

MIAMI BEACH

OFFICE OF THE CITY MANAGER

LTC#

095-2020

LETTER TO COMMISSION

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: February 20, 2020

SUBJECT: Fiscal Year 2020 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) 2020 operating budget to actual revenues and expenses incurred for the first quarter ending December 31, 2019, with projections through fiscal year-end September 30, 2020, 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."

The first quarter of any fiscal year does not necessarily provide the clearest indication of the experience for the remainder of the fiscal year, but does, however, provide a first glance in identifying any potential issues that may be forthcoming. Certain assumptions for both revenues and expenditures have been made that will be further refined and adjusted for in later projections as additional data and information becomes available. These assumptions, along with our continued efforts at managing the City's resources and ongoing adjustments to line item revenues and expenditures throughout the year, will impact projections going forward.

SUMMARY

A summary of the preliminary General Fund revenues and expenditures as of December 31, 2019 with projections through September 30, 2020 reflects a projected year-end surplus of \$1.9 million, or 0.5 percent (%), of the current amended FY 2020 budget.

Unless otherwise noted below and further detailed in this LTC, all General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets are projected to be at or below their current FY 2020 amended budgets as of year-end with revenues projected to be equivalent to or in excess of expenditures.

General Fund: Police

Internal Services Funds: Medical and Dental

BACKGROUND

The operating budgets for the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds for FY 2020 were adopted by the Mayor and City Commission on September 25, 2019, through Resolution No. 2019-31004.

The First Amendment to the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets for FY 2020 was adopted by the Mayor and City Commission

on November 25, 2019, through Resolution No. 2019-31081.

The Second Amendment to the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets for FY 2020 was adopted by the Mayor and City Commission on January 15, 2020, through Resolution No. 2020-31138.

The Third Amendment to the General Fund, Enterprise Funds, Internal Service Funds, and Special Revenue Funds budgets for FY 2020 was adopted by the Mayor and City Commission on February 12, 2020.

It is important to note that the first quarter projections for FY 2020 include the impacts of all five collective bargaining agreements, including applicable increases in previously existing and newly provided additional specialty pays, ratified by the City and the International Association of Fire Fighters (IAFF) on May 8, 2019 through Resolution No. 2019-30831, the Government Supervisors Association of Florida (GSAF) on July 17, 2019 through Resolution No. 2019-30909, the Fraternal Order of Police (FOP) on July 31, 2019 through Resolution No. 2019-3093, the Communications Workers of America (CWA) on October 30, 2019 through Resolution No. 2019-31070, and American Federation of State, County, and Municipal Employees (AFSCME) on December 11, 2019 through Resolution No. 2019-31106. Of all five collective bargaining agreements, two were ratified subsequent to the adoption of the FY 2020 budget (CWA and AFSCME).

GENERAL FUND

General Fund First Quarter Status

An analysis of the actual three-month operating revenues and expenses for the period October 1, 2019 through December 31, 2019 reveals an operating budget surplus of \$101.6 million. While the actual operating surplus as of December 31, 2019 may seem unusual as compared to the projection for the current fiscal year ending September 30, 2020, it should be noted that the City receives a larger percentage of its ad valorem property taxes during the first quarter of the fiscal year as compared to subsequent quarters during the same fiscal year. FY 2020 ad valorem property tax revenues represent approximately 53.6% of total budgeted revenues and 75.5% of actual revenues collected during the first quarter of the fiscal year.

As of December 31, 2019, total revenues collected were approximately 48.3% of the current amended budget, or \$179.6 million. Conversely, expenditures were approximately 21.0% of the current amended budget, or \$78.0 million.

FY 2020 Budget					
General Fund	Adopted Budget	Amended Budget	1/4 of Amended Budget	Actuals as of 12/31/19	Variance from 1/4 Amended Budget Over / (Under)
Revenues	\$ 350,143,000	\$ 371,874,000	\$ 92,968,500	\$ 179,588,350	\$ 86,619,850
Expenditures	\$ 350,143,000	\$ 371,874,000	\$ 92,968,500	\$ 78,022,490	\$ (14,946,010)
Excess of Revenues Over/(Under) Expenditures				\$ 101,565,860	

General Fund Year-End Projections

Year-end operating revenues and expenditures projected through September 30, 2020 provide a more realistic indication of any estimated year-end surpluses or shortfalls as of this point in time. While actual revenues and expenses presented in the LTC are as of December 31, 2019, these projections have incorporated more current information, if available.

