



City of Miami Gardens

To: The Honorable Mayor and City Council

Via: Danny O. Crew, City Manager

Fr: William Alonso, Finance Director

Date: March 15, 2008

Re: February 2008 Budget Status Report

The following report is the February 2008 monthly budget report for fiscal year 2007-08 and is also the fifth full month of the fiscal year. The purpose of this report is to apprise the City's policy makers of the current budgetary status for the five month period ending February 2008. 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 Enterprise 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

BUDGET AMENDMENTS

There were no amendments made during February 2008.

FINANCIAL SUMMARY

We are currently projecting a fiscal year end unreserved general fund balance of approximately \$9.0-\$10 million. This represents an increase of approximately \$1.0-\$2.0 million to our general fund balance for the current fiscal year end.

This 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)

For February, we again lowered our projection of ending fund balance due to the continued increasing deficit reported in the Development Services Fund.

As I mentioned in the prior months, the development services operation continues to be an area of concern. If you would refer to page 24 you will notice that revenues are coming in almost \$485,690 less than the prior year. Building permit revenues are reporting almost \$520,000 less than last year.

Referring to page 8, as of February 2008, the development service operation is reporting a deficit of almost \$838,113, which reduced their fund balance to a deficit of \$155,670. If the current trend continues, it is projected that a subsidy in the amount of \$1 to \$1.2 million may be required to cover this fund's operating deficit for FY2008. A number of budgetary actions have been taken to hopefully reduce this projected loss, including not filling vacant positions, cuts to line items, and freezing of the working capital reserve. Please refer to pages 8 and 9 for more information on this fund.

1) GENERAL FUND REVENUES

Schedule of General Fund Budgeted and Actual Revenues
Fiscal Year Ending September 30, 2008
(41.67% OF YEAR COMPLETED)

