

MIAMI BEACH

OFFICE OF THE CITY MANAGER

LTC# 057-2021


LETTER TO COMMISSION

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Raul J. Aguila, Interim City Manager

DATE: February 9, 2021

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SUBJECT: Fiscal Year 2021 First Quarter Analysis

The purpose of this Letter to Commission (LTC) is to provide the Mayor and members of the City Commission with the status of the Fiscal Year (FY) 2021 operating budget to actual revenues and expenses incurred for the first quarter ending December 31, 2020 with projections through fiscal year-end September 30, 2021, as set forth in the City's Charter which specifies that "the City Manager shall make public a quarterly report showing the actual expenditures during the quarter just ended against one quarter of the proposed annual expenditures set forth in the budget."

Certain assumptions for both revenues and expenditures have been made in these projections, including the projected impact of COVID-19 on the City's operations that will continue to be further refined and adjusted as additional information and data becomes available.

SUMMARY

Since the FY 2021 Budget was adopted, the planned use of reserves has changed due to the slower than anticipated recovery in resort taxes and General Fund revenues from the impact of COVID-19. The preliminary first quarter projections anticipate that an additional \$27.8 million will be needed from reserves to re-balance the FY 2021 Budget. Please note that this amount does not include any potential additional costs from vaccination efforts that may be approved by the City Commission during FY 2021.

To help offset this cost, Administration recommends applying funds recently received from the Coronavirus Relief Fund under the CARES Act, through Miami-Dade County. As of February 1, 2021, the City has received \$32.8 million of which, \$31.4 million is reimbursable to the General Fund. The net effect of the additional gap and the CARES Act funds is a net positive of \$3.6 million. Should this be approved as recommended, the General Fund reserve would total approximately \$74.3 million, or 21.2%, and would increase to \$79.8 million, or 22.8%, if the City receives the additional \$5.5 million in CARES Act funds currently approved by Miami-Dade County for reimbursement, but not yet received by the City. If these projections are realized at year-end, this balance would still exceed the minimum 17.0% General Fund unrestricted budgetary fund balance recommended by the Government Finance Officers Association (GFOA).

	General Fund Reserve Amount	Resort Tax Reserve Amount
Remaining Reserve	\$70.7 million	\$10.2 million
New gap in FY 2021	(\$27.8 million)	0
CARES Act funds to date	\$31.4 million	0
Projected Revised Reserve	\$74.3 million	\$10.2 million
CARES Act funds approved but not received	\$5.5 million	0
Projected Revised Reserve	\$79.8 million	\$10.2 million

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The General Fund use of fund balance increased from \$9.6 million as adopted in the FY 2021 budget to a projected use of \$37.4 million as of the end of the first quarter of FY 2021 as a result of the following: (1) an additional \$16.1 million reduction in the FY 2021 Resort Tax contribution to the General Fund for tourism-eligible expenditures in the General Fund due to slower than anticipated growth in Resort Tax revenues projected for FY 2021 due to COVID-19; (2) additional reductions in General Fund revenues of \$6.9 million from, among other things, Intergovernmental and Other Taxes, Licenses and Permits, Charges for Services, and Rents and Leases due to slower than anticipated economic growth from the ongoing impact of COVID-19 and proactive actions taken by the Mayor and City Commission to address the ongoing impact which included waiving of rents for certain tenants occupying City-owned property and fees for certain categories of business tax receipts; and (3) additional General Fund expenditures of \$4.8 million for public safety-related operations attributed to COVID-19, a contractually required pension buyback window for all eligible sworn Police and Fire personnel to purchase up to two years of service in accordance with the City's current collective bargaining agreements, and expenses related to education initiatives that will need to be transferred from the Education Compact Fund to the General Fund due to a projected loss in FY 2021 garage advertisement revenues that were earmarked for education initiatives.

The FY 2021 Resort Tax and Parking Fund projected use of fund balance as of the first quarter remain unchanged from the adopted FY 2021 budgets and do not propose any use of reserves and/or fund balance to ensure compliance with debt service coverage requirements.

All General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets are projected to be at or below their current FY 2021 amended budgets as of year-end with revenues projected to be equivalent to or in excess of expenditures, except for specific General Fund departments and the Convention Center Fund, which have been detailed further in the forthcoming first quarter analysis.

CORONA VIRUS RELIEF FUND

Miami-Dade County has received an allocation from the Coronavirus Relief Fund (CRF) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. \$100 million of that funding is being allocated for an award program for local municipalities. Of the \$100 million, \$75 million is for operational costs and \$25 million for new municipal programs.

Funds from this program may only be used to (1) cover costs that are necessary expenditures incurred due to the public health emergency with respect to COVID-19, (2) were not accounted for in the budget most recently approved as of March 27, 2020, and (3) were incurred during the period of March 1, 2020 through December 30, 2020. The County will consider reimbursement for COVID-19 related and incurred operating expenses, as well as certain new programs proposed by municipalities.

The following are not eligible under the program: (1) equipment and capital expenses; (2) loss of revenue; (3) utility payment forgiveness.

Examples of eligible costs for the \$75 million program include:

- Costs to enable remote work
- FEMA cost share (the 12.5% local cost component of FEMA PA)
- Personnel costs for hours dedicated to mitigating or responding to COVID-19
- Contact tracing
- Public health
- Expenses to facilitate compliance with public health precautions

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Examples of eligible costs for the \$25 million program include:

- Rental and mortgage assistance programs
- Job training
- Childcare
- Small business grants for business interruption

As of February 1, 2021, \$32.8 million in reimbursements have been received from Miami-Dade County for unbudgeted expenditures incurred due to COVID-19 from March 1, 2020 through December 30, 2020 and certain new programs initiated by the City. Of the \$32.8 million in reimbursements received by the City, approximately 96%, or \$31.4 million, is for General Fund expenditures that have been incurred. There is also an additional \$5.5 million of CARES Act funding that has been approved, but not yet received to date.

The funds received from this program are one-time in nature and the Administration's recommendation is to use these funds to cover budget shortfalls from the economic impact of COVID-19. Any funds over and above that amount are recommended to be put towards the General Fund reserve goal of 3 months, or 25.0% of total revenue, and/or the Resort Tax reserve goal of 6 months, or 50.0%.