A summary of the preliminary General Fund revenues and expenditures projected through September 30, 2020 reflects a year-end surplus of \$1.9 million, or 0.5%, of the current FY 2020 amended budget. As previously mentioned, it should be noted that this analysis is a preliminary projection based on experience during the first quarter of the fiscal year and any additional information that may be more current, which is not a definitive indication of the experience over the remainder of the fiscal year. It does, however, provide a first glance in identifying any potential concerns that may arise in the latter part of the fiscal year.

FY 2020 Budget					
General Fund	Adopted Budget	Amended Budget	Projected	Difference	% Over / (Under)
Revenues	\$ 350,143,000	\$ 371,874,000	\$ 372,271,000	\$ 397,000	0.1%
Expenditures	\$ 350,143,000	\$ 371,874,000	\$ 370,285,000	\$ (1,589,000)	-0.4%
Excess of Revenues Over/(Under) Expenditures			\$ 1,986,000		

General Fund Operating Revenues

As of the first quarter, FY 2020 property tax collections are being projected at 95.0% of total property taxes assessed, which is consistent with the original adopted budget 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 2020 budget will be provided by the Miami-Dade County Property Appraiser in July 2020 when the City's certified property values are received.

As of December 31, 2019, actual operating revenues were approximately 48.3% of the current amended budget, or \$179.6 million, with operating revenues through fiscal year-end September 30, 2020 projected at \$372.3 million, which is approximately 0.1%, or \$397,000, above the current amended budget. Significant variances to budget in excess of 10.0%, or \$300,000, by revenue category are explained below:

Licenses and Permits – This category is primarily comprised of revenues generated from business tax receipts, various types of permits, plans reviews, and sidewalk café fees and is projected to be above the current amended budget by 2.7%, or \$812,000, primarily due to revenues collected from planning and fire plans review activities, as well Public Works permits, trending higher than budget by approximately \$995,000. These revenues are, however, projected to be slightly offset by a decrease in other miscellaneous license and permit revenues of \$183,000 based on current year trends as of first quarter.

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

General Fund Operating Expenditures

As of December 31, 2019, actual expenses were approximately 21.0% of the current FY 2020 amended budget, or \$78.0 million, with operating expenditures through fiscal year-end September 30, 2020 projected at \$370.3 million, which is approximately 0.4%, or \$1.6 million, below the current FY 2020 amended budget. These projections are based on experience during the first quarter of the fiscal year and any additional information that may be more current.

A comparison of actual expenses and projected expenditures to budget by department, as of December 31, 2019, is provided in the attached Exhibit A. Departments projected to exceed budget, or with significant variances to budget in excess of 10.0%, or \$300,000, are explained below:

Police – The department is projected to be 0.2%, or \$234,000, above the current amended budget primarily due to increased usage of Police overtime. During the first quarter of the fiscal year, the Patrol Division had several vacancies, which resulted in the department relying on increased usage of unbudgeted overtime to maintain required minimum patrol staffing and police visibility citywide to ensure public safety. In addition, the Major Crimes Unit (including Special Victims) was tasked with the investigation of numerous cold case sexual batteries. These investigations were in response to sexual assault kits that had gone untested, and due to recent changes to Florida Law, needed to be investigated more thoroughly requiring the use of additional overtime. Based on a number of officers recently released from the Field Training Officer (FTO) program and deployed to positions that would have a potential impact on patrol overtime though, it is anticipated that the current trend in necessary overtime may trend downward in the coming months. We will continue to monitor the department’s expenditures over the course of the remainder of the year in an effort to identify savings to offset these unbudgeted overtime expenditures in the department’s current General Fund operating budget, and if necessary, amend the department’s budget at year-end through the realignment of existing General Fund appropriations.

Police				
	FY 2020 Amended Budget	FY 2020 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 116,314,000	\$ 116,548,000	\$ 234,000	0.2%

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, and Convention Center operations comprise this category of proprietary funds.

An analysis of the actual three-month operating expenses for the period October 1, 2019 through December 31, 2019, reveals that all Enterprise Funds have expenses less than one-quarter of their current FY 2020 amended budgets. As previously mentioned, this is not representative of typical trends for a full fiscal year, as there is often a lag in expenditures, particularly those billed by outside entities.