Department	FISCAL YEAR 2007-2008				% OF ACTUAL VS. BUDGET	NOTES
	FY2005-06 ACTUAL	FY2006-07 ACTUAL	AMENDED BUDGET	As of Feb-08		
Ad Valorem Taxes - Current	\$ 11,635,651	\$ 19,180,662	\$23,683,854	\$ 16,647,278	70.3%	(1)
Franchise Fees-Electric	3,015,219	3,477,481	2,475,000	-	0.0%	
Franchise Fees-Gas	297,989	234,768	290,000	37,262	12.8%	
Franchise Fees-SolidWaste	667,007	863,951	850,000	392,118	46.1%	
Franchise Fees-Water	49,749	47,811	-	-	0.0%	
Franchise Fees-Other	39,743	-	-	-	0.0%	
Utility Tax-Electric	2,562,561	4,735,403	3,850,000	1,401,173	36.4%	
Utility Tax-Water	559,457	796,199	775,000	251,132	32.4%	
Utility Fees-Gas	631,705	198,653	200,000	142,349	71.2%	(4)
Utility Fees-Other	17	11,221	-	-	0.0%	
Communications Tax	3,313,754	2,995,674	3,700,000	1,199,006	32.4%	
Occupational Licenses - City	701,176	744,314	1,214,965	918,222	75.6%	(2)
Occupational Licenses - County	111,814	165,170	210,000	64,951	30.9%	
Certificates of Use	114,627	262,838	220,000	171,953	78.2%	(2)
Other Licenses	17,645	7,894	-	-	0.0%	
Landlord Permits	154,832	151,020	175,000	27,925	16.0%	
Lien Search	87,374	79,954	90,000	16,645	18.5%	
Recording fees	-	436	-	494	100.0%	
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	904,763	26.5%	
Alcoholic Beverage License	17,776	13,648	15,000	4,084	27.2%	
1/2-cent Sales Tax	7,054,689	7,002,963	7,394,785	2,367,554	32.0%	
Parks Program fees	450,687	485,488	600,000	129,297	21.5%	
MLK Celebration	20,431	12,484	10,000	25,775	257.8%	(3)
Special Events	-	-	-	19,000	100.0%	
Alarm permits	27,099	42,200	35,000	18,167	51.9%	
Local Code Violations	37,248	136,765	115,000	59,781	52.0%	(3)
False Alarm Fines	-	-	1,000	-	0.0%	
Police service fees	-	-	-	1,172	100.0%	
Traffic fines	84,331	113,923	150,000	31,187	20.8%	
Parking fines	27,673	36,951	45,000	19,133	42.5%	
Towing fines	-	-	-	1,050	100.0%	
Police Off Duty Charges	-	-	-	13,775	100.0%	
School crossing guards 1	313,132	255,491	320,000	84,492	26.4%	
School crossing guards 2	5,688	4,970	15,000	1,299	8.7%	
Interest	733,714	1,011,767	900,000	227,924	25.3%	
Rent - Bus Benches	75,326	92,430	105,000	39,416	37.5%	
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	168,754	185.2%	
Hurricane Relief	1,873,479	68,062	-	-	0.0%	
Transportation	-	965	-	-	0.0%	
Tennis in theParks Grant	-	-	-	600	100.0%	
Other Miscellaneous	137,528	244,809	20,000	44,523	222.6%	
Grants and Donations	551,305	9,600	261,000	95,000	36.4%	
Insurance Reimbursements	88,590	1,977	2,500	16,379	655.2%	(4)
Lobbyist registration fees	5,807	5,250	5,000	3,750	75.0%	
County Misc Fees	-	-	65,000	15	0.0%	
Transfer from Transportation QNIP	118,274	317,000	317,000	298,878	94.3%	(4)
Transfer from Impact Fee Fund	-	135,936	-	2,083	100.0%	
Overhead Charge-Transportation	116,247	159,463	172,060	71,692	41.7%	
Overhead Charge-Development	55,644	189,309	164,284	68,452	41.7%	
Overhead Charge-Stormwater	-	190,120	196,254	81,773	41.7%	
Overhead Charge-CDBG	-	-	19,971	-	0.0%	
Overhead Charge-GSF	50,300	313,070	435,126	181,302	41.7%	
Overhead Charge-Capital Projects	-	194,550	374,637	156,099	41.7%	
Debt Proceeds	-	1,725,000	2,854,370	2,600,000	91.1%	
Appropriated fund balance	10,181,219	11,692,700	11,244,771	-	0.0%	
SUB TOTAL GENERAL FUND	\$ 49,957,382	\$ 61,392,501	\$ 67,090,653	\$ 29,012,477	43.2%	
General Services Fund:						
Transfers in from other funds	880,536	1,062,465	8,644,770	3,793,042	43.9%	(1)
Debt proceeds	-	5,675,000	1,845,630	-	0.0%	
Interest earnings	-	166,204	-	-	0.0%	
Misc Revenues	14,058	1,872	-	-	0.0%	
SUB TOTAL GENERAL SERVICES FUND	894,594	6,905,541	10,490,400	3,793,042	36.2%	
TOTAL GENERAL FUND	\$50,851,976	\$ 68,298,042	\$ 77,581,053	\$ 32,805,519	42.3%	(1)

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 51.67% (10% higher than the 41.67% of the fiscal year completed) 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 February 2008. The last column shows the percentage of revenues received in February compared to the annual budget.

Note #1

It is important to note that as of February 2008 the city had received 42.3% of the total annual budgeted revenues, February 2008 means that 41.67% 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

Business tax revenue is generally mostly received in October & 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 local code violations 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 February 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.

Other revenue items which are showing increases greater than 51.67% are not within our control and are unexpected revenue sources that were not originally budgeted or may have been under-budgeted based on prior history.