USE OF RESERVES

As part of managing the adverse impact of COVID-19 on operations and services, the City had planned the following use of reserves:

	General Fund Reserve Amount	Resort Tax Reserve Amount
Reserve as of 09/30/2019	\$80.6 million	\$15.2 million
Projected Use of Reserve in FY 2020	(\$0.3 million)	(\$5.0 million)
Budgeted Use of Reserve in FY 2021	(\$9.6 million)	0
Projected Remaining Reserve	\$70.7 million	\$10.2 million

Since the FY 2021 budget was adopted, the planned use of reserves has changed primarily due to the slower than anticipated recovery in Resort Tax and General Fund revenues impacted by COVID-19.

As reflected further in detail in the forthcoming projections, the preliminary first quarter projections anticipate that an additional \$27.8 million will be needed from General Fund reserves to re-balance the FY 2021 General Fund budget. It is important to note that this projection does not include any potential additional costs from vaccination efforts that may be approved by the City Commission during FY 2021.

To help offset this cost, the Administration recommends applying the funds recently received from the Coronavirus Relief Fund under the CARES Act, through Miami-Dade County, totaling \$32.8 million, of which approximately 96%, or \$31.4 million, is reimbursable to the General Fund. Should this be approved as recommended, the General Fund reserve would total approximately \$74.3 million, or 21.2%, and would increase to \$79.8 million, or 22.8%, if the City receives the additional \$5.5 million in CARES Act funds currently approved by Miami-Dade County for reimbursement, but not yet received by the City. If these projections are realized at year-end, this balance would still exceed the minimum 17.0% General Fund unrestricted budgetary fund balance recommended by the Government Finance Officers Association (GFOA).

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	General Fund Reserve Amount	Resort Tax Reserve Amount
Projected Remaining Reserve	\$70.7 million	\$10.2 million
Projected FY 2021 Shortfall as of Q1	(\$27.8 million)	0
CARES Act Funds Received to Date	\$31.4 million	0
Projected Remaining Reserve	\$74.3 million	\$10.2 million
CARES Act Funds Approved but not Received	\$5.5 million	0
Projected Remaining Reserve	\$79.8 million	\$10.2 million

BACKGROUND

The operating budgets for the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds for FY 2021 were adopted by the Mayor and City Commission on September 29, 2020, through Resolution No. 2020-31428.

The First Amendment to the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets for FY 2021 was adopted by the Mayor and City Commission on November 18, 2020, through Resolution No. 2020-31497.

ANALYSIS

As a result of the ongoing COVID-19 pandemic, the City is continuing to experience dramatic impacts to its Resort Tax, Parking, Convention Center, and General Fund revenues, as the City is highly dependent on the tourism and hospitality industries. Similar to the balancing plans that the City Administration presented to the Finance and Economic Resiliency Committee (FERC) at the April 17, 2020 and April 24, 2020 meetings to balance the FY 2020 budgets, the FY 2021 budgets included assumptions based on the expectation of low economic activity for the first several months of the fiscal year with gradual growth in economic activity thereafter.

The key to balancing the FY 2021 budgets was to (1) reduce costs as much as possible to mitigate the projected ongoing revenue loss, and (2) judiciously use the City's reserves to make up the difference. Among other things, the FY 2021 budgets included the projected savings from the following cost reduction initiatives:

- Citywide hiring freeze on vacant positions included in the budget, allowing for the flexibility to fill critical positions on an as-needed basis
- Citywide freeze on budgeted non-essential expenditures requiring an additional layer of review by an oversight committee reporting to the City Manager while the uncertainty of revenues persists
- Citywide freeze on non-essential tuition reimbursements
- Citywide freeze on 80% of budgeted expenditures for training and travel
- All employees in all bargaining units taking a specified number of furlough days using a tiered approach based on employees' salaries as follows: 5 days for employees earning greater than \$80,000; 4 days for employees earning between \$70,001 and \$80,000; 3 days for employees earning between \$60,001 and \$70,000; 2 days for employees earning between \$50,001 and \$60,000; and 1 day for employees earning \$50,000 and less
- Refinancing of outstanding debt
- Additional savings identified by departments tasked with reducing expenditures as much as possible

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GENERAL FUND

General Fund First Quarter Status

An analysis of the actual three-month operating revenues and expenses for the period October 1, 2020 through December 31, 2020 reveals an operating budget surplus of \$103.4 million. While the actual surplus as of December 31, 2020 may seem unusual when compared to the projection for the current fiscal year ending September 30, 2021, it should be noted that the City receives a large percentage of its ad valorem property taxes during the first three months of the fiscal year. For FY 2021, ad valorem property tax revenues represent approximately 59.8% of total budgeted revenues adopted and 82.5% of actual revenues collected during the first three months of the fiscal year.

As of December 31, 2020, total revenues collected were approximately 52.3% of the current FY 2021 amended budget, or \$175.2 million. Conversely, expenditures were approximately 21.4% of the current FY 2021 amended budget, or \$71.7 million. It is important to note that there are often delays in expenditures until the close-out of the fiscal year.

FY 2021 Budget					
General Fund	Adopted Budget	Amended Budget	1/4 of Amended Budget	Actuals as of 12/31/20	Variance from 1/4 Amended Budget Over / (Under)
Revenues	\$ 329,023,000	\$ 335,147,000	\$ 83,786,750	\$ 175,174,808	\$ 91,388,058
Expenditures	\$ 329,023,000	\$ 335,147,000	\$ 83,786,750	\$ 71,745,798	\$ (12,040,952)
Excess of Revenues Over/(Under) Expenditures				\$	103,429,010

General Fund Year-End Projections

Year-end operating revenues and expenditures projected through September 30, 2021 provide a more realistic indication of any estimated year-end surpluses or shortfalls as of this point in time. While actual revenues and expenses reflected in this analysis are as of December 31, 2020, these projections have incorporated more current information, including the projected ongoing impact of COVID-19 on the City's revenues, as well as the actions that continue to be proactively taken by the City to mitigate the revenue losses that were outlined in a Letter to Commission (LTC) dated March 26, 2020 (LTC# 143-2020)

A summary of the preliminary General Fund revenues and expenditures as of December 31, 2020 with projections through September 30, 2021 reflects a projected year-end shortfall of \$27.8 million. It should be noted that this analysis is a preliminary projection based on not only the experience during the first three months of the fiscal year, but also the projected impact of COVID-19 projected on the City's operations for the remainder of the fiscal year. Further, these projections do not assume any Coronavirus Relief Funds received under the CARES Act through Miami-Dade County for unbudgeted expenditures related to COVID-19 or any potential additional costs from vaccination efforts that may be approved by the City Commission during FY 2021. As more information becomes available over time, these projections will continue to be refined.