ENTERPRISE FUNDS						
	Sanitation	Sewer	Storm Water	Water	Parking	Convention Center
FY 2020 Adopted Budget	22,420,000	52,415,000	31,998,000	36,915,000	55,532,000	30,002,000
Budget Amendment - 11/25/19	634,000	826,000	432,000	2,163,000	129,000	1,525,000
Budget Amendment - 01/15/20	0	0	799,000	0	0	0
Budget Amendment - 02/12/20	0	0	0	0	0	0
FY 2020 Amended Budget	23,054,000	53,241,000	33,229,000	39,078,000	55,661,000	31,527,000
1/4 Adopted Budget	5,605,000	13,103,750	7,999,500	9,228,750	13,883,000	7,500,500
1/4 Amended Budget	5,763,500	13,310,250	8,307,250	9,769,500	13,915,250	7,881,750
Revenues as of 12/31/19	4,136,305	11,510,147	6,947,992	7,473,959	11,797,530	(2,659,979)
Expenditures as of 12/31/19	4,775,755	12,237,402	4,383,210	7,399,967	7,376,515	783,169
Expenditures Above/(Below) 1/4 Amended Budget	(987,745)	(1,072,848)	(3,924,040)	(2,369,533)	(6,538,735)	(7,098,581)
% Variance	-4.3%	-2.0%	-11.8%	-6.1%	-11.7%	-22.5%

Year-end operating revenue and expenditure projections through September 30, 2020 provide a more realistic indication of any anticipated year-end surpluses or shortfalls as of this point in time. Further, while the actual revenues and expenses presented above are as of December 31, 2019, the year-end projections incorporate more current information, if available.

As summarized in the table below, revenues for all Enterprise Funds are projected to be equivalent to or in excess of expenditures as of year-end. It is, however, important to note that as part of the adopted FY 2020 budget, the City's policy of "not utilizing one-time, non-recurring revenue to subsidize recurring personnel, operating, and maintenance costs" was waived, as adopted by Resolution No. 2019-31004, for the Sanitation Fund. The projections below include the use of approximately \$1.4 million of prior year fund balance from the Sanitation Fund to fund recurring costs projected in FY 2020.

ENTERPRISE FUNDS						
	Sanitation	Sewer	Storm Water	Water	Parking	Convention Center
FY 2020 Adopted Budget	22,420,000	52,415,000	31,998,000	36,915,000	55,532,000	30,002,000
Budget Amendment - 11/25/19	634,000	826,000	432,000	2,163,000	129,000	1,525,000
Budget Amendment - 01/15/20	0	0	799,000	0	0	0
Budget Amendment - 02/12/20	0	0	0	0	0	0
FY 2020 Amended Budget	23,054,000	53,241,000	33,229,000	39,078,000	55,661,000	31,527,000
FY 2020 Projections:						
Charges for Services	9,485,000	50,929,000	31,065,000	35,008,000	50,292,000	17,607,000
Other	13,203,000	2,260,000	2,100,000	3,803,000	3,182,000	12,565,000
FY 2020 Revenue Projections	22,688,000	53,189,000	33,165,000	38,811,000	53,474,000	30,172,000
\$ Over/(Under) Amended Budget	(366,000)	(52,000)	(64,000)	(267,000)	(2,187,000)	(1,355,000)
% Over/(Under) Amended Budget	-1.6%	-0.1%	-0.2%	-0.7%	-3.9%	-4.3%
FY 2020 Expenditure Projections						
	22,688,000	53,189,000	33,165,000	38,811,000	53,474,000	30,172,000
\$ Over/(Under) Amended Budget	(366,000)	(52,000)	(64,000)	(267,000)	(2,187,000)	(1,355,000)
% Over/(Under) Amended Budget	-1.6%	-0.1%	-0.2%	-0.7%	-3.9%	-4.3%
Revenues Over/(Under) Expenditures	0	0	0	0	0	0

Enterprise Funds budgets projected to exceed budget, or with significant variances to budget in excess of 10.0%, or \$300,000, are explained below:

Sanitation – Expenditures are projected to be 1.6%, or \$366,000, below the current amended budget, primarily due to projected savings in personnel costs of \$693,000 resulting from several vacant positions that the department has been unable to fill or is in the process of filling. These projected personnel costs savings are, however, anticipated to be partially offset by additional operating expenditures of \$327,000 primarily for usage of outside temporary labor services necessary to supplement permanent department staffing resulting from the current vacancies in the department.

