



City of Hallandale Beach City Commission Agenda Cover Memo

| | | | | | |
|---|--|--|--|--|--------------------------|
| Meeting Date: | File No.: | Item Type: | | 1 st Reading | 2 nd Reading |
| 11/20/2024 | 24-514 | <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Other | Ordinance Reading | N/A | N/A |
| | | | Public Hearing | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | Advertising Required | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | Quasi-Judicial: | <input type="checkbox"/> | <input type="checkbox"/> |
| Fiscal Impact (\$): | Account Balance (\$): | Funding Source: | Project Number: | | |
| N/A | N/A | N/A | N/A | | |
| Contract/P.O. Required | RFP/RFQ/Bid Number: | Sponsor Name: | Department: | | |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | N/A | Natasha Mazzie, Budget Director | Budget & Program Monitoring | | |
| Strategic Plan Focus Areas: | | | | | |
| <input checked="" type="checkbox"/> Fiscal Stability | <input type="checkbox"/> Resident Services | <input type="checkbox"/> Public Safety | <input type="checkbox"/> Infrastructure & Mobility | <input type="checkbox"/> Economic Development & Affordable Housing | |
| Implementation Timeline: | | | | | |
| Estimated Start Date: N/A | | | Estimated End Date: N/A | | |

SHORT TITLE:

BUDGET PERFORMANCE REPORT THROUGH AUGUST 31, 2024

STAFF SUMMARY:

Summary:

Attached is the budget report through August 31, 2024, which includes revenues and expenditures for the major funds. General fund revenues that have a budget of \$100,000 or more and budget transfers that exceed \$50,000 are also included in the report.

Background:

This report is being provided to City Commission for informational purposes only.

Current Situation:

The Budget Performance Report for August 31, 2024 is being provided to the City Commission for informational purposes. Below are highlights per Fund.

General Fund Revenues

Ad Valorem

Ad Valorem revenues (excluding delinquent, interest, and penalties) are \$9.4M more than this time last year due to an increase in property values from FY 2023 to FY 2024 of 17.88%. This is the City's largest revenue source for the general fund.

Charges for Services

Charges for Services in the General Fund are approximately \$827,000 more than FY 23 (prior year) mostly due to various revenues performing better than anticipated and due to the timing of receipts A snapshot is provided below; details can be provided upon request.

| Charges for Services | | | | |
|---------------------------|--|--------------|--------------|------------|
| | | FY 2023 | FY 2024 | Difference |
| Parking Meter Receipts | | \$ 747,223 | \$ 921,929 | \$ 174,706 |
| Fire Dept Review Fee | | 102,475 | 256,683 | 154,208 |
| Admin Charge- Water Fund | | 1,091,314 | 1,200,446 | 109,132 |
| Fire Rescue Transport Fee | | 1,541,555 | 1,622,509 | 80,954 |
| Total | | \$ 3,482,567 | \$ 4,001,567 | \$ 519,000 |

Utility Taxes

Municipalities and charter counties are authorized to levy by ordinance a public service tax on the purchase of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and water service. The tax shall be levied only upon purchases within the municipality or within the charter county's unincorporated area and shall not exceed 10 percent of the payments received by the seller of the taxable item. The tax proceeds are considered general revenue for the municipality or charter county. The revenues are \$997,000 more than this time last year due to an increase of FPL monthly sales.

Investment Earnings

Investment earnings have performed well over this past quarter due to prudent portfolio diversification and favorable market conditions. The City has earned approximately \$3M more compared with this time last year. Please note that the fund allocation process which will allocate the investment earnings to the various funds for FY 2023-24 is still underway. As a result, it is anticipated that this number will decrease accordingly once the allocation is finalized.

Slot Machine Proceeds

A Gross Slot Revenue percentage is imposed on the Hallandale Beach Pari-mutuel facilities based on an Agreement executed between each Pari-mutuel facility and Broward

County. The Agreement requires the Pari-mutuels to pay the County 1.5%, which will distribute the City's portion of 1.7% of Gross Slot Revenue until the Gross Slot Revenue from slot machines reaches \$250,000,000 on an annual basis. Once the Pari-mutuels' Gross Slot Revenue exceeds \$250,000,000 in any fiscal year, the payments shall increase to 2.5% of such revenues. Slot Machine Proceeds are \$400,000 higher than prior year at this time which could be attributed to the timing of the posting of journal entries.

Transfers In Revenues

Transfers In are transfers from other funds to the General Fund such as the Payment In Lieu Of Franchise Fees (PILOFF), and the Payment In Lieu of Taxes (PILOT) strategies which are on the 5-Year Strategic Plan. Due to the timing of such postings, the actuals will be trued up at the September monthly budget report.

Other Revenues

This category generally consists of incoming revenues that have not yet been assigned to a specific category and are pending classification. Actuals are 315k more than at this time last year due to this.

General Fund Expenditures

Expenditures (including actuals and encumbrances) in the General Fund are \$23.7 million more than this time last year. This is mostly a result of a higher Tax Increment Funding (TIF) payment to the Community Redevelopment Agency (CRA) of \$1.8 million and an increase in the transfer to the General Liability Fund of \$4.8 million, of which a portion of that is related to the legal judgement as well as an increase in property insurance. Increased transfers to the Transportation Fund of \$1.7 million to address roadway improvements and other transportation items. The contract with the Broward Sherriff Office to provide fire services increased by \$1.7 million over this time last year per the agreed upon contract. Salaries & Benefits increased \$6.4 million over this time as compared to prior year due to contractual bargaining agreements, filing of vacancies, as well as increased overtime in Police. Other increases are attributed to inflationary increases, parking infrastructure, replacement vehicles, projects that were not completed at the end of FY 2023, timing of the month end close and other interfund transfers which total \$3.6 million and encumbrances which total \$3.4 million.

Building Fund

Building Fund revenues are \$3.2 million more than this time last year. This is due in part to an increase in charges for services as well as construction permit fees related for Building 5 and Garage for Oasis at 1110 E Hallandale Beach Blvd.

Why Action is Necessary:

Per Code of Ordinance 10-31(4), staff is to notify the City Commission of any budget transfers that exceed \$50,000. Budget Performance Reports are provided to the City Commission for informational purposes.

Cost Benefit:

Budget Performance Reports provide a snapshot of the City's main Funds for added transparency and informed decision making.

PROPOSED ACTION:

No action is proposed at this time. Reports are provided for informational purposes only.

ATTACHMENT(S):

Exhibit 1 – Monthly Budget Performance Report for Period Ending August 31, 2024

Prepared By: Natasha Mazzie
Natasha Mazzie
Budget & Program Monitoring Director

Reviewed By: Noemy Sandoval
Noemy Sandoval
Assistant City Manager