FY 2021 Budget					
General Fund	Adopted Budget	Amended Budget	Projected	Difference	% Over / (Under)
Revenues	\$ 329,023,000	\$ 335,147,000	\$ 312,137,000	\$ (23,010,000)	-6.9%
Expenditures	\$ 329,023,000	\$ 335,147,000	\$ 339,966,000	\$ 4,819,000	1.4%
Excess of Revenues Over/(Under) Expenditures			\$	(27,829,000)	-8.3%

General Fund Operating Revenues

For FY 2021, property tax collections are being projected at 95.0% of total property taxes assessed, which is consistent with the original adopted budget thus allowing for discounts and a level of adjustment for appeals that is consistent with historical levels. The impact of these appeals and adjustments realized for the FY 2021 budget will be provided by the Miami-Dade County Property Appraiser in July 2021 when the City's certified property values are received.

As of December 31, 2020, actual operating revenues collected were approximately 52.3% of the current amended budget, or \$175.2 million, with operating revenues through fiscal year-end September 30, 2021 projected at \$312.1 million, which is approximately 6.9%, or \$23.0 million, below the current amended budget, primarily due to the ongoing impact of COVID-19 on the City's revenues.

As a result, revenue categories projected to exceed budget or with variances to budget in excess of 10.0%, or \$300,000, are further explained below:

Other Taxes – This category of revenues includes franchise and utility taxes on electricity, gas, fuel, cable-television, and telephones. Collections are projected to be 6.2%, or \$1.5 million, below the current amended budget due to franchise and utility taxes on electricity and gas trending lower than budget due to a slower than anticipated recovery in the City's economic activity from COVID-19.

Licenses and Permits – This category includes business tax receipts, licenses/special use permits, and sidewalk café fee revenues and is projected to be below the current amended budget by 13.0%, or \$1.8 million, primarily due to a decrease in revenues for business tax receipts and sidewalk café fee revenues. As part of the City's overall response to the COVID-19 pandemic, on January 13, 2021 the Mayor and City Commission adopted Resolution 2021-31559 prorating portions of the FY 2021 business tax receipts fees relating to fee categories involving the sale and service of alcoholic beverages after midnight to provide that fees for the after midnight business tax receipt categories would not apply for FY 2021.

Intergovernmental – This category of revenues includes local option gas tax, motor fuel tax, sales proceeds, local option sales tax proceeds, and alcoholic beverage license proceeds and is projected to be 12.6%, or \$1.4 million, below the current amended budget primarily due to local option sales tax, gas tax, and motor fuel tax collections trending lower than budget due to a slower than anticipated recovery in the City's economic activity from COVID-19.

Charges for Services – This category includes revenues from activities and programs offered by the Parks and Recreation Department such as after school and summer classes, as well as the operations of the Miami Beach and Normandy Shores golf courses, public safety, passport, and lot clearing services, and is projected to be below the current amended budget by 14.6%, or \$1.9 million, primarily due to a slower than anticipated recovery in demand for City services adversely impacted by COVID-19.

Fines and Forfeits – This category, among other things, includes traffic fines, parking fines, and code enforcement violations, and is projected to be below the current amended budget by 28.0%, or \$299,000. This is primarily due to lower revenue collections in parking and traffic fines, as well as code enforcement violations based on slower than anticipated economic activity within the City from COVID-19.

Interest – This category includes interest revenues for all investments, repurchase agreements, pooled cash, as well as unrealized gain/loss revenues for investments held both

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less than a year and over a year. Revenues are projected to be above the current amended budget by 46.9%, or \$1.3 million, primarily due to an increase in interest revenues on current City investments that were originally budgeted conservatively due to the uncertainty of the long-term impact of COVID-19 on the financial markets.

Rents and Leases – This category includes revenues from various rentals and leases realized from City owned properties. Projected FY 2021 collections are 20.1%, or \$1.2 million, below the current amended budget primarily due to a credit in the amount of \$900,000 provided to Live Nation, the operator of the Jackie Gleason Theater, to account for significant adverse operational impacts associated with COVID-19, which was approved by the City Commission through Resolution No. 2021-31546; as well as additional rent relief to be provided to qualified tenants for the first three months of FY 2021 as approved by the Mayor and City Commission on January 13, 2021.

Resort Tax Contribution – This category is based on the annual contribution from the Resort Tax Fund to the General Fund for tourism-eligible expenditures that are funded in the General Fund that include, among other things, expenditures associated with police officers serving entertainment areas; a portion of fire rescue services from Fire Stations 1 & 2; and ocean rescue services. Due to the projected impact of COVID-19 on the City's Resort Tax revenues for FY 2021, the total Resort Tax Fund transfer to the General Fund budgeted for FY 2021 was \$18.6 million; however, as a result of the slower than anticipated recovery in Resort Tax revenues, the contribution is projected to be 86.4%, or \$16.1 million, below the current amended budget.

For a detail of General Fund revenues by category, refer to the attached Exhibit A.

General Fund Operating Expenditures

As of December 31, 2020, actual expenses were approximately 21.4% of the current FY 2021 amended budget, or \$71.7 million, with operating expenditures through fiscal year-end September 30, 2021 projected at \$340.0 million, which is approximately 1.4%, or \$4.8 million, above the current FY 2021 amended budget. As previously mentioned, these projections are not only based on experience during the first three months of the fiscal year, but also more current information available including, among other things, the ongoing impact of COVID-19 on the City's operations. It is important to note that this projection does not include any potential additional costs from vaccination efforts that may be approved by the City Commission during FY 2021.

