


**CITY OF HALLANDALE BEACH, FLORIDA**  
**MEMORANDUM**  
**B20 - 020**

**DATE:** September 1, 2020  
**TO:** Honorable Mayor and City Commission  
**THROUGH:** Dr. Jeremy Earle, Interim City Manager  
**FROM:** Marie M. Gouin, Budget & Program Monitoring Director   
**SUBJECT:** Monthly Financial Report for July 2020

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We are pleased to provide the Monthly Financial Report for July 2020. The report covers financial activity for the first ten months of FY 19/20, includes a summary of fund activity, General Fund departmental summary, General Fund Revenue greater than \$200,000 and budget transfers that are \$50,000 or greater.

The summary reports provide the City Commission a status of FY 19/20 Budget relative to actuals and year-end projections through September 30, 2020. The information provided includes prior year actuals, revised budget for the fiscal year compared to actual expenses, both in dollars and percent of expenditures and year-end projections.

**Variance Analysis**

❖ **Report 1** - General Fund Revenue Budgeted  $\geq$  \$200,000

- Utility Service Taxes, Communication Service Tax, Franchise Fees, City Portion of Sales Tax, Slots Machine Proceeds, and Filing Fees are lower than anticipated due to reduced activity during COVID-19. There is also typically a one- to two-month lag for these revenues.
- The CRA-MOU-Police Services will be reimbursed for services once the balance of the expenses are reconciled.

❖ **Report 2** - Monthly Financial Report

- *General Fund* current year expenditures are higher in comparison to the same time as last year. As there have been upfront payments at the beginning of the year, such as City Pension Contribution, HBCRA transfers, and monthly BSO vendor costs that are paid on an annual basis. Revenues also are higher than last year for same period.
- *Transportation Fund* –
  - This fund has historically had a deficit at year-end, with the exception of last fiscal year. The General Fund has been used to subsidize this fund in the

past. The current fiscal year has a transfer from the General Fund in the amount of \$549,950.

- The major revenue sources in this fund are state revenue sharing, gas taxes and Parking receipts.
  - The gas tax revenues are delayed, through August 31, 2020, the City has received this revenue through May. Through May the City should have received at least 66% of budgeted revenue. Gas tax received revenues through May were approximately 58%.
  - Municipal revenue Sharing - the City was receiving a monthly allocation from the State in the amount of \$23,599.92, but the State reduce all municipalities allocations by approximately 50% for the month of May and June. Through July the City has received 75% of this revenue.
- Sanitation Fund-
- The main source of revenue for this fund are Commercial Refuse Fees, Multi-Family Refuse Fees and Residential Refuse Disposal Fees.
  - The City has collected 82% of the Commercial Refuse Fees, 83% Multi-Family Refuse Fees and 84% Residential Refuse Disposal Fees. On a linear approach, at end of the ten months of the fiscal year, the collection should be at 83%.
  - Due to other miscellaneous revenues in this fund, it has collected 78% of its adopted projected revenues.
- Cemetery Fund-
- The charges for Interment-Nonresident and Lot Sale-Nonresident is coming in lower than the budget, currently it is estimated to have \$26,200 loss in revenues.
  - The adopted budget includes the use of fund balance reserves, based on the projection to use reserves and estimated revenue shortfalls in nonresident charges, expenses are estimated to exceed revenues in the amount of \$68,163.
- Stormwater Fund-
- Due to the rolled over projects in the amount of \$1,811,110, there is an estimated shortfall of approximately \$1,647,825 at the end of the fiscal year if all the projected projects are completed. Some of the rolled over projects include, the NE 14th Avenue Enhanced Landscaping, SW/SE Drainage Improvements and Stormwater Wet Well Screen projects. Rolled over projects are funded from fund balance reserves.
- Utility Fund –
- Collections are lower than anticipated due to re-appropriation of fund balance for projects. The fund has 14,257,327 worth of projects that were rolled over from the previous fiscal year. Some of these projects include, the inflow and infiltration sewer rehabilitation, nanofiltration membrane replacement, raw water well A#9 pipeline to name a few.
  - Year-to-Year expenditures are also higher due to this re-appropriation of fund balance.
- Three Islands Neighborhood Districts (TISND)-
- The TISND Fund only source of revenues is ad valorem revenues. The projection for this revenue source is to be collected at 98.5%.

- The fund had projected to use fund balance reserves in the amount of \$484,336 for the District Entrance Improvements and Traffic Calming Project. That is why the fund is showing a low collection in revenues.
- ❖ **Report 3** - General Fund Expenditures are based on a linear expenditure schedule. All departments are within the 10-month threshold of 83%, ± 10 %, with the following exceptions:
- *Innovation Technology* is at 92% of expenditures due to most expenditures being Internet Software Subscriptions which are encumbered at the early part of the fiscal year. Also increase to outside consultants for special projects and COVID-19.
  - *Fire* is at 95% due to funds for the Broward County Sheriff's Office contract are encumbered within a purchase order.
  - *Public Works* is at 85% of expenditures due to the Outside Services which are encumbered for the maintenance services of city facilities.

Also provided is a listing of budget transfers more than \$50,000 made during the month of July. Per Code of Ordinance 10-31(4), staff is to notify the City Commission of any budget transfers that exceeds \$50,000.

Staff is available to answer any questions you or the City Commission may have regarding the attached reports.

Attachments:

1. Report 1: General Fund Revenue Budgeted ≥ \$200,000
2. Report 2: Monthly Financial Report
3. Report 3: Budget Transfers that exceeds \$50,000 for July 2020