



City of Miami Gardens

To: The Honorable Mayor and City Council

Via: Danny O. Crew, City Manager

Fr: William Alonso, Finance Director

Date: February 15, 2008

Re: January 2008 Budget Status Report

The following report is the January 2008 monthly budget report for fiscal year 2007-08 and is also the fourth 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 four month period ending January 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

During January 2008 there was one budget amendment to the General and General Services Funds to budget for the receipt of \$545,729 in additional Bond proceeds that were not budgeted in the originally adopted budget for FY2007-08.

Additionally, during January we converted the Stormwater fund from a special revenue fund to an enterprise fund. This was done in order to comply with generally accepted accounting principles that recommend that activities that are "self-supporting" through user fees be classified as a business-type activity (Enterprise fund). Enterprise funds differ from governmental funds in that they are accounted for under the full accrual method of accounting while governmental funds follow more of a cash basis type of accounting. Enterprise funds follow similar accounting as private sector businesses.

FINANCIAL SUMMARY

We are currently projecting a fiscal year end unreserved general fund balance of approximately \$9.5-\$11.5 million. This represents an increase of approximately \$1.5-\$3.5 million to our general fund balance for the current fiscal year end. You will note a decrease in our projection from the previous month, this is due to the projected \$600,000 increase in local police services to be paid to the County for the 16 days in December 2007. We had originally budgeted only for the months of October and November.

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.

During January, 2008 the city closed on the future city hall property and paid approximately \$4.2 million on closing.

As I mentioned last month, 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 \$396,515 less than the prior year. Building permit revenues are reporting almost \$419,801 less than last year.

Referring to page 8, as of January 2008, the development service operation is reporting a deficit of almost \$649,875, which reduced their fund balance to \$99,615. 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 following are steps that have been implemented by the Administration to correct this situation:

- 38 positions were approved for this budget cycle: we are only filling up to 32: about a \$500,000.00 in salary and benefit savings.
- We have completed the fee study and refined and simplified the fee schedule: it also resulted in about a 20% increase in fees; and the standardization of construction value to the industry standards (cost and means) in itself will increase revenues.
- We have all but eliminated the use of outside professional services for inspections and plan reviews this should yield about \$350,000.00 in savings.
- We are also stepping up a Building Code Compliance enforcement initiative that will be citing all expired permits at \$500.00 per violation: there is estimated revenue of about \$150,000.00 - \$200,000.00 in fines and resulting permit fees.
- Code enforcement and P&Z are gearing up for the implementation of the new sign code; enforcement activities beginning with window signs should start bringing in sign permit revenues.

I) GENERAL FUND REVENUES

Schedule of General Fund Budgeted and Actual Revenues
 Fiscal Year Ending September 30, 2008
 (33.33% OF YEAR COMPLETED)

