



City of Miami Gardens

To: The Honorable Mayor and City Council

Via: Danny O. Crew, City Manager

Fr: William Alonso, Finance Director

Date: November 26, 2007

Re: October 2007 Budget Status Report

The following report is the first monthly budget report for fiscal year 2007-08. The purpose of this report is to apprise the City's policy makers of the current budgetary status as of the end of October 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

BUDGET AMENDMENTS

During October, 2007 there were 5 budget amendments made to the original adopted budget. The following is a detail of those amendments:

- \$6,988,717 in encumbrances from FY2007 were rolled forward to the FY2007-08 budget; \$3,220,903 to the General Fund, \$249,109 to the Transportation Fund, \$3,020 to the Stormwater Fund, \$567,882 to the CDBG Fund, \$88,662 to the Developmental Services Fund, and \$2,858,946 to the Capital Projects Fund.
- \$123,427 to the CDBG Fund to budget for the façade renovation grant.
- Recorded an additional \$105,000 in revenues and expenditures in the Capital Projects Fund since the QNIP payment received was higher than expected by this amount.

BUDGET AMENDMENTS (Continued)

- Recorded an additional \$130,000 in HUD revenues and expenditures related to the "Dollar House" project.
- Increased by \$25,000 the funding for the Myrtle Grove lighting project, funds were not used in FY2007 and not budgeted in FY2008 in error.

You will also notice some variances in the "Amended Budget" columns for beginning fund balances. This is due to the fact that during the budget process, estimates are made of the ending fund balance for the year and that balance is appropriated in the FY2007-08 budget. Since we now know the exact amount of ending fund balance at September 30, 2007, this corrected amount has been included in the amended budget column.

CASH AND INVESTMENTS

As of October 31, 2007, the City had approximately \$ 28 million invested in the State Board of Administration account. This generated almost \$130,000 in interest for the month since the SBA paid at the rate of 5.61% for the month of October 2007. The City also held almost \$2 million in its operating account with Wachovia Bank. It is important to note that a significant part of these funds are restricted for certain uses and projects. The City's cash balance includes funds restricted for, among other things, capital projects, street and road maintenance, development services, housing assistance, stormwater, and impact fees for police and recreation.

During the end of November, 2007, the SBA fund experienced a liquidity problem due to "bad" investments. On December 3, 2007, the SBA put a freeze on all transactions pending meetings with State officials. I am happy to announce that the City of Miami Gardens was able to withdraw \$27 million of the \$28.5 million deposited with the SBA before the freeze took effect. We are working on finding other investments that will produce higher yields. On December 5, 2007 the SBA announced that withdrawals would be allowed effective December 6, 2007 up to a maximum of 86% of the balance in the account. The City was able to withdraw \$1.3 million at that time, leaving \$200,000 in the account until further withdrawals are allowed..

NOTES TO THE BUDGET REPORT

General Fund

Since revenues and expenditures do not occur evenly during the year, only revenues and expenditures which show an actual to budget percentage of 18% or higher will be explained herein.

Revenues

Page 8 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 October 2007. The last column shows the percentage of revenues received in October compared to the annual budget.

Note #1

It is important to note that as of October 2007 the city had received 4% of the total annual budgeted revenues, October 2007 means that 8.33% 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.

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

Note #2

Occupational license revenue is generally mostly received in October 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.

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

Expenditures

Page 9 is a detailed listing of all general fund departments. It shows actual expenditures for FY2005-06 and FY2006-07, original and amended budgeted expenditures for FY2007-08 and actual expenditures incurred for the month of October 2007. The last column shows the percentage of expenditures incurred in October compared to the annual budget.

NOTES TO THE BUDGET REPORT

General Fund

Expenditures (continued)

Note #1

It is important to note that as of October 2007 the city had incurred 9.1% of the total annual budgeted expenditures, October 2007 means that 8.33% of the year has been completed. Non-departmental is at 26.4% of its annual budget since the budgeted transfer of \$1.5 million to the capital projects fund was recorded in October.

Note #2

City Hall expenditures are at 25.7% since annual insurance policies were paid in October for the entire year.

Transportation Fund

Page 10 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 October 2007 were 0.3% of budget and expenditures were at 5.8% 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 October revenues until at least November of 2007 and so on.

