

CITY OF HALLANDALE BEACH, FLORIDA
MEMORANDUM
B20 - 018

DATE: July 28, 2020

TO: Honorable Mayor and City Commission

THROUGH: Greg Chavarria, City Manager

FROM: Marie M. Gouin, Budget & Program Monitoring Director

SUBJECT: Monthly Financial Report for June 2020

We are pleased to provide the Monthly Financial Report for June 2020. The report covers financial activity for the first nine 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 for the first two quarters once the expenses are reconciled.
- Fire Rescue Transport Fees are lower than anticipated due to uncollected amount of approximately \$370,000 from the Broward Sheriff's Office. This amount will be collected and reflected on the June report.

❖ **Report 2 - Monthly Financial Report**

- *General Fund* current year expenditures are higher in comparison to the same time as last 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 (based on the unaudited financials as of 9/30/19). 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 May 31, 2020, the City has received this revenue through March. Through March the City should have received at least 50% of budgeted revenue. Gas tax received revenues in March were approximately 47%.
 - Municipal revenue Sharing - the City was receiving a monthly allocation from the State in the amount of \$23,599.92, but the State will reduce all municipalities allocations by approximately 50% for the month of May and June. Through May the City has received 58% of this revenue. The State usually does a true-up in July/August timeframe for this revenue, the true impact will not be known until Mid-August.
- *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 74% of the Commercial Refuse Fees, 76% Multi-Family Refuse Fees and 76% Residential Refuse Disposal Fees. On a linear approach, at end of the nine months of the fiscal year, the collection should be at 75%.
 - Due to other miscellaneous revenues in this fund, it has collected 77% of its adopted projected revenues.
 - The fund is estimating a surplus of approximately \$766,000 at the end of the fiscal year.
- *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 97%.
 - 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 9-month threshold of 75%, $\pm 10\%$, with the following exceptions:
- *Innovation Technology* is at 89% of expenditures due to most expenditures being Internet Software Subscriptions which are encumbered at the early part of the fiscal year.
 - *Fire* is at 84% due to funds for the Broward County Sheriff's Office contract are encumbered within a purchase order.
 - *Public Works* is at 71% of expenditures due to the Outside Services which are encumbered for the maintenance services of city facilities.
 - *Non-Departmental* is higher than the threshold because of the annual transfer to the Community Redevelopment Agency (CRA), which is to be paid no later than January 1.

Also provided is a listing of budget transfers more than \$50,000 made during the month of June. 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: Monthly Financial Report
2. Report 2: General Fund Revenue Budgeted \geq \$200,000
3. Report 3: Budget Transfers that exceeds \$50,000 for June 2020