Department	FISCAL YEAR 2007-2008					NOTES
	FY2005-06 ACTUAL	FY2006-07 ACTUAL	AMENDED BUDGET	As of Jan-08	% OF ACTUAL VS. BUDGET	
Ad Valorem Taxes - Current	\$ 11,635,651	\$ 19,180,662	\$23,683,854	\$ 15,377,725	64.9%	(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	333,013	39.2%	
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	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	128,011	64.0%	(4)
Utility Fees-Other	17	11,221	-	-	0.0%	
Communications Tax	3,313,754	2,728,564	3,700,000	903,087	24.4%	
Occupational Licenses - City	701,176	811,926	1,214,965	833,559	68.6%	(2)
Occupational Licenses - County	111,814	73,115	210,000	53,044	25.3%	
Certificates of Use	114,627	262,838	220,000	156,982	71.4%	(2)
Other Licenses	17,645	7,894	-	-	0.0%	
Landlord Permits	154,832	151,020	175,000	3,175	1.8%	
Lien Search	87,374	79,954	90,000	12,645	14.1%	
Recording fees	-	436	-	475	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	681,392	20.0%	
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	1,707,033	23.1%	
Parks Program fees	450,687	485,488	600,000	103,661	17.3%	
MLK Celebration	20,431	12,484	10,000	30,275	302.8%	(3)
Special Events	-	-	-	17,800	100.0%	
Alarm permits	27,099	42,200	35,000	14,725	42.1%	
Local Code Violations	37,248	136,765	115,000	43,082	37.5%	
False Alarm Fines	-	-	1,000	-	0.0%	
Police service fees	-	-	-	293	100.0%	
Traffic fines	84,331	113,923	150,000	23,665	15.8%	
Parking fines	27,673	36,951	45,000	17,371	38.6%	
Towing fines	-	-	-	240	100.0%	
Police Off Duty Charges	-	-	-	10,034	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	865	5.8%	
Interest	733,714	1,011,767	900,000	169,007	18.8%	
Rent - Bus Benches	75,326	92,430	105,000	31,631	30.1%	
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	95,076	104.4%	
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	27,620	138.1%	
Grants and Donations	551,305	9,600	261,000	-	0.0%	
Insurance Reimbursements	88,590	1,977	2,500	15,620	624.8%	(4)
Lobbyist registration fees	5,807	5,250	5,000	3,250	65.0%	
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	-	1,667	100.0%	
Overhead Charge-Transportation	116,247	159,463	172,060	57,353	33.3%	
Overhead Charge-Development	55,644	189,309	164,284	54,761	33.3%	
Overhead Charge-Stormwater	-	190,120	196,254	65,418	33.3%	
Overhead Charge-CDBG	-	-	19,971	-	0.0%	
Overhead Charge-GSF	50,300	313,070	435,126	145,042	33.3%	
Overhead Charge-Capital Projects	-	194,550	374,637	124,879	33.3%	
Debt Proceeds	-	1,725,000	2,854,370	2,600,000	91.1%	
Appropriated fund balance	10,181,219	11,692,700	10,462,321	-	0.0%	
SUB TOTAL GENERAL FUND	\$ 49,957,382	\$ 60,600,388	\$ 66,308,203	\$ 25,885,165	39.0%	
General Services Fund:						
Transfers in from other funds	880,536	3,692,140	8,644,770	3,314,571	38.3%	(1)
Debt proceeds	-	5,675,000	1,845,630	-	0.0%	
Interest earnings	-	166,204	-	2,600	100.0%	
Misc Revenues	14,058	1,872	-	-	0.0%	
SUB TOTAL GENERAL SERVICES FUND	894,594	9,535,216	10,490,400	3,317,171	31.6%	
TOTAL GENERAL FUND	\$50,851,976	\$ 70,135,604	\$ 76,798,603	\$ 29,202,336	38.0%	(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 43% (10% higher than the 33.33% 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 January 2008. The last column shows the percentage of revenues received in January compared to the annual budget.

Note #1

It is important to note that as of January 2008 the city had received 38% of the total annual budgeted revenues, January 2008 means that 33.33% 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
 (33.33% OF YEAR COMPLETED)

Department	FISCAL YEAR 2007-2008				% OF ACTUAL VS. BUDGET	Notes
	FY2005-06 ACTUAL	FY2006-07 ACTUAL	AMENDED BUDGET	AS OF Jan-08		
General Government:						
Mayor & City Council	653,538	710,565	997,976	310,614	31.1%	
Office of the City Manager	1,480,054	905,555	1,140,815	388,832	34.1%	
Office of the City Manager-Outreach	-	1,316,670	1,775,395	580,898	32.7%	
Office of the City Clerk	222,805	260,565	412,507	108,034	26.2%	
Office of the City Attorney	174,404	293,644	201,000	67,801	33.7%	
Human Resource Department	317,038	652,195	892,765	300,222	33.6%	
Finance /Budget	305,110	421,540	799,540	244,993	30.6%	
Public Works	110,756	-	-	-	0.0%	
Non-Departmental	898,984	9,056,953	8,199,724	2,167,379	26.4%	
Total General Government	4,162,690	13,617,687	14,419,722	4,168,773	28.9%	
Public Safety:						
Police Department	26,762,728	30,385,152	36,097,712	15,362,348	42.6%	(2)
School Crossing Guards	618,089	716,591	1,235,840	303,055	24.5%	
Code Enforcement	937,796	1,300,383	1,967,397	604,826	30.7%	
Total Public Safety	28,318,613	32,402,126	39,300,949	16,270,229	41.4%	
Parks and Recreation:						
Administration	3,024,930	4,277,984	5,998,103	1,803,780	30.1%	
Park Maintenance	1,097,433	1,828,040	2,670,680	608,777	22.8%	
Total Parks and Recreation	4,122,363	6,106,024	8,668,783	2,412,557	27.8%	
SUB TOTAL GENERAL FUND	36,603,666	52,125,837	62,389,454	22,851,559	36.6%	
General Services Fund:						
Purchasing	221,035	179,082	435,462	80,967	18.6%	
City Hall	952,118	1,158,196	3,575,631	1,449,642	40.5%	
IT	527,170	620,147	1,702,972	707,136	41.5%	
Fleet	855,287	5,590,021	4,811,366	1,714,387	35.6%	
SUB TOTAL GENERAL SERVICES	2,555,610	7,547,446	10,525,431	3,952,132	37.5%	
Ending fund balance	11,692,700	10,462,321	3,883,717	-	0.0%	
TOTAL GENERAL FUND USES	50,851,976	70,135,604	76,798,602	26,803,691	34.9%	(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 43% (10% higher than the 33.33% 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 January 2008. The last column shows the percentage of expenditures incurred in December compared to the annual budget.