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 there were two adjustments done to the budget as follows: 1) The \$317,000 QNIP debt payment to the General Fund was eliminated until later in the year, and 2) Streets expenditures were reduced by \$28,000.

Development Services Fund

Page 11 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 October 2007 were 3% of budget while expenditures were at 6% 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.

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.

NOTES TO THE BUDGET REPORT

General Services Fund

Page 12 is the General Services Fund, this fund is used to account for various services that are provided to all city departments and other funds. The total costs are then allocated to the other funds and departments based on a detail allocation formula, the departments and funds then transfer their portion of the allocated costs to this fund.

The revenues of this fund come from transfers from other departments and fund as well as debt proceeds related to vehicle and equipment purchases.

It is important to note that this is a temporary fund and is consolidated with the General Fund at year end. The main purpose is to be able to keep track of the costs for allocation purposes. The four main areas of costs in this fund are as follows:

- a) Purchasing-to allocate cost of the purchasing department to users, costs are allocated based on purchase orders issued.
- b) City Hall-To allocate costs of the facility-rent, insurance, maintenance. Costs are allocated based on square footage.
- c) Information Technology-to allocate costs of computer related activities as well as telephone and cell phone expenditures. Costs are allocated based on users and equipment allocations.
- d) Fleet-to allocate costs of vehicle purchases and ongoing repairs and maintenance. Costs are allocated based on vehicles assigned to each fund or department.

Stormwater Fund

Page 13 presents the detail budget for the stormwater system which was transferred to the city by Miami Dade County in March 2007.

Revenues for this fund come from user assessed fees based \$4 per Equivalent Residential Unit (ERU) for each property. The revenues are collected and forwarded to the city by Miami Dade Water and Sewer, North Miami Beach Water & Sewer, and about 1,050 are billed directly by the City of Miami Gardens on a quarterly basis. It is because of this timing reason that the month of October 2007 shows no revenues.

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 original budget was adjusted by reducing operating expenditures by \$126,000 in order to eliminate the fund balance deficit.

NOTES TO THE BUDGET REPORT

CDBG Fund

Page 14 is the detailed budget for the CDBG fund. This fund is used to account for the funding received from HUD and other grants in order to provide housing assistance to low income residents and the needy. In addition, this fund accounts for the costs related to the façade renovation projects in our commercial districts.

Revenues from HUD are paid on a reimbursement basis to the city, we periodically submit reimbursement requests to HUD and receive funding within 72 hours of submission.

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 original budget was adjusted by reducing capital outlay expenditures by \$872,000 in order to eliminate the fund balance deficit.

Capital Projects Fund

Page 15 is the actual to budget comparison for the Capital Projects Fund. This fund is used to account for the revenues and expenditures related to ongoing city-wide projects. The FY2007-08 budget contains a detailed listing of all projects budgeted in the current fiscal year.

Revenues for this fund come mostly from grants, debt proceeds, and transfers from other funds. The General fund transferred \$1.5 million into this fund for the current year. Since most of the grants budgeted are "reimbursement" grants, we will not be seeing revenues until actual expenditures are incurred.

Special Revenue Fund

Page 16 of this report contains the budget report for the Special Revenue fund. This fund is used to account for the impact fees charged for Police and Parks, and for revenues related to the annual jazz festival, other donations, and the junior council. In addition the fund also receives LETTF funds from fines, these funds are restricted to law enforcement training purposes only.

As of October 31, 2007, the fund had an ending fund balance of \$1,588,743. The following is a breakdown of the fund balance by source so that we can define how much money is available for each activity:

Police impact fees.....	\$184,736
Parks Improvements.....	\$588,659
Parks-Open Spaces.....	\$605,701
LETTF.....	\$36,841
Other.....	<u>\$172,806</u>
Total	<u>\$1,588,743</u>

NOTES TO THE BUDGET REPORT

SHIP Fund

On page 17 of this report is the budget report for the State Housing Initiative Program (SHIP). This fund accounts for the revenues and expenditures related to housing assistance to eligible residents.

Revenues are received in advance on a quarterly basis from the State, as you can see in October 2007 we received our allotment of \$91,893 for the first quarter of our fiscal year.

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 original budget was adjusted by reducing operating expenditures by \$239,582 in order to eliminate the fund balance deficit.