II) EXPENDITURES

Schedule of General Fund Budgeted and Actual Expenditures
 Fiscal Year Ending September 30, 2008
 (41.67% OF YEAR COMPLETED)

Department	FISCAL YEAR 2007-2008				% OF ACTUAL VS. BUDGET	Notes
	FY2005-06 ACTUAL	FY2006-07 ACTUAL	AMENDED BUDGET	AS OF Feb-08		
General Government:						
Mayor & City Council	653,538	717,666	997,376	380,609	38.2%	
Office of the City Manager	1,480,054	940,272	1,129,315	474,238	42.0%	
Office of the City Manager-Outreach	-	1,316,670	1,772,395	772,861	43.6%	
Office of the City Clerk	222,805	265,495	414,057	138,629	33.5%	
Office of the City Attorney	174,404	293,644	201,000	95,779	47.7%	
Human Resource Department	317,038	659,373	890,765	348,987	39.2%	
Finance /Budget	305,110	429,093	798,590	305,347	38.2%	
Public Works	110,756	-	-	-	0.0%	
Non-Departmental	898,984	9,056,988	8,060,288	2,168,459	26.9%	
Total General Government	<u>4,162,690</u>	<u>13,679,201</u>	<u>14,263,786</u>	<u>4,684,909</u>	32.8%	
Public Safety:						
Police Department	26,762,728	30,511,775	36,307,893	18,345,284	50.5%	
School Crossing Guards	618,089	716,591	1,235,340	379,598	30.7%	
Code Enforcement	937,796	1,322,495	1,966,397	755,431	38.4%	
Total Public Safety	<u>28,318,613</u>	<u>32,550,861</u>	<u>39,509,630</u>	<u>19,480,313</u>	49.3%	
Parks and Recreation:						
Administration	3,024,930	4,277,984	5,951,859	2,044,692	34.4%	
Park Maintenance	1,097,433	1,910,896	2,664,180	757,329	28.4%	
Total Parks and Recreation	<u>4,122,363</u>	<u>6,188,880</u>	<u>8,616,039</u>	<u>2,802,021</u>	32.5%	
SUB TOTAL GENERAL FUND	<u>36,603,666</u>	<u>52,418,942</u>	<u>62,389,455</u>	<u>26,967,243</u>	43.2%	
General Services Fund:						
Purchasing	221,035	179,082	435,462	99,938	22.9%	
City Hall	952,118	1,158,196	3,575,631	1,510,310	42.2%	
IT	527,170	620,147	1,702,972	852,284	50.0%	
Fleet	855,287	4,514,466	4,044,877	1,830,778	45.3%	
SUB TOTAL GENERAL SERVICES	<u>2,555,610</u>	<u>6,471,891</u>	<u>9,758,942</u>	<u>4,293,310</u>	44.0%	
Ending fund balance	<u>11,692,700</u>	<u>11,244,771</u>	<u>5,432,656</u>	<u>-</u>	0.0%	
TOTAL GENERAL FUND USES	<u>50,851,976</u>	<u>70,135,604</u>	<u>77,581,053</u>	<u>31,260,553</u>	40.3%	(1)

NOTES TO THE BUDGET REPORT

General Fund

Since expenditures do not occur evenly during the year, only expenditures which show an actual to budget percentage of 51.67% (10% higher than the 41.67% of the fiscal year completed) or higher will be explained herein.

Expenditures

Page 4 is a detailed listing of all general fund departments. It shows actual expenditures for FY2005-06 and FY2006-07, the amended budgeted expenditures for FY2007-08 and actual expenditures incurred for the month of February 2008. The last column shows the percentage of expenditures incurred in December compared to the annual budget.

Note #1

As of February 2008 the city had incurred 40.3% of the total annual budgeted expenditures with 41.67% of the fiscal year completed. This shows that our current spending pattern is in line with budget through the first five months of the fiscal year.