General Fund expenditures by department projected to exceed budget or with variances to budget in excess of 10.0%, or \$300,000, are further explained below:

Organizational Development Performance Initiatives (ODPI) – The department is projected to be 21.9%, or \$245,000, above the current amended budget due to costs related to existing education initiatives that were originally budgeted in the Education Compact Fund for FY 2021 that may need to be transferred to and funded by the General Fund for FY 2021 at year-end. Education initiatives in the Education Compact Fund are primarily funded by revenues collected for advertising in the City's garages. The City has not collected any advertisement revenues during FY 2021, and the timing of collection remains uncertain. As a result, in order to fund certain education initiatives, these expenses may need to be transferred to and funded by the General Fund for FY 2021.

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Organizational Development Performance Initiatives				
	FY 2021 Amended Budget	FY 2021 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 1,119,000	\$ 1,364,000	\$ 245,000	21.9%

Police – The department is projected to be 0.6%, or \$720,000, above the current amended budget primarily due to the costs for the Police Department’s Art Deco Cultural District’s (ADCD) safe plan pilot program that was not budgeted for in FY 2021 and estimated to cost approximately \$527,000 for the eight week pilot program. The department’s projections also include slightly increase usage of unbudgeted overtime due to the impact of COVID-19 and the City’s increased efforts at addressing crime, unsafe behavior, and disregard for the City’s emergency orders, as well as the unbudgeted costs of a 1% Hazard Pay supplement provided to first responders that was not anticipated prior to adoption of the FY 2021 budget but is reimbursable from CARES Act funds received.

Police				
	FY 2021 Amended Budget	FY 2021 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 115,642,000	\$ 116,362,000	\$ 720,000	0.6%

Fire – The department is projected to be 2.4%, or \$2.2 million, above the current amended budget primarily due to increased usage of unbudgeted overtime totaling approximately \$2.0 million, which is attributed to several factors. First, during the first quarter of FY 2021, there were 21 firefighters out for extended periods of time due to testing positive for COVID-19. As a result, there were an average of 9 daily overtime slots not including vacations, which needed to be filled using overtime, to maintain minimum shift staffing requirements. Second, the department has had and is projected to continue to utilize additional unbudgeted overtime for COVID-19 related functions such as the Miami Beach Convention Center COVID-19 drive thru testing and homebound testing. The department’s projections also include the unbudgeted costs of a 1% Hazard Pay supplement provided to first responders that was not anticipated prior to adoption of the FY 2021 budget but is reimbursable from CARES Act funds received.

Fire				
	FY 2021 Amended Budget	FY 2021 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 91,890,000	\$ 94,080,000	\$ 2,190,000	2.4%

Citywide Accounts – Citywide Accounts are a category of budgeted expenditures related to the City’s overall operations that are not readily identifiable to any specific department. These accounts are projected to be 20.2%, or \$3.6 million, above the current amended budget primarily due to the projected impact of the pension buyback window provided for all eligible sworn Police and Fire personnel, regardless of pension service time, to purchase up to two years of service from July 1, 2021 through September 30, 2021 in accordance with the City’s current collective bargaining agreements. It is important to note that since the volume of participation in the program is unknown at this time, the projected impact of the pension buyback window is a conservative projection which assumes that all eligible sworn Police and Fire personnel will use their accumulated vacation and sick leave and elect to participate in the program. As additional information becomes available, these projections will continue to be further refined.

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Citywide Accounts				
	FY 2021 Amended Budget	FY 2021 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 17,857,000	\$ 21,463,000	\$ 3,606,000	20.2%

While the above-listed General Fund departments comprise those projected to exceed their current amended budgets or with variances to budget in excess of 10.0%, or \$300,000, all other General Fund departments are projected to have savings at year-end.

For a detail of General Fund expenditures by department, refer to the attached [Exhibit A](#).

ENTERPRISE FUNDS

The City accounts for those goods and services provided by a particular department to external users for which a fee is charged as Enterprise Funds. The City's Sanitation, Water, Storm Water, Sewer, Parking, Convention Center, and Building operations comprise this category of proprietary funds.

An analysis of the actual three-month operating expenses for the period October 1, 2020 through December 31, 2020, reveals that all Enterprise Funds have expenses less than one quarter of their current FY 2021 amended budgets with the exception of the Building Fund due to one-time expenses that were incurred during the first quarter of FY 2021. It is important to note that this is not representative of typical trends for a full fiscal year, as there is often a lag in processing of expenditures, particularly those billed by outside entities for services provided.

ENTERPRISE FUNDS							
	Sanitation	Sewer	Storm Water	Water	Parking	Building	Convention Center
FY 2021 Adopted Budget	22,124,000	49,226,000	31,159,000	35,497,000	37,558,000	16,596,000	26,318,000
Budget Amendment - 11/18/20	456,000	1,171,000	1,671,000	2,561,000	88,000	160,000	4,389,000
FY 2021 Amended Budget	22,580,000	50,397,000	32,830,000	38,058,000	37,646,000	16,756,000	30,707,000
1/4 Adopted Budget	5,531,000	12,306,500	7,789,750	8,874,250	9,389,500	4,149,000	6,579,500
1/4 Amended Budget	5,645,000	12,599,250	8,207,500	9,514,500	9,411,500	4,189,000	7,676,750
Revenues as of 12/31/20	5,185,806	10,597,990	7,161,315	6,936,399	7,185,244	2,850,960	7,508,447
Expenditures as of 12/31/20	4,027,333	12,001,911	4,215,501	7,208,738	5,105,682	4,538,313	2,850,311
Expenditures Above/(Below) 1/4 Amended Budget	(1,617,667)	(597,339)	(3,991,999)	(2,305,762)	(4,305,818)	349,313	(4,826,439)
% Variance	-7.2%	-1.2%	-12.2%	-6.1%	-11.4%	2.1%	-15.7%

Year-end operating revenue and expenditure projections through September 30, 2021 provide a more realistic indication of any anticipated year-end surpluses or shortfalls as of this point in time. While the actual revenues and expenses presented above are as of December 31, 2020, the year-end projections incorporate more current information, including the ongoing projected impact of COVID-19 on the City's operations, as well as the actions that continue to be taken by the City Administration to reduce costs as much as possible to mitigate the projected ongoing revenue loss.

All Enterprise Funds are projected to be under budget by in excess of 10.0%, or \$300,000, and revenues for all Enterprise Funds are projected to be equivalent to or in excess of expenditures as of year-end, unless otherwise reflected in the table below and/or subsequently detailed further.