Note #1

As of January 2008 the city had incurred 34.9% of the total annual budgeted expenditures with 33.33% of the fiscal year completed. The main factor for the increase was police and will be explained further in Note #2 below.

Note #2

Police expenditures are running at 42.6%, this was due to the fact that during January the City paid almost \$3.5 million in police local services to Miami Dade County representing the October and November 2007 billings. We are awaiting receipt of the final bill for the 16 days in December 2007 prior to the City's own police force taking over. This amount represents the full year budget amount and as such causes our % of actual to budget to be higher, as the year moves on this % will become more stable.

III) TRANSPORTATION FUND

CITY OF MIAMI GARDENS
 ACTUAL VS BUDGET REPORT-TRANSPORTATION
 (33.33% OF YEAR COMPLETED)

	FISCAL YEAR 2007-2008				% OF ACTUAL VS. BUDGET	Notes
	FY2005-06 ACTUAL	FY2006-07 ACTUAL	AMENDED BUDGET	AS OF Jan-08		
Beginning Fund Balance	\$ 2,365,320	\$ 995,259	\$ 537,863	\$ 632,935		
Revenues:						
Local Option Gas Tax	\$ 2,154,245	\$ 2,297,107	\$ 2,385,033	\$ 570,852	23.9%	
State Revenue Sharing	1,478,690	1,063,708	1,450,000	257,433	17.8%	
Charges for services	6,923	80,066	100,000	17,033	17.0%	
Grant revenue	4,065,829	1,042,641	699,549	626,292	89.5%	(1)
Interest earnings	2,237	5,453	-	5,331	100.0%	
Misc revenues	59,185	78,148	2,000	10,030	501.5%	
Proceeds from debt	-	7,440,264	-	-		
Transfers in	185,505	-	99,609	33,203	33.3%	
Total revenues	<u>7,952,613</u>	<u>12,007,387</u>	<u>4,736,191</u>	<u>1,520,174</u>	32.1%	
Expenditures:						
Administrative	947,391	1,053,576	\$1,791,621	648,341	36.2%	
KMGB	382,204	416,008	512,914	115,294	22.5%	
Streets	7,993,080	10,995,047	2,687,408	800,266	29.8%	
Total expenditures	<u>9,322,675</u>	<u>12,464,631</u>	<u>4,991,943</u>	<u>1,563,901</u>	31.3%	
Ending fund balance	<u>995,258</u>	<u>538,015</u>	<u>282,111</u>	<u>589,208</u>		

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.

Revenues as of January 2008 were 32.1% of budget and expenditures were at 31.3% 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 January revenues until at least February of 2008 and so on.

Note#1

During January 2008, the City received from FEMA an additional \$626,292 in Hurricane Wilma cost reimbursements. If you remember, FEMA increased its reimbursement rate for this storm and this payment represents those additional funds. This payment will greatly improve this fund's reserves which had been nearly depleted in the past two years.