III) TRANSPORTATION FUND

CITY OF MIAMI GARDENS
 ACTUAL VS BUDGET REPORT-TRANSPORTATION
 (41.67% OF YEAR COMPLETED)

	FISCAL YEAR 2007-2008				% OF ACTUAL VS. BUDGET	Notes
	FY2005-06 ACTUAL	FY2006-07 ACTUAL	AMENDED BUDGET	AS OF Feb-08		
Beginning Fund Balance	\$ 2,365,320	\$ 995,259	\$ 500,211	\$ 500,211		
Revenues:						
Local Option Gas Tax	\$ 2,154,245	\$ 2,297,107	\$ 2,385,033	\$ 775,362	32.5%	
State Revenue Sharing	1,478,690	1,063,708	1,450,000	342,743	23.6%	
Charges for services	6,923	80,066	100,000	19,110	19.1%	
Grant revenue	4,065,829	1,042,641	699,549	626,292	89.5%	
Interest earnings	2,237	5,453	-	6,727	100.0%	
Misc revenues	59,185	78,150	2,000	10,030	501.5%	
Proceeds from debt	-	-	-	-		
Transfers in	185,505	-	99,609	41,504	41.7%	
Total revenues	7,952,613	4,567,125	4,736,191	1,821,768	38.5%	(1)
Expenditures:						
Administrative	947,391	1,063,560	2,379,335	698,526	29.4%	
KMGB	382,204	443,676	504,320	144,371	28.6%	
Streets	7,993,080	3,554,937	2,344,580	949,275	40.5%	(2)
Total expenditures	9,322,675	5,062,173	5,228,235	1,792,172	34.3%	(1)
Ending fund balance	995,258	500,211	8,167	529,807		

NOTES TO THE BUDGET REPORT

Transportation Fund

Page 6 is a detailed budget report for the Transportation Fund. This fund is used to account for all revenues and expenditures related to streets and road maintenance, Keep Miami gardens Beautiful, and other public works activities.

Note#1

Revenues as of February 2008 were 38.5% of budget and expenditures were at 34.3% of budget. This fund receives the bulk of its revenues from the local option gas tax and State revenue sharing, these State funds are received one month in arrears so we will not see the February revenues until at least February of 2008 and so on.

Note#2

After adjusting the beginning fund balance to the actual ending fund balance as of year end and rolling forward encumbrances, the amended budget was reporting a negative ending fund balance. In order to correct this there was an adjustment done to the budget as follows: Streets expenditures were reduced by \$400,000.

IV) DEVELOPMENTAL SERVICES FUND

CITY OF MIAMI GARDENS
 ACTUAL VS BUDGET REPORT-DEVELOPMENT SERVICES FUND
 (41.67% OF YEAR COMPLETED)

	FISCAL YEAR 2007-2008				% OF ACTUAL VS. BUDGET	Notes
	FY2005-06 ACTUAL	FY2006-07 ACTUAL	AMENDED BUDGET	AS OF Feb-08		
Beginning Fund Balance	\$ 952,040	\$ 2,095,620	\$ 682,443	\$ 682,443		
Revenues:						
Planning and Zoning Fees	476,443	272,901	300,000	121,013	40%	
Building permits	3,112,352	2,100,939	2,700,000	537,626	20%	
Surcharge	338,495	148,696	150,000	72,408	48%	
BCCO	73,709	37,184	50,000	12,573	25%	
Grants	69,000	94,965	-	-	0%	
Intrest earnings	-	21,128	-	7,253	100%	
Misc Revenues	-	12,410	2,000	-	0%	
Total revenues	<u>4,070,000</u>	<u>2,688,223</u>	<u>3,202,000</u>	<u>750,873</u>	23%	
Expenditures:						
Administrative	1,211,110	1,857,360	2,560,365	1,026,584	40%	(1)
Operating expenses	1,599,164	1,959,742	1,381,171	554,927	40%	
Capital Outlay	116,145	284,298	53,791	7,475	14%	
Total expenditures	<u>2,926,420</u>	<u>4,101,400</u>	<u>3,995,327</u>	<u>1,588,986</u>	40%	
Ending fund balance	\$ 2,095,620	\$ 682,443	\$ (110,884)	\$ (155,670)		

NOTES TO THE BUDGET REPORT

Development Services Fund

Page 8 is the detailed budget report for the Developmental Services Fund. This fund is used to account for all revenues and expenditures related to *building and planning* services for our city. This function **should** be self sufficient, meaning that the fees charged should cover the operating costs of the department.