Parking – Based on the Parking Enterprise Fund's FY 2021 first quarter projections, revenues are projected to exceed expenditures resulting in a surplus of approximately \$2.0 million that would be available to be set aside in FY 2021 for renewal and replacement of existing Parking assets or future operating expenditures should these first quarter projections be realized at year-end. The surplus projected as of the first quarter is attributed to a combination of both revenue and expenditure refinements based on more current information available, including

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actual parking revenues trending slightly higher than revenues budgeted for the first quarter of FY 2021 due to COVID-19, and the numerous expenditure refinements that the Parking Department has identified will facilitate returning the Department to being self-sufficient so as to not require further General Fund support in the future. These measures were presented to the Finance and Economic Resiliency Committee on January 22, 2021. It is important to note, however, that due to the uncertainty of Parking's revenues, the projected surplus as of the first quarter may be less as of year-end; therefore, trends will continue to be monitored over the coming months.

Convention Center – The Convention Center Fund for FY 2021 will require the projected use of \$8.2 million of prior year fund balance due to the ongoing impact of COVID-19, which is an increase of approximately \$3.0 million over the use of fund balance budgeted for FY 2021 of \$5.2 million. This is primarily attributed to significant changes in the event calendar from what was originally anticipated for FY 2021, which was 51 events (compromised of definite, firm, and tentative), and the events that are currently being anticipated for FY 2021, which is now 17 (definite).

If realized at year-end, the additional projected use of \$3.0 million of fund balance will be funded from the projected Convention Center fund balance that totals approximately \$11.7 million, including current reserves of \$3.1 million, or 17.0%, resulting in a remaining fund balance of approximately \$3.5 million.

It is important to note that the Convention Center Fund currently has a 17.0% reserve of \$3.1 million. Should events continue to be canceled at the Convention Center, the Administration would recommend using 6.0% of this reserve or \$1.1 million to further support operations in FY 2021 and maintaining the minimum 11.0% reserve requirement of \$2.0 million. Any further shortfall beyond this point may need to be supported by the General Fund. Due to the variability of event cancellations as a result of COVID-19, Convention Center operations will continue to be monitored over the coming months.

As additional information becomes available these projections will continue to be further refined.

INTERNAL SERVICE FUNDS

The City accounts for goods and services provided by one department to other departments citywide on a cost reimbursement basis as Internal Service Funds. Central Services, Fleet Management, Information Technology, Property Management, Risk Management (Self Insurance), Medical and Dental, and the Office of the Inspector General comprise this category of proprietary funds.

An analysis of the actual three-month operating revenues and expenses for the period October 1, 2020 through December 31, 2020, reveals that all Internal Service Funds have expenses less than one quarter of their current FY 2021 amended budgets. It is important to note that this is not representative of typical trends for a full fiscal year, as there is often a lag in processing of expenditures, particularly those billed by outside entities for services provided.

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INTERNAL SERVICE FUNDS							
	Central Services	Fleet Management	Information Technology	Office of Inspector General	Property Management	Risk Management	Medical & Dental Insurance
FY 2021 Adopted Budget	1,042,000	13,216,000	17,652,000	1,459,000	10,956,000	22,455,000	40,258,000
Budget Amendment - 11/18/20	10,000	1,872,000	634,000	568,000	759,000	80,000	0
FY 2021 Amended Budget	1,052,000	15,088,000	18,286,000	2,027,000	11,715,000	22,535,000	40,258,000
1/4 Adopted Budget	260,500	3,304,000	4,413,000	364,750	2,739,000	5,613,750	10,064,500
1/4 Amended Budget	263,000	3,772,000	4,571,500	506,750	2,928,750	5,633,750	10,064,500
Revenues as of 12/31/20	249,742	4,216,629	3,897,977	0	2,597,060	5,317,612	9,203,990
Expenditures as of 12/31/20	255,327	2,398,508	3,854,434	392,694	1,701,307	2,667,973	8,338,658
Expenditures Above/(Below) 1/4 Amended Budget	(7,673)	(1,373,492)	(717,066)	(114,056)	(1,227,443)	(2,965,777)	(1,725,842)
% Variance	-0.7%	-9.1%	-3.9%	-5.6%	-10.5%	-13.2%	-4.3%

Year-end operating revenue and expenditure projections through September 30, 2021 provide a more realistic indication of any anticipated year-end surpluses or shortfalls as of this point in time. While the actual revenues and expenses presented above are as of December 31, 2020, the year-end projections incorporate more current information, including the ongoing projected impact of COVID-19 on the City's operations, as well as the actions that continue to be taken by the City Administration to reduce costs as much as possible to mitigate the projected ongoing revenue loss.

Revenues for all Internal Service Funds are projected to be equivalent to or in excess of expenditures as of year-end. Internal Service Fund budgets projected to exceed budget or with variances to budget in excess of 10.0%, or \$300,000, are further detailed below.

Medical and Dental – This fund is projected to be 2.7%, or \$1.1 million, below the current amended budget due to medical claims trending lower than originally budgeted for FY 2021 based on current claims experience and adjusted actuarial forecasts as of the end of the first quarter of FY 2021. It is important to note that despite the better than anticipated claims experience realized during the first three months of the fiscal year, claims can fluctuate significantly throughout the year; therefore, trends will continue to be monitored in the coming months and future projections adjusted accordingly.

INTERNAL SERVICE FUNDS							
	Central Services	Fleet Management	Information Technology	Office of Inspector General	Property Management	Risk Management	Medical & Dental Insurance
FY 2021 Adopted Budget	1,042,000	13,216,000	17,652,000	1,459,000	10,956,000	22,455,000	40,258,000
Budget Amendment - 11/18/20	10,000	1,872,000	634,000	568,000	759,000	80,000	0
FY 2021 Amended Budget	1,052,000	15,088,000	18,286,000	2,027,000	11,715,000	22,535,000	40,258,000
FY 2021 Projections:							
Charges for Services	1,006,000	12,721,000	15,675,000	1,979,000	10,104,000	20,415,000	0
Other	28,000	2,173,000	2,339,000	0	1,316,000	1,960,000	39,160,000
FY 2021 Revenue Projections	1,034,000	14,894,000	18,014,000	1,979,000	11,420,000	22,375,000	39,160,000
\$ Over/(Under) Amended Budget	(18,000)	(194,000)	(272,000)	(48,000)	(295,000)	(160,000)	(1,098,000)
% Over/(Under) Amended Budget	-1.7%	-1.3%	-1.5%	-2.4%	-2.5%	-0.7%	-2.7%
FY 2021 Expenditure Projections	1,034,000	14,894,000	18,014,000	1,979,000	11,420,000	22,375,000	39,160,000
\$ Over/(Under) Amended Budget	(18,000)	(194,000)	(272,000)	(48,000)	(295,000)	(160,000)	(1,098,000)
% Over/(Under) Amended Budget	-1.7%	-1.3%	-1.5%	-2.4%	-2.5%	-0.7%	-2.7%
Revenues Over/(Under) Expenditures	0	0	0	0	0	0	0

These projections will continue to be refined as additional information becomes available.