Parking – Expenditures are projected to be 3.9%, or \$2.2 million, below the current amended budget, primarily due to diminished demand and usage of on-street and off-street parking adversely impacted by private on-demand ride booking services resulting in a decrease in the amount available to be set-aside for capital renewal and replacement of existing Parking Department assets and reserves in the amount of approximately \$1.8 million. Additional savings of \$381,000 are also projected in personnel and operating expenditures based on expenditures trending lower than budget.

Convention Center – Expenditures are projected to be 4.3%, or \$1.4 million, below the current amended budget, primarily due to changes in the current mix of events that have taken place and that are expected to take place compared to what was originally budgeted in FY 2020, as well as firm/speculative events that did not materialize as originally anticipated.

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), and Medical and Dental comprise this category of proprietary funds.

An analysis of the actual three-month operating revenues and expenses for the period October 1, 2019 through December 31, 2019, reveals that all Internal Service Funds, except Central Services and Information Technology, have expenses less than one-quarter of their current FY 2020 amended budgets, primarily due to expenditures typically incurred later in the fiscal year. In contrast, Central Services and Information Technology have expenses greater than one-quarter of their current FY 2020 amended budgets due to annual payments for metered postage services and software licensing that are made at the beginning of each fiscal year.

INTERNAL SERVICE FUNDS						
	Central Services	Fleet Management	Information Technology	Property Management	Risk Management	Medical & Dental Insurance
FY 2020 Adopted Budget	1,115,000	12,938,000	16,848,000	11,001,000	19,655,000	37,367,000
Budget Amendment - 11/25/19	4,000	461,000	530,000	491,000	122,000	0
Budget Amendment - 01/15/20	0	0	0	0	0	0
Budget Amendment - 02/12/20	0	0	0	0	0	0
FY 2020 Amended Budget	1,119,000	13,399,000	17,378,000	11,492,000	19,777,000	37,367,000
1/4 Adopted Budget	278,750	3,234,500	4,212,000	2,750,250	4,913,750	9,341,750
1/4 Amended Budget	279,750	3,349,750	4,344,500	2,873,000	4,944,250	9,341,750
Revenues as of 12/31/19	275,722	3,172,648	3,932,640	2,385,500	4,574,333	9,084,026
Expenditures as of 12/31/19	325,778	2,119,016	4,432,984	1,724,200	3,284,651	7,986,091
Expenditures Above/(Below) 1/4 Amended Budget	46,028	(1,230,734)	88,484	(1,148,800)	(1,659,599)	(1,355,659)
% Variance	4.1%	-9.2%	0.5%	-10.0%	-8.4%	-3.6%

Year-end operating revenue and expenditure projections through September 30, 2020 provide a more realistic indication of any anticipated year-end surpluses or shortfalls as of this point in time. Further, while the actual revenues and expenses presented above are as of December 31, 2019, the year-end projections incorporate more current information, if available.

As summarized in the table below, revenues for all Internal Service Funds are projected to be equivalent to or in excess of expenditures as of year-end.

INTERNAL SERVICE FUNDS						
	Central Services	Fleet Management	Information Technology	Property Management	Risk Management	Medical & Dental Insurance
FY 2020 Adopted Budget	1,115,000	12,938,000	16,848,000	11,001,000	19,655,000	37,367,000
Budget Amendment - 11/25/19	4,000	461,000	530,000	491,000	122,000	0
Budget Amendment - 01/15/20	0	0	0	0	0	0
Budget Amendment - 02/12/20	0	0	0	0	0	0
FY 2020 Amended Budget	1,119,000	13,399,000	17,378,000	11,492,000	19,777,000	37,367,000
FY 2020 Projections:						
Charges for Services	1,004,000	12,396,000	15,978,000	9,556,000	17,717,000	0
Other	45,000	954,000	1,400,000	1,711,000	1,938,000	37,977,000
FY 2020 Revenue Projections	1,049,000	13,350,000	17,378,000	11,267,000	19,655,000	37,977,000
\$ Over/(Under) Amended Budget	(70,000)	(49,000)	0	(225,000)	(122,000)	610,000
% Over/(Under) Amended Budget	-6.3%	-0.4%	0.0%	-2.0%	-0.6%	1.6%
FY 2020 Expenditure Projections	1,049,000	13,350,000	17,378,000	11,267,000	19,655,000	37,977,000
\$ Over/(Under) Amended Budget	(70,000)	(49,000)	0	(225,000)	(122,000)	610,000
% Over/(Under) Amended Budget	-6.3%	-0.4%	0.0%	-2.0%	-0.6%	1.6%
Revenues Over/(Under) Expenditures	0	0	0	0	0	0