IV) DEVELOPMENTAL SERVICES FUND

CITY OF MIAMI GARDENS
 ACTUAL VS BUDGET REPORT-DEVELOPMENT SERVICES FUND
 (33.33% OF YEAR COMPLETED)

	FISCAL YEAR 2007-2008				% OF ACTUAL VS. BUDGET	Notes
	FY2005-06 ACTUAL	FY2006-07 ACTUAL	AMENDED BUDGET	AS OF Jan-08		
Beginning Fund Balance	\$ 952,040	\$ 2,095,620	\$ 749,490	\$ 749,490		
Revenues:						
Planning and Zoning Fees	476,443	272,901	300,000	90,323	30%	
Building permits	3,112,352	2,100,939	2,700,000	438,956	16%	
Surcharge	338,495	148,696	150,000	57,832	39%	
BCCO	73,709	37,184	50,000	9,936	20%	
Grants	69,000	94,965	-	-	0%	
Interest earnings	-	21,128	-	7,074	100%	
Misc Revenues	-	12,410	2,000	4,490	225%	
Total revenues	<u>4,070,000</u>	<u>2,688,223</u>	<u>3,202,000</u>	<u>608,611</u>	19%	
Expenditures:						
Administrative	1,211,110	1,857,360	2,560,365	822,725	32%	(1)
Operating expenses	1,599,164	1,892,695	1,607,334	428,599	27%	
Capital Outlay	116,145	284,298	53,791	7,162	13%	
Total expenditures	<u>2,926,420</u>	<u>4,034,353</u>	<u>4,221,490</u>	<u>1,258,486</u>	30%	
Ending fund balance	<u>\$ 2,095,620</u>	<u>\$ 749,490</u>	<u>\$ (270,000)</u>	<u>\$ 99,615</u>		

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 January 2008 were 19% of budget while expenditures were at 30% 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 \$396,515 less than the prior year. Building permit revenues are reporting almost \$419,801 less than last year.

Referring to page 8, as of January 2008, the development service operation is reporting a deficit of almost \$649,875, which reduced their fund balance to \$99,615. 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.

Please refer to page 2 where we have a detailed analysis of steps being implemented by the Administration.

Note 1

The administrative budget has been decreased by \$250,000 for expected vacancies that will not be filled. This still leaves a budgeted deficit of \$270,000 for FY2008.

V) GENERAL SERVICES FUND

**CITY OF MIAMI GARDENS
ACTUAL VS BUDGET REPORT-GENERAL SERVICES FUND
(33.33% OF YEAR COMPLETED)**

	FISCAL YEAR 2007-2008			% OF ACTUAL VS. BUDGET
	FY2006-07 ACTUAL	AMENDED BUDGET	AS OF Jan-08	
Beginning Fund Balance	\$ -	\$ -	\$ -	
Revenues:				
Transfers in from other funds	3,692,140	8,644,770	3,314,571	38%
Debt proceeds	5,675,000	1,845,630	-	0%
Interest earnings	166,204	-	2,600	100%
Misc Revenues	1,872	-	-	0%
Total revenues	<u>9,535,216</u>	<u>10,490,400</u>	<u>3,317,171</u>	32%
Expenditures:				
Purchasing:				
Administrative	155,746	398,911	69,434	17%
Operating expenses	23,336	36,551	11,533	32%
Subtotal Purchasing	<u>179,082</u>	<u>435,462</u>	<u>80,967</u>	19%
City Hall				
Operating expenses	806,366	2,665,317	1,449,642	54%
Debt service	351,830	910,314	-	0%
Subtotal City Hall	<u>1,158,196</u>	<u>3,575,631</u>	<u>1,449,642</u>	41%
IT				
Administrative	238,693	646,780	147,684	23%
Operating expenses	349,041	709,136	355,931	50%
Capital Outlay	32,413	347,056	203,521	59%
Subtotal IT	<u>620,147</u>	<u>1,702,972</u>	<u>707,136</u>	42%
Fleet				
Administrative	52,824	138,081	24,587	18%
Operating expenses	591,978	1,188,873	242,350	20%
Capital Outlay	4,619,078	1,243,792	61,934	5%
Debt service	326,141	2,240,620	1,385,516	62%
Subtotal Fleet	<u>5,590,021</u>	<u>4,811,366</u>	<u>1,714,387</u>	36%
Total expenditures all divisions	<u>7,547,446</u>	<u>10,525,431</u>	<u>3,952,132</u>	38%
Ending fund balance(deficit)(added to General Fund)	\$ 1,987,770	\$ (35,031)	\$ (634,961)	

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