


CITY OF HALLANDALE BEACH, FLORIDA  
MEMORANDUM  
CM18 - 121

DATE: December 11, 2017

TO: Honorable Mayor and City Commission

FROM: Roger M. Carlton, City Manager 

SUBJECT: Monthly Financial Report

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We are pleased to provide the fifth Monthly Budget to Actual Summary Report for FY 16/17. This report also encompasses the October budget to actual for FY 17/18. Since staff was still processing payments for FY 16/17 at the time the monthly report for September was presented to the Commission, it is important to revisit the last month of the fiscal year and add FY 16/17 projections to this report. By adding these projections, it will give the City Commission the best possible financial picture of how staff is doing on delivering budget and financial projections not only monthly but also for the full fiscal year.

The information provided includes the adopted and the revised budget for both fiscal years. The revised budget is compared to actual expenses, both in dollars and percent of expenditures. The report also provides the current and last fiscal year unaudited fund balances. In other words, the report represents a high level fiscal picture for each of the funds. It is important to note that the numbers being reflected for FY 16/17 are still preliminary. Staff will continue to work on refining last year's activity as they prepare for the audit. The potential to adjust the numbers will continue to exist until the audit has been finalized.

The following are the funds that are important to highlight for the FY 16/17 end of year report:

- **General Fund** – The report projects the use of fund balance (reserves) in the amount of \$3.8 million. When the budget was prepared prior to my arrival in February 2017, the projected used of fund balance was \$5.3 million. While many actions have caused this better than budgeted performance, it should be clear that full disclosure of the use of reserves over a long period and the acknowledgment of the need to stop the practice have caused our General Fund departments to spend conservatively and generate new revenues. Kudos to the staff.
- **Transportation Fund** – This fund was projected to have a deficit at the end of FY 16/17. The budget included a loan from the Utility Fund to cover the shortfall in the amount of \$725,013. The projected loan may be reduced to \$546,774 thereby requiring less funds from the Utility Fund. Again, kudos to staff for reducing the need for a loan from the Utility Fund.
- **Parks GO Bond Capital Fund** – Actual revenues are comprised of interest since the full bond proceeds were received in 2016 and the need for the money was spread over nearly four years. The expenses will continue to exceed revenues because the fund is

being used to build the parks and will eventually be extinguished when the program is completed. In the meanwhile, the FY 17/18 millage for the General Fund was increased by the same exact amount of the decrease in the GO Bond debt service millage. Thereby maintaining a level tax bill for a property without any valuation or exemption changes.

- **Sanitation Fund** – The FY 16/17 Budget was projected to use fund balance (reserves) in the amount of \$653,709. At this point expenditures exceed revenues by \$452,375, which is a smaller loss than expected. Again, kudos to the employees for this financial performance.
- **Utility Fund** – At this point the fund has a gain in the amount of \$701,563 for FY 16/17, but the year-end true up for the Hollywood payment has not been done.
- **Fleet Services Fund** – When the program was established a vehicle loan was taken out to purchase the initial vehicles. That loan was repaid early with a penalty in the amount \$149,000 using accumulated dollars in the fund putting it in a deficit for FY 15/16. This means that money that was being accumulated to replace vehicles over time was used to repay the loan. Without the need to repay the loan, the amounts required to be charged to the departments for their fleet were reduced thereby helping to balance the budget. This strategy was improper and staff will be developing ideas for the FY 18/19 Budget to begin to remedy the situation.
- **General Liability Fund** – There was a net loss due to higher than anticipated claims expense. In the FY 17/18 Budget a funding strategy was put in place to begin to rebuild this fund which has been underfunded for years. In time, this fund will be self-sustaining.

Please review this document so we may discuss its usefulness as a tool to carry out your responsibilities and provide transparency to our citizens.

Also provided is a listing of budget transfers more than \$50,000 made during the months of September and October 2017.

Attachments:

1. Monthly Financial Reports: September and October 2017
2. Budget Transfers that exceeds \$50,000 for September and October 2017