Monthly and YTD Expenditures Report-All Funds

Page 18 is a summary expenditure report for all funds. This report differs from the individual fund reports previously presented in that the individual reports show actual expenditures "paid" during October 2007, while this summary report shows the actually spent as well as outstanding encumbrances (purchase orders issued but not paid). The "YTD committed" column shows for each department and fund the total amount paid and encumbered as of October 2007.

Monthly and YTD Revenue Report-All Funds

Pages 19 and 20 provide a detailed revenue report for all funds. This report differs from the individual fund reports previously presented in that this report provides a comparison of revenues received in October 2007 versus October 2006 as well as year to date amounts.

As the year progresses, these reports will have more meaning since all city revenues are affected by timing differences in when they are collected.

I) GENERAL FUND REVENUES

Schedule of General Fund Budgeted and Actual Revenues
 Fiscal Year Ending September 30, 2008
 (8.33% OF YEAR COMPLETED)

Department	FY2005-06	FY2006-07	FISCAL YEAR 2007-2008			% OF ACTUAL VS. BUDGET	NOTES
	ACTUAL	ACTUAL	ORIGINAL BUDGET	AMENDED BUDGET	AS OF Oct-07		
Ad Valorem Taxes - Current	\$ 11,635,651	\$ 19,180,662	\$23,683,854	\$23,683,854	\$ -	0.0%	(1)
Franchise Fees-Electric	3,015,219	3,477,481	2,475,000	2,475,000	-	0.0%	
Franchise Fees-Gas	297,989	234,788	290,000	290,000	599	0.2%	
Franchise Fees-SolidWaste	667,007	863,951	850,000	850,000	116,305	13.7%	
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	3,850,000	-	0.0%	
Utility Tax-Water	559,457	796,199	775,000	775,000	-	0.0%	
Utility Fees-Gas	631,705	198,653	200,000	200,000	13,105	6.6%	
Utility Fees-Other	17	11,221	-	-	-	0.0%	
Communications Tax	3,313,754	2,728,564	3,700,000	3,700,000	-	0.0%	
Occupational Licenses - City	701,176	811,926	1,214,965	1,214,965	682,051	56.1%	(2)
Occupational Licenses - County	111,814	73,115	210,000	210,000	48,649	23.2%	(2)
Certificates of Use	114,627	262,838	220,000	220,000	51,224	23.3%	(2)
Other Licenses	17,645	7,894	-	-	-	0.0%	
Landlord Permits	154,832	151,020	175,000	175,000	275	0.2%	
Lien Search	87,374	79,954	90,000	90,000	3,700	4.1%	
Recording fees	-	436	-	-	243	0.0%	
Bid Spec Fees	245	8,136	2,000	2,000	3,800	190.0%	(3)
State Revenue Sharing	3,826,368	2,846,204	3,410,615	3,410,615	-	0.0%	
Alcoholic Beverage License	17,776	13,648	15,000	15,000	-	0.0%	
1/2-cent Sales Tax	7,054,889	7,002,963	7,394,785	7,394,785	-	0.0%	
Parks Program fees	450,687	485,488	600,000	600,000	28,778	4.8%	
MLK Celebration	20,431	12,484	10,000	10,000	-	0.0%	
Alarm permits	27,099	42,200	35,000	35,000	2,023	5.8%	
Local Code Violations	37,248	136,765	115,000	115,000	8,770	7.6%	
False Alarm Fines	-	-	1,000	1,000	-	0.0%	
Traffic fines	84,331	113,923	150,000	150,000	-	0.0%	
Parking fines	27,673	36,951	45,000	45,000	9,972	22.2%	(3)
School crossing guards 1	313,132	255,491	320,000	320,000	-	0.0%	
School crossing guards 2	5,688	4,970	15,000	15,000	-	0.0%	
Interest	733,714	1,011,767	900,000	900,000	30,416	3.4%	
Rent - Bus Benches	75,326	92,430	105,000	105,000	7,908	7.5%	
County Code Enforcement Grant	115,534	4,691	-	-	-	0.0%	
Byrne Grant	28,725	6,746	15,352	15,352	-	0.0%	
Childrens Trust Grant	-	116,363	91,109	91,109	-	0.0%	
Hurricane Relief	1,873,479	68,062	-	-	-	0.0%	
Transportation	-	965	-	-	-	0.0%	
Other Miscellaneous	137,528	198,675	20,000	20,000	3,101	15.5%	
Grants and Donations	551,305	9,600	261,000	261,000	-	0.0%	
Insurance Reimbursements	88,590	1,977	2,500	2,500	-	0.0%	
Lobbyist registration fees	5,807	5,250	5,000	5,000	750	15.0%	
County Misc Fees	-	-	65,000	65,000	-	0.0%	
Transfer from Transportation QNIP	118,274	317,000	317,000	317,000	-	0.0%	
Transfer from Impact Fee Fund	-	135,936	-	-	417	0.0%	
Overhead Charge-Transportation	116,247	159,463	172,060	172,060	14,338	8.3%	
Overhead Charge-Development	55,644	189,309	164,284	164,284	27,381	16.7%	
Overhead Charge-Stormwater	-	190,120	196,254	196,254	16,355	8.3%	
Overhead Charge-CDBG	-	-	19,971	19,971	-	0.0%	
Overhead Charge-GSF	50,300	313,070	435,126	435,126	36,261	8.3%	
Overhead Charge-Capital Projects	-	194,550	374,637	374,637	31,220	8.3%	
Debt Proceeds	-	1,725,000	2,653,371	2,653,371	-	0.0%	
Appropriated fund balance	10,181,219	11,692,700	3,357,735	11,692,700	-	0.0%	
SUB TOTAL GENERAL FUND	\$ 49,957,382	\$ 60,600,388	\$ 59,002,618	\$ 67,337,583	\$ 1,137,641	1.7%	
General Services Fund:							
Transfers in from other funds	880,536	3,692,140	8,644,770	8,644,770	1,944,361	22.5%	(1)
Debt proceeds	-	5,675,000	1,500,900	1,500,900	-	0.0%	
Interest earnings	-	166,204	-	-	-	0.0%	
Misc Revenues	14,058	1,872	-	-	-	0.0%	
SUB TOTAL GENERAL SERVICES FUND	894,594	9,535,216	10,145,670	10,145,670	1,944,361	19.2%	
TOTAL GENERAL FUND	\$50,851,976	\$ 70,135,604	\$ 69,148,288	\$ 77,483,253	\$ 3,082,002	4.0%	(1)