Internal Service Funds budgets projected to exceed budget, or with significant variances to budget in excess of 10.0%, or \$300,000, are explained below:

Medical and Dental – These funds are projected to be 1.6%, or \$610,000, above the current amended budget due to medical and pharmacy claims trending higher than budget based on current year-to-date claims experience, which includes several large claims and adjusted actuarial forecasts resulting from this claims experience. Since claims can fluctuate significantly throughout the year, this is a conservative projection, and the trend will continue to be monitored over the coming months. If claims experience continues to trend at current levels for the remainder of the fiscal year, available fund balance may be realized to cover the projected year-end shortfall.

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 7th Street Garage Operations, 5th & Alton Garage Operations, Normandy Shores and Biscayne Point Taxing Districts, Tourism and Hospitality Scholarship Program, Tree Preservation and Commemorative Tree Trust Fund, Beachfront Concession Initiatives Program, Beach Renourishment Fund, Waste Haulers and Sustainability Contributions, Education Compact Fund, Red Light Camera Program, Emergency 911 Fund, Residential Housing Program, Information and Communications Technology Fund, Transportation and People’s Transportation Plan (PTP) Fund, Miami Beach Cultural Arts Council and Art in Public Places Operations, Miami City Ballet, Police Unclaimed Property and Crash Report Sales Funds, Police Confiscation Trust Funds (Federal and State), Police Training and School Resources Fund, and the Adopt-a-Bench Program.

An analysis of the actual three-month operating revenues and expenses for the period October 1, 2019 through December 31, 2019, reveals that all Special Revenue Funds, except the Education Compact Fund and Police Unclaimed Property have expenses less than one-quarter of their current FY 2020 amended budgets primarily due to expenditures that are typically incurred in the latter part of the fiscal year. The Education Compact Fund and Police Unclaimed Property have expenses that are more than one-quarter of their current FY 2020 amended budgets due to one-time expenses incurred during the first quarter of the fiscal year for agreements, equipment, training, etc. The actuals incurred for these funds through December 31, 2019 are not representative of typical trends for a full fiscal year.

While all Special Revenue Funds are projected to be at or below their current FY 2020 amended budgets as of year-end, departments projected to exceed budget, or with significant variances to budget in excess of 10.0%, or \$300,000, are further explained below:

Red-Light Camera – This fund is projected to be 43.1%, or \$566,000, below the current amended budget due to delays in the installation of an additional five red light cameras originally anticipated to be installed and fully operational by January 2020, as well as revenues generated from the existing red-light cameras trending lower than budgeted resulting from existing cameras that are or anticipated to be temporary offline for necessary repairs. Overall, expenditures are projected to exceed revenues by \$43,000. Should this projected shortfall be realized at year-end, it will be offset by the use of the Red-Light Camera’s fund balance.

Red Light Camera				
	FY 2020 Amended Budget	FY 2020 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 1,313,000	\$ 747,000	\$ (566,000)	-43.1%

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.

Total two percent Resort Tax revenues are projected to be 0.1%, or \$38,000, below the current FY 2020 amended budget as of year-end, which was originally adopted assuming a conservative 2.0% increase over total projected FY 2019 collections.

Total two percent Resort Tax expenditures are projected to be 0.1%, or \$38,000, below the current FY 2020 amended budget as of year-end resulting from projected savings in miscellaneous operating expenditures of \$50,000 that is anticipated to be slightly offset by an increase in the projected contribution to the Miami Beach Visitor and Convention Authority (VCA) of \$12,000, which is based on a percentage of total two percent collections.

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 are projected to be 0.7%, or \$106,000, below the 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 are directly based on the proceeds of the one percent tax, one percent Resort Tax expenditures are equally projected to be 0.7%, or \$106,000, below the current amended budget as of year-end.

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, is projected to be 0.7%, or \$106,000, 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 0.7%, or \$106,000, below the current amended budget as of year-end.