Revenues as of February 2008 were 23% of budget while expenditures were at 38% of the annual budget. This fund receives most of its funding from user fees on permits and planning and zoning fees, so actual revenue receipts during the year depend on user activity.

As I mentioned last month, this continues to be an area of concern. If you would refer to page 24 you will notice that revenues are coming in almost \$485,690 less than the prior year. Building permit revenues are reporting almost \$520,000 less than last year.

Referring to page 8, as of February 2008, the development service operation is reporting a deficit of almost \$838,113, which reduced their fund balance to a deficit of \$155,670. This deficit will need to be subsidized by the general Fund in the form of an operating transfer. Once we have an accurate estimate of the projected total deficit for the year, we will bring to Council a budget amendment in order to transfer the needed funds. However, if the current trend continues, it is projected that a subsidy in the amount of \$1 to \$1.2 million may be required to cover this fund's operating deficit for FY2008.

Note 1

After adjusting the beginning fund balance to the actual ending fund balance as of year end and rolling forward encumbrances, the amended budget was reporting a negative ending fund balance, in order to correct this, the administrative budget has been decreased by \$250,000 for expected vacancies that will not be filled, as well as freezing of the working capital reserve of \$226,000. This still leaves a budgeted deficit of \$110,884 for FY2008.

V) GENERAL SERVICES FUND

CITY OF MIAMI GARDENS
 ACTUAL VS BUDGET REPORT-GENERAL SERVICES FUND
 (41.67% OF YEAR COMPLETED)

	FISCAL YEAR 2007-2008			% OF ACTUAL VS. BUDGET
	FY2006-07 ACTUAL	AMENDED BUDGET	AS OF Feb-08	
Beginning Fund Balance	\$ -	\$ -	\$ -	
Revenues:				
Transfers in from other funds	3,692,140	8,644,770	3,793,042	44%
Debt proceeds	5,675,000	1,845,630	-	0%
Interest earnings	166,204	-	-	100%
Misc Revenues	1,872	-	-	0%
Total revenues	<u>9,535,216</u>	<u>10,490,400</u>	<u>3,793,042</u>	36%
Expenditures:				
Purchasing:				
Administrative	155,746	398,911	85,915	22%
Operating expenses	23,336	36,551	14,023	38%
Subtotal Purchasing	<u>179,082</u>	<u>435,462</u>	<u>99,938</u>	23%
City Hall				
Operating expenses	806,366	2,665,317	1,510,310	57%
Debt service	351,830	910,314	-	0%
Subtotal City Hall	<u>1,158,196</u>	<u>3,575,631</u>	<u>1,510,310</u>	42%
IT				
Administrative	238,693	646,780	198,253	31%
Operating expenses	349,041	709,136	405,118	57%
Capital Outlay	32,413	347,056	248,913	72%
Subtotal IT	<u>620,147</u>	<u>1,702,972</u>	<u>652,284</u>	50%
Fleet				
Administrative	52,824	138,081	30,386	22%
Operating expenses	591,978	1,127,438	352,942	31%
Capital Outlay	4,619,078	538,738	61,934	11%
Debt service	326,141	2,240,620	1,385,516	62%
Subtotal Fleet	<u>5,590,021</u>	<u>4,044,877</u>	<u>1,830,778</u>	45%
Total expenditures all divisions	<u>7,547,446</u>	<u>9,758,942</u>	<u>4,293,310</u>	44%
Ending fund balance(deficit)(added/deducted from General Fund)	\$ 1,987,770	\$ 731,458	\$ (500,268)	

THIS FUND IS CLOSED AND INCORPORATED INTO THE GENERAL FUND AT YEAR END.