II) EXPENDITURES

Schedule of General Fund Budgeted and Actual Expenditures
 Fiscal Year Ending September 30, 2008
 (8.33% OF YEAR COMPLETED)

Department	FISCAL YEAR 2007-2008					% OF ACTUAL VS. BUDGET	Notes
	FY2005-06 ACTUAL	FY2006-07 ACTUAL	ORIGINAL BUDGET	AMENDED BUDGET	AS OF Oct-07		
General Government:							
Mayor & City Council	653,538	710,565	997,976	997,976	77,793	7.8%	
Office of the City Manager	1,480,054	905,555	1,140,815	1,140,815	80,693	7.1%	
Office of the City Manager-Outreach	-	1,316,670	1,770,095	1,775,395	52,493	3.0%	
Office of the City Clerk	222,805	260,565	404,324	412,507	32,951	8.0%	
Office of the City Attorney	174,404	293,644	201,000	201,000	31,781	15.8%	
Human Resource Department	317,038	652,195	852,765	892,765	77,081	8.6%	
Finance /Budget	305,110	421,540	777,878	799,540	39,520	4.9%	
Public Works	110,756	-	-	-	-	0.0%	
Non-Departmental	898,984	9,056,953	8,199,724	8,199,724	2,161,783	26.4%	(1)
Total General Government	4,162,690	13,617,687	14,344,577	14,419,722	2,554,095	17.7%	
Public Safety:							
Police Department	26,762,728	30,385,152	33,457,413	35,896,713	3,211,611	8.9%	
School Crossing Guards	618,089	716,591	1,235,840	1,235,840	64,712	5.2%	
Code Enforcement	937,796	1,300,383	1,967,397	1,967,397	103,959	5.3%	
Total Public Safety	28,318,613	32,402,126	36,660,650	39,099,950	3,380,282	8.6%	
Parks and Recreation:							
Administration	3,024,930	4,277,984	5,348,797	5,998,103	168,572	2.8%	
Park Maintenance	1,097,433	1,828,040	2,648,593	2,670,680	105,106	3.9%	
Total Parks and Recreation	4,122,363	6,106,024	7,997,390	8,668,783	273,678	3.2%	
SUB TOTAL GENERAL FUND	36,603,666	52,125,837	59,002,617	62,188,455	6,208,055	10.0%	
General Services Fund:							
Purchasing	221,035	179,082	435,462	435,462	15,438	3.5%	
City Hall	952,118	1,158,196	3,576,607	3,580,631	920,961	25.7%	(2)
IT	527,170	620,147	1,497,102	1,498,972	27,234	1.8%	
Fleet	855,287	5,590,021	4,636,499	4,665,637	36,810	0.8%	
SUB TOTAL GENERAL SERVICES	2,555,610	7,547,446	10,145,670	10,180,702	1,000,443	9.8%	
Ending fund balance	11,692,700	10,462,321	1,380,582	6,494,677	-	0.0%	
TOTAL GENERAL FUND USES	50,851,976	70,135,604	70,528,869	78,863,834	7,208,498	9.1%	