Overall, combined Resort Tax revenues are projected to be 0.3%, or \$250,000, below the current amended budget as of year-end, while expenditures are simultaneously projected to be 0.3%, or \$250,000, below the current amended budget as well. These projections do not include the impact from hosting the Super Bowl, which will be reflected in the second quarter. The Resort Tax projections will continue to be further refined as additional information and data becomes available.

RESORT TAX FUND							
	FY 2020 Adopted Budget	FY 2020 Amended Budget	Actuals as of 12/31/19	% Actual of Amended Budget	FY 2020 Year End Projections	Over/(Under) Amended Budget	% Over/(Under) Amended Budget
Revenues							
2% Resort Tax	61,298,000	61,298,000	7,474,060	12.2%	61,498,000	200,000	0.3%
Miscellaneous Revenues	937,000	937,000	15,538	1.7%	956,000	19,000	2.0%
Transfer In from Fund Balance	1,942,000	2,889,000	0	0.0%	2,632,000	(257,000)	-8.9%
1% Resort Tax (QOL)	14,725,000	14,725,000	2,568,729	17.4%	14,619,000	(106,000)	-0.7%
Additional 1% for Convention Center	14,725,000	14,725,000	2,568,729	17.4%	14,619,000	(106,000)	-0.7%
Total Revenues	93,627,000	94,674,000	12,627,056	13.4%	94,324,000	(250,000)	-0.3%
Expenditures							
General Fund Contribution	36,757,000	36,757,000	9,189,250	25.0%	36,757,000	0	0.0%
Sanitation Fund Contribution	2,539,000	2,539,000	634,750	25.0%	2,539,000	0	0.0%
Contribution to GMCVB	7,127,000	7,127,000	300,262	4.2%	7,127,000	0	0.0%
Contribution to VCA	2,940,000	2,940,000	192,595	6.6%	2,952,000	12,000	0.4%
Contribution to Mt. Sinai	1,000,000	1,000,000	0	0.0%	1,000,000	0	0.0%
Other Operating/Other Uses	13,614,000	14,497,000	2,033,182	14.0%	14,447,000	(50,000)	-0.3%
Marketing	200,000	264,000	12,578	4.8%	264,000	0	0.0%
Transfer to NB, MB, SB Capital, Transp. and Arts (QOL)	14,725,000	14,725,000	2,568,729	17.4%	14,619,000	(106,000)	-0.7%
Addtl 1% Conv. Center Debt Service & Cap. Ren & Repl.	14,725,000	14,725,000	0	0.0%	14,619,000	(106,000)	-0.7%
Total Expenditures	93,627,000	94,674,000	14,931,346	15.8%	94,324,000	(250,000)	-0.3%
Excess of Revenues Over/(Under) Expenditures	0	0	(2,304,290)		0		

CONCLUSION

This analysis of budget to actual operating revenues and expenses as of December 31, 2019, with projections through September 30, 2020, provides the status of the current amended FY 2020 budget for the first three months of the fiscal year. Although the first quarter of any fiscal year is not a definitive indication of the experience for the remainder of the fiscal year, it does provide a first glance in identifying any potential issues that may be forthcoming.

Based on preliminary first quarter projections, the General Fund is anticipated to have a year-end surplus totaling \$1.9 million, or 0.5%, of the current FY 2020 amended budget. All funds will continue to be monitored over the coming months and projections will be further refined as the fiscal year progresses and additional information and data becomes available.