SPECIAL REVENUE FUNDS

Special Revenue Funds consist of revenues and expenditures which are legally restricted or committed for specific purposes, other than debt service and/or capital projects. Special Revenue Funds include Resort Tax, as well as Transportation and People's Transportation Plan (PTP) Fund operations, 7th Street Garage operations, 5th & Alton Garage operations, the Tourism and Hospitality Scholarship Program, Information and Communications Technology Fund, Education

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Compact Fund, Franchise Waste Haulers and Sustainability Contributions, the Residential Housing Program, Red Light Camera Program operations, Emergency 911 Fund, Miami Beach Cultural Arts Council, Normandy Shores and the City’s three Security Guard Special Taxing Districts (Biscayne Point, Biscayne Beach, and Allison Island), Miami City Ballet, Art in Public Places (AIPP) operations, Tree Preservation and Commemorative Tree Trust Fund, Beachfront Concession Initiatives Program, the Beach Renourishment Fund, Police Unclaimed Property and Crash Report Sales Funds, Police Confiscation Trust Funds (Federal and State), Police Training and School Resources Fund, the Adopt-a-Bench Program, and the Off-Duty Services Fund.

An analysis of the actual three-month operating revenues and expenses for the period October 1, 2020 through December 31, 2020, reveals that all Special Revenue Funds have expenses less than one quarter of their current FY 2021 amended budgets primarily due to expenditures that are typically incurred in the latter part of the fiscal year. It is important to note that the actuals incurred for these funds through December 31, 2020 are not representative of typical trends for a full fiscal year.

Revenues for all Special Revenue Funds are projected to be equivalent to or in excess of expenditures as of year-end. In addition, while no Special Revenue Funds are projected to exceed budget, many are projected to have variances to budget in excess of 10.0%, or \$300,000, due to the projected impact of COVID-19 on the City’s revenues, as well as the actions that continue to be taken by the City Administration to reduce costs as much as possible to mitigate the projected ongoing revenue loss.

The only significant variances in the Special Revenue Funds to note are the following:

Transportation – This fund is projected to be 40.9%, or \$3.6 million, below the current amended budget primarily due to the slower than anticipated recovery and impact of COVID-19 on the City’s Resort Tax revenues that fund a significant portion of the City’s Transportation operations, including trolley services that were temporarily suspended due to COVID-19. It is important to note that while there is a significant variance to budget, these projections are assume that limited citywide trolley services will resume and that “on-demand” freebee services for elderly residents living in affordable housing facilities will be extended through the remainder of FY 2021 as discussed by the Mayor and City Commission at the January 13, 2021 City Commission meeting.

Transportation				
	FY 2021 Amended Budget	FY 2021 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 8,883,000	\$ 5,247,000	\$ (3,636,000)	-40.9%

People’s Transportation Plan (PTP) – This fund is projected to be 15.8%, or \$670,000, below the current amended budget primarily due to half-cent surtax revenues received from Miami-Dade County, which are primarily used by the City to fund trolley operations, trending lower than budget as a result of the slower than anticipated economic recovery from the impact of COVID-19. The impact of this projected reduction in revenue is accounted for in the City’s plan to resume trolley services on a limited basis in FY 2021.

People’s Transportation Plan (PTP)				
	FY 2021 Amended Budget	FY 2021 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 4,239,000	\$ 3,569,000	\$ (670,000)	-15.8%

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Education Compact Fund – This fund is projected to be 32.0%, or \$205,000, below the current amended budget due to costs related to existing education initiatives that were originally budgeted in the Education Compact Fund for FY 2021 that are anticipated to be transferred to and funded by the General Fund instead for FY 2021 should these projections be realized at year-end. Education initiatives in the Education Compact Fund are primarily funded by revenues collected for advertising in the City’s garages. The City has not collected any advertisement revenues during FY 2021, and the timing of collection remains uncertain. As a result, in order to fund certain education initiatives, these expenses may need to be funded by the General Fund for FY 2021.

Education Compact				
	FY 2021 Amended Budget	FY 2021 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 641,000	\$ 436,000	\$ (205,000)	-32.0%

RESORT TAX FUND

The City’s Resort Tax Fund is primarily supported by taxes collected pursuant to Chapter 67-930 (Section 6) of the Laws of Florida, as amended, and Section 5.03 of the City of Miami Beach Charter, as amended. This legislation authorizes the use of Resort Taxes for the promotion of the tourism industry, which includes, but is not restricted to the following: Publicity, advertising, news bureau, promotional events, convention bureau activities, capital improvements and the maintenance of all physical assets in connection therewith; and for the payment of the reasonable and necessary expenses of collecting, handling and processing of said tax.

Typically, the City has considered the following services as “Services Related to the Promotion of Tourism:”

- Police Officers serving entertainment areas
- A portion of Fire Rescue services from Fire Stations 1 & 2
- Ocean Rescue services
- Sidewalk pressure cleaning in South, Middle and North Beach visitor areas
- South Beach sanitation
- Enhanced Code Compliance/Enforcement provided to respond to evening entertainment area violations and staffing of special events
- Other Code Compliance/Enforcement activities in tourism and visitor related facilities/areas
- Tourism and Cultural Development Department and the Cultural Arts Council
- Museums and Theatres (Garden Center, Bass Museum, Colony and Byron Carlyle Theatres)
- Golf courses (net of revenues)
- Memorial Day and other special event costs
- Homeless services
- July 4th, Visitor Center funding, Holiday Lights, Festival of the Arts, Jewish Museum, MDPL, Orange Bowl, Monuments, etc.