III) TRANSPORTATION FUND

CITY OF MIAMI GARDENS
 ACTUAL VS BUDGET REPORT-TRANSPORTATION
 (8.33% OF YEAR COMPLETED)

	FY2006-07 ACTUAL	ORIGINAL BUDGET	FISCAL YEAR 2007-2008		% OF ACTUAL VS. BUDGET	Notes
			AMENDED BUDGET	AS OF Oct-07		
Beginning Fund Balance	\$ 995,259	\$ 632,935	\$ 537,863	\$ 632,935		
Revenues:						
Local Option Gas Tax	\$ 2,297,107	\$ 2,385,024	\$ 2,385,024	\$ -	0.0%	
State Revenue Sharing	1,063,708	1,450,000	1,450,000	-	0.0%	
Charges for services	80,066	100,000	100,000	1,492	1.5%	
Grant revenue	1,042,641	73,257	73,257	-	0.0%	
Interest earnings	5,453	-	-	2,036	0.0%	
Misc revenues	78,148	2,009	2,000	-	0.0%	
Proceeds from debt	7,440,264	-	-	-		
Transfers in	-	99,609	99,609	8,301	8.3%	
Total revenues	<u>12,007,387</u>	<u>4,109,899</u>	<u>4,109,890</u>	<u>11,829</u>	0.3%	
Expenditures:						
Administrative	1,053,576	1,542,512	\$1,474,621	158,242	10.7%	(1)
KMGB	416,008	512,914	512,914	16,558	3.2%	
Streets	10,995,047	2,687,408	2,659,408	94,080	3.5%	(1)
Total expenditures	<u>12,464,631</u>	<u>4,742,834</u>	<u>4,646,943</u>	<u>268,880</u>	5.8%	
Ending fund balance	<u>538,015</u>	<u>-</u>	<u>810</u>	<u>375,884</u>		

IV) DEVELOPMENTAL SERVICES FUND

CITY OF MIAMI GARDENS
 ACTUAL VS BUDGET REPORT-DEVELOPMENTAL FUND
 (8.33% OF YEAR COMPLETED)

	FISCAL YEAR 2007-2008				% OF ACTUAL VS. BUDGET	Notes
	FY2006-07 ACTUAL	ORIGINAL BUDGET	AMENDED BUDGET	AS OF Oct-07		
Beginning Fund Balance	\$ 2,095,620	\$ 1,180,828	\$ 749,490	\$ 749,490		
Revenues:						
Planning and Zoning Fees	272,901	300,000	300,000	14,829	5%	
Building permits	2,100,939	2,700,000	2,700,000	63,681	2%	
Surcharge	148,696	150,000	150,000	8,212	5%	
BCCO	37,184	50,000	50,000	811	2%	
Grants	94,965	-	-	-	0%	
Interest earnings	21,128	-	-	5,967	0%	
Misc Revenues	12,410	2,000	2,000	4,318	100%	
Total revenues	2,688,223	3,202,000	3,202,000	97,818	3%	
Expenditures:						
Administrative	1,857,360	2,810,365	2,560,365	148,446	6%	(1)
Operating expenses	1,892,695	1,567,463	1,607,334	92,603	6%	
Capital Outlay	284,298	5,000	53,791	-	0%	
Total expenditures	4,034,353	4,382,828	4,221,490	241,049	6%	
Ending fund balance	\$ 749,490	\$ -	\$ (270,000)	\$ 606,259		