.0%</b>              |            |
| <b>TOTAL GENERAL FUND</b>              | <b>\$50,851,976</b>   | <b>\$ 70,135,604</b> | <b>\$ 76,252,874</b> | <b>\$ 22,888,755</b> | <b>30.0%</b>              | <b>(1)</b> |

## NOTES TO THE BUDGET REPORT

### General Fund

Since revenues are not received evenly during the year, only revenues which show an actual to budget percentage of 35% or higher will be explained herein.

### Revenues

Page 2 is a detailed listing of all general fund revenues. It shows actual revenues received for FY2005-06 and FY2006-07, original and amended budgeted revenues for FY2007-08 and actual revenues received for the month of December 2007. The last column shows the percentage of revenues received in December compared to the annual budget.

### **Note #1**

It is important to note that as of December 2007 the city had received 30% of the total annual budgeted revenues, December 2007 means that 25% of the year has been completed. It would be simple if revenues were received evenly during the year, however that is never the case since ad valorem revenues are usually received between December and April of the fiscal year, and other revenue sources are usually paid in arrears. For example, all of the State revenue sharing and other taxes are paid one to two months in arrears.

Certain transfers from other funds were recorded in October since those are due at the beginning of the fiscal year.

### **Note #2**

Occupational license revenue is generally mostly received in November since that is the normal renewal date for most occupational licenses. Certificates of use are also billed out in batches and as such the revenues fluctuate from month to month.

### **Note #3**

Bid spec fees, and parking fines are not within our control since these are based on user activity and may fluctuate from month to month. All of the MLK celebration revenues are received during December and January each year.

### **Note #4**

Gas utility taxes and insurance reimbursements are revenue sources out of our control which fluctuate from month to month.

The QNIP debt payment is paid during December and not evenly throughout the year.

As the year moves on, we will be able to get a more accurate picture of revenue receipts compared to budget.

II) EXPENDITURES

**Schedule of General Fund Budgeted and Actual Expenditures  
Fiscal Year Ending September 30, 2008  
(25% OF YEAR COMPLETED)**

| <u>Department</u>                   | FISCAL YEAR 2007-2008       |                             |                           |                         | <u>% OF ACTUAL<br/>VS. BUDGET</u> | <u>Notes</u> |
|-------------------------------------|-----------------------------|-----------------------------|---------------------------|-------------------------|-----------------------------------|--------------|
|                                     | <u>FY2005-06<br/>ACTUAL</u> | <u>FY2006-07<br/>ACTUAL</u> | <u>AMENDED<br/>BUDGET</u> | <u>AS OF<br/>Dec-07</u> |                                   |              |
| <b>General Government:</b>          |                             |                             |                           |                         |                                   |              |
| Mayor & City Council                | 653,538                     | 710,565                     | 997,976                   | 240,876                 | 24.1%                             |              |
| Office of the City Manager          | 1,480,054                   | 905,555                     | 1,140,815                 | 285,318                 | 25.0%                             |              |
| Office of the City Manager-Outreach | -                           | 1,316,670                   | 1,775,395                 | 364,106                 | 20.5%                             |              |
| Office of the City Clerk            | 222,805                     | 260,565                     | 412,507                   | 64,054                  | 15.5%                             |              |
| Office of the City Attorney         | 174,404                     | 293,644                     | 201,000                   | 46,383                  | 23.1%                             |              |
| Human Resource Department           | 317,038                     | 652,195                     | 892,765                   | 247,827                 | 27.8%                             |              |
| Finance /Budget                     | 305,110                     | 421,540                     | 799,540                   | 161,006                 | 20.1%                             |              |
| Public Works                        | 110,756                     | -                           | -                         | -                       | 0.0%                              |              |
| Non-Departmental                    | 898,984                     | 9,056,953                   | 8,199,724                 | 2,164,435               | 26.4%                             |              |
| Total General Government            | <u>4,162,690</u>            | <u>13,617,687</u>           | <u>14,419,722</u>         | <u>3,574,005</u>        | 24.8%                             |              |
| <b>Public Safety:</b>               |                             |                             |                           |                         |                                   |              |
| Police Department                   | 26,762,728                  | 30,385,152                  | 35,896,713                | 7,543,310               | 21.0%                             |              |
| School Crossing Guards              | 618,089                     | 716,591                     | 1,235,840                 | 243,167                 | 19.7%                             |              |
| Code Enforcement                    | 937,796                     | 1,300,383                   | 1,967,397                 | 448,428                 | 22.8%                             |              |
| Total Public Safety                 | <u>28,318,613</u>           | <u>32,402,126</u>           | <u>39,099,950</u>         | <u>8,234,905</u>        | 21.1%                             |              |
| <b>Parks and Recreation:</b>        |                             |                             |                           |                         |                                   |              |
| Administration                      | 3,024,930                   | 4,277,984                   | 5,998,103                 | 1,431,673               | 23.9%                             |              |
| Park Maintenance                    | 1,097,433                   | 1,828,040                   | 2,670,680                 | 453,037                 | 17.0%                             |              |
| Total Parks and Recreation          | <u>4,122,363</u>            | <u>6,106,024</u>            | <u>8,668,783</u>          | <u>1,884,710</u>        | 21.7%                             |              |
| <b>SUB TOTAL GENERAL FUND</b>       | <u>36,603,666</u>           | <u>52,125,837</u>           | <u>62,188,455</u>         | <u>13,693,620</u>       | 22.0%                             |              |
| <b>General Services Fund:</b>       |                             |                             |                           |                         |                                   |              |
| Purchasing                          | 221,035                     | 179,082                     | 435,462                   | 61,851                  | 14.2%                             |              |
| City Hall                           | 952,118                     | 1,158,196                   | 3,580,631                 | 1,364,364               | 38.1%                             | (2)          |
| IT                                  | 527,170                     | 620,147                     | 1,498,972                 | 386,005                 | 25.8%                             |              |
| Fleet                               | 855,287                     | 5,590,021                   | 4,665,637                 | 371,317                 | 8.0%                              |              |
| <b>SUB TOTAL GENERAL SERVICES</b>   | <u>2,555,610</u>            | <u>7,547,446</u>            | <u>10,180,702</u>         | <u>2,183,537</u>        | 21.4%                             |              |
| Ending fund balance                 | <u>11,692,700</u>           | <u>10,462,321</u>           | <u>3,883,717</u>          | <u>-</u>                | 0.0%                              |              |
| <b>TOTAL GENERAL FUND USES</b>      | <u>50,851,976</u>           | <u>70,135,604</u>           | <u>76,252,874</u>         | <u>15,877,157</u>       | 20.8%                             | (1)          |