These allowable uses have led to increased tourism-related activities, such as special events including Art Basel and the Air and Sea Show.

The City is highly dependent on the tourism and hospitality industry. As a result, due to COVID-19, the City is continuing to experience dramatic impacts to its Resort Tax revenues.

Total two percent Resort Tax revenues for FY 2021 are projected to be 33.4%, or \$15.5 million,

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below the current amended budget as of year-end, which was adopted assuming a gradual recovery in Resort Tax revenues impacted by COVID-19 during FY 2022.

Total FY 2021 two percent Resort Tax expenditures are projected to be 33.4%, or \$15.5 million, below the current amended budget as of year-end, primarily due to the slower than anticipated recovery in Resort Tax revenues resulting in a 86.4%, or \$16.1 million, decrease in the FY 2021 Resort Tax contribution to the General Fund for tourism-eligible expenditures in the General Fund, which was offset by an increase of approximately \$600,000 for enhanced Police and Code Compliance staffing during Spring Break.

The proceeds of the one percent bed tax, as adopted through Resolution No. 2018-30512, and continuing in FY 2020, unless amended by the City Commission, are to be utilized as follows: 60% allocated for Transportation initiatives in tourist-related areas; 10% allocated equally among North Beach, Middle Beach and South Beach for capital projects that enhance Miami Beach's tourist related areas; and 10% allocated to various arts and cultural programs.

One percent Resort Tax operating revenues for FY 2021 are projected to be 34.9%, or \$3.8 million, below the current amended budget as of year-end. Concurrently, since transfers for Transportation initiatives in tourism-related areas, North, Middle, and South Beach quality of life projects, and various arts and cultural programs that are funded by the Cultural Arts Council are directly based on the proceeds of the one percent tax, one percent Resort Tax expenditures are equally projected to be 34.9%, or \$3.8 million, below the current amended budget as of year-end, of which \$2.3 million impacts Transportation initiatives in tourism-related areas, \$1.1 million impacts North, Middle, and South Beach quality of life projects equally, and \$0.4 million impacts various arts and cultural programs that are funded by the Cultural Arts Council.

Lastly, the proceeds of the additional one percent bed tax levied solely for the purposes of expanding, enlarging, renovating, and/or improving the Miami Beach Convention Center, including debt service related thereto, as well as providing Capital Renewal and Replacement funding for the Miami Beach Convention Center, are projected to be 34.9%, or \$3.8 million, below the current amended budget as of year-end. Since the proceeds of the additional one percent bed tax must first provide for the payment of debt service and any excess, based on proceeds, be set-aside for Capital Renewal and Replacement funding for the Miami Beach Convention Center, additional one percent bed tax expenditures are also projected to be 34.9%, or \$3.8 million, below the current amended budget as of year-end. It is important to note that due to the impact of COVID-19 on the City's FY 2021 Resort Tax revenues and first quarter projections, approximately \$5.4 million will need to be transferred from the total two percent Resort Tax revenues for FY 2021 to provide debt service coverage should these projections be realized at fiscal year-end.

Overall, due to the impact of COVID-19 on the City Resort Tax revenues, combined Resort Tax revenues are projected to be 27.6%, or \$19.2 million, below the current amended budget as of year-end, while expenditures are also projected to be 27.6%, or \$19.2 million, below the current amended budget due to the necessary expenditure adjustments made that were previously mentioned to ensure compliance with debt service coverage and reserve requirements should these projections be realized at year-end. The Resort Tax projections will continue to be further refined as more information and data becomes available.

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RESORT TAX FUND							
	FY 2021 Adopted Budget	FY 2021 Amended Budget	Actuals as of 12/31/20	% Actual of Amended Budget	FY 2021 Year End Projections	Over/(Under) Amended Budget	% Over/(Under) Amended Budget
Revenues							
2% Resort Tax	45,045,000	45,045,000	4,001,794	8.9%	30,175,000	(14,870,000)	-33.0%
Miscellaneous Revenues	1,057,000	1,057,000	3,974	0.4%	667,000	(390,000)	-36.9%
Transfer In from Fund Balance	0	203,000	0	0.0%	0	(203,000)	-100.0%
1% Resort Tax (QOL)	10,771,000	10,771,000	748,376	6.9%	7,015,000	(3,756,000)	-34.9%
Additional 1% for Convention Center	12,457,000	12,457,000	748,376	6.0%	12,457,000	0	0.0%
Total Revenues	69,330,000	69,533,000	5,502,520	7.9%	50,314,000	(19,219,000)	-27.6%
Expenditures							
General Fund Contribution	18,639,000	18,639,000	4,659,750	25.0%	2,528,000	(16,111,000)	-86.4%
Sanitation Fund Contribution	5,780,000	5,780,000	1,445,000	25.0%	5,780,000	0	0.0%
Contribution to GMCVB	4,527,000	4,527,000	1,500,000	33.1%	3,042,000	(1,485,000)	-32.8%
Contribution to VCA	1,075,000	1,075,000	44,363	4.1%	724,000	(351,000)	-32.7%
Contribution to Mt. Sinai	1,000,000	1,000,000	0	0.0%	1,000,000	0	0.0%
Other Operating/Other Uses	14,881,000	15,084,000	1,717,608	11.4%	17,643,000	2,559,000	17.0%
Marketing	200,000	200,000	16,379	8.2%	125,000	(75,000)	-37.5%
Transfer to NB, MB, SB Capital, Transp, and Arts (QOL)	10,771,000	10,771,000	748,376	6.9%	7,015,000	(3,756,000)	-34.9%
Add'l 1% Conv. Center Debt Service & Cap. Ren & Rep	12,457,000	12,457,000	0	0.0%	12,457,000	0	0.0%
Total Expenditures	69,330,000	69,533,000	10,131,477	14.6%	50,314,000	(19,219,000)	-27.6%
Excess of Revenues Over/(Under) Expenditures			(4,628,957)		0		

CONCLUSION

All General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets are projected to be at or below their current FY 2021 amended budgets as of year-end with revenues projected to be equivalent to or in excess of expenditures, except for specific General Fund Departments and the Convention Center Fund. These projected shortfalls, if realized at year-end, will be closed using a mix of sweeping savings from other funds and use of available fund balance.

The assumptions in the first quarter projections will continue to be actively monitored between now and the development of the second quarter projections, as well as during the development of the FY 2022 budget. Any material variances will be disclosed and discussed at upcoming FERC

meetings

 RJA/JW/TOS

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EXHIBIT A

CITY OF MIAMI BEACH FY 2021 GENERAL FUND 1ST QUARTER							
	FY 2021 Adopted Budget	FY 2021 Amended Budget	Actuals as of 12/31/20	% Actual of Amended Budget	FY 2021 Year End Projections	Over/(Under) Amended Budget	% Over/(Under) Amended Budget
REVENUES							
Ad Valorem Taxes	196,229,000	196,229,000	144,113,434	73.4%	196,229,000	0	0.0%
Ad Valorem Taxes - Pay-As-You-Go Capital	252,000	252,000	252,000	100.0%	252,000	0	0.0%
Ad Valorem Taxes - Capital Renewal & Replacement	43,000	43,000	43,000	100.0%	43,000	0	0.0%
Ad Valorem Taxes - Normandy Shores	111,000	111,000	111,000	100.0%	111,000	0	0.0%
Other Taxes	24,083,000	24,083,000	3,588,806	14.9%	22,595,000	(1,488,000)	-6.2%
Licenses and Permits	13,925,000	13,925,000	5,524,264	39.7%	12,111,000	(1,814,000)	-13.0%
Intergovernmental	11,254,000	11,254,000	1,903,833	16.9%	9,833,000	(1,421,000)	-12.6%
Charges for Services	13,061,000	13,061,000	2,648,404	20.3%	11,160,000	(1,901,000)	-14.6%
Fines and Forfeitures	1,069,000	1,069,000	244,122	22.8%	770,000	(299,000)	-28.0%
Interest	2,769,000	2,769,000	2,638,771	95.3%	4,068,000	1,299,000	46.9%
Rents and Leases	5,954,000	5,954,000	1,211,270	1.0%	4,756,000	(1,198,000)	-20.1%
Miscellaneous	15,125,000	15,125,000	4,008,656	26.5%	15,048,000	(77,000)	-0.5%
Other-Resort Tax Contribution	18,639,000	18,639,000	4,659,750	25.0%	2,528,000	(16,111,000)	-86.4%
Other-Non-Operating Revenues	16,910,000	16,910,000	4,227,500	25.0%	16,910,000	0	0.0%
Fund Balance/Retained Earnings	9,599,000	15,723,000	0	0.0%	15,723,000	0	0.0%
TOTAL REVENUES	329,023,000	335,147,000	175,174,808	52.3%	312,137,000	(23,010,000)	-6.9%
EXPENDITURES							
Mayor & Commission	2,517,000	2,517,000	545,946	21.7%	2,461,000	(56,000)	-2.2%
City Manager	4,798,000	4,798,000	1,089,659	22.7%	4,689,000	(109,000)	-2.3%
Marketing and Communications	2,180,000	2,221,000	409,390	18.4%	2,196,000	(25,000)	-1.1%
Office of Management and Budget (prev. OBPI)	1,466,000	1,466,000	317,960	21.7%	1,419,000	(47,000)	-3.2%
Org. Dev Performance Initiatives	1,018,000	1,119,000	112,052	10.0%	1,364,000	245,000	21.9%
Finance	6,294,000	6,358,000	1,469,460	23.1%	6,329,000	(29,000)	-0.5%
Procurement	2,699,000	2,705,000	588,958	21.8%	2,600,000	(105,000)	-3.9%
Human Resources/Labor Relations	2,794,000	2,794,000	569,020	20.4%	2,685,000	(109,000)	-3.9%
City Clerk	1,829,000	1,844,000	376,076	20.4%	1,801,000	(43,000)	-2.3%
City Attorney	5,743,000	6,150,000	1,350,611	22.0%	5,950,000	(200,000)	-3.3%
Housing & Community Services	3,489,000	3,887,000	629,263	16.2%	3,698,000	(189,000)	-4.9%
Property Management General Fund	2,001,000	2,054,000	391,632	19.1%	1,978,000	(76,000)	-3.7%
Planning	5,192,000	6,095,000	1,008,813	16.6%	6,034,000	(61,000)	-1.0%
Environment & Sustainability	1,152,000	1,248,000	247,900	19.9%	1,240,000	(8,000)	-0.6%
Tourism & Culture	3,162,000	3,242,000	1,059,002	32.7%	3,236,000	(6,000)	-0.2%
Economic Development	1,108,000	1,372,000	249,261	18.2%	1,287,000	(85,000)	-6.2%
Code Compliance	6,456,000	6,477,000	1,367,459	21.1%	6,385,000	(92,000)	-1.4%
Parks & Recreation (including Golf courses)	34,016,000	34,283,000	5,983,693	17.5%	34,130,000	(153,000)	-0.4%
Public Works	13,567,000	13,577,000	2,193,433.70	16.2%	13,319,000	(258,000)	-1.9%
Capital Improvement Projects	5,544,000	5,551,000	1,062,709	19.1%	5,260,000	(291,000)	-5.2%
Police	115,167,000	115,642,000	26,621,668	23.0%	116,362,000	720,000	0.6%
Fire	91,171,000	91,890,000	21,976,907	23.9%	94,080,000	2,190,000	2.4%
Citywide (Net of Individual Items Below):	13,743,000	15,940,000	1,964,617	12.3%	19,546,000	3,606,000	22.6%
Normandy Shores	111,000	111,000	0	0.0%	111,000	0	0.0%
Pay-As-You-Go Capital	252,000	252,000	0	0.0%	252,000	0	0.0%
Info & Comm. Tech Fund	300,000	300,000	0	0.0%	300,000	0	0.0%
Capital Renewal and Replacement Fund	43,000	43,000	0	0.0%	43,000	0	0.0%
Parking Contribution	1,211,000	1,211,000	0	0.0%	1,211,000	0	0.0%
TOTAL EXPENDITURES	329,023,000	335,147,000	71,745,798	21.4%	339,966,000	4,819,000	1.4%
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	0	0	103,429,010	30.9%	(27,829,000)	(27,829,000)	-