JLM/JW/TOS

EXHIBIT A

CITY OF MIAMI BEACH FY 2020 GENERAL FUND 1ST QUARTER							
	FY 2020 Adopted Budget	FY 2020 Amended Budget	Actuals as of 12/31/19	% Actual of Amended Budget	FY 2020 Year End Projections	Over/(Under) Amended Budget	% Over/(Under) Amended Budget
REVENUES							
Ad Valorem Taxes	184,150,000	184,150,000	132,215,597	71.8%	184,150,000	0	0.0%
Ad Valorem Taxes - Pay-As-You-Go Capital	2,470,000	2,470,000	2,470,000	100.0%	2,470,000	0	0.0%
Ad Valorem Taxes - Capital Renewal & Replacement	769,000	769,000	769,000	100.0%	769,000	0	0.0%
Ad Valorem Taxes - Normandy Shores	174,000	174,000	174,000	100.0%	174,000	0	0.0%
Other Taxes	23,995,000	23,995,000	4,382,098	18.3%	24,042,000	47,000	0.2%
Licenses and Permits	30,437,000	30,525,000	12,712,616	41.6%	31,337,000	812,000	2.7%
Intergovernmental	12,081,000	12,081,000	2,053,898	17.0%	11,857,000	(224,000)	-1.9%
Charges for Services	12,522,000	13,227,000	2,943,627	22.3%	13,010,000	(217,000)	-1.6%
Fines and Forfeitures	1,756,000	1,756,000	261,442	14.9%	1,475,000	(281,000)	-16.0%
Interest	3,461,000	3,461,000	3,342,934	96.6%	3,461,000	0	0.0%
Rents and Leases	5,959,000	5,959,000	1,401,934	1.0%	5,959,000	0	0.0%
Miscellaneous	14,780,000	14,780,000	3,058,455	20.7%	15,040,000	260,000	1.8%
Other-Resort Tax Contribution	36,757,000	36,757,000	9,189,250	25.0%	36,757,000	0	0.0%
Other-Non-Operating Revenues	18,454,000	18,454,000	4,613,500	25.0%	18,454,000	0	0.0%
Fund Balance/Retained Earnings	2,378,000	15,974,000	0	0.0%	15,974,000	0	0.0%
Prior Year-End Surplus Carryover	0	7,342,000	0	0.0%	7,342,000	0	0.0%
TOTAL REVENUES	350,143,000	371,874,000	179,588,350	48.3%	372,271,000	397,000	0.1%
EXPENDITURES							
Mayor & Commission	2,500,000	2,500,000	530,545	21.2%	2,424,000	(76,000)	-3.0%
City Manager	4,314,000	4,314,000	927,294	21.5%	4,193,000	(121,000)	-2.8%
Marketing and Communications	2,424,000	2,460,000	446,647	18.2%	2,417,000	(43,000)	-1.7%
Office of Management and Budget (prev. OBPI)	1,963,000	2,013,000	434,568	21.6%	1,996,000	(17,000)	-0.8%
Office of Inspector General (incl. Internal Audit)	1,455,000	1,983,000	253,354	12.8%	1,964,000	(19,000)	-1.0%
Org. Dev Performance Initiatives	1,284,000	1,390,000	180,801	13.0%	1,362,000	(28,000)	-2.0%
Finance	6,530,000	6,645,000	1,445,995	21.8%	6,516,000	(129,000)	-1.9%
Procurement	2,726,000	2,735,000	588,447	21.5%	2,661,000	(74,000)	-2.7%
Human Resources/Labor Relations	2,728,000	2,791,000	559,029	20.0%	2,724,000	(67,000)	-2.4%
City Clerk	1,790,000	1,851,000	389,389	21.0%	1,809,000	(42,000)	-2.3%
City Attorney	6,078,000	6,333,000	1,220,410	19.3%	6,201,000	(132,000)	-2.1%
Housing & Community Services	3,695,000	4,433,000	673,715	15.2%	4,322,000	(111,000)	-2.5%
Building	14,085,000	14,215,000	3,172,903	22.3%	14,176,000	(39,000)	-0.3%
Planning	5,510,000	5,768,000	1,072,595	18.6%	5,674,000	(94,000)	-1.6%
Environment & Sustainability	1,632,000	1,761,000	309,229	17.6%	1,753,000	(8,000)	-0.5%
Tourism & Cultural Development	3,545,000	3,572,000	995,876	27.9%	3,534,000	(38,000)	-1.1%
Economic Development	2,491,000	2,591,000	380,050	14.7%	2,578,000	(13,000)	-0.5%
Code Compliance	6,488,000	6,533,000	1,451,712	22.2%	6,378,000	(155,000)	-2.4%
Parks & Recreation (including Golf courses)	37,864,000	38,942,000	7,535,969	19.4%	38,727,000	(215,000)	-0.6%
Public Works	15,391,000	15,633,000	2,749,166	17.6%	15,554,000	(79,000)	-0.5%
Capital Improvement Projects	5,327,000	5,327,000	1,039,801	19.5%	5,240,000	(87,000)	-1.6%
Police	115,174,000	116,314,000	27,867,958	24.0%	116,548,000	234,000	0.2%
Fire	90,647,000	91,247,000	21,690,537	23.8%	91,143,000	(104,000)	-0.1%
Citywide (Net of Individual Items Below):	10,227,000	12,652,000	2,107,101	16.7%	12,520,000	(132,000)	-1.0%
Normandy Shores	267,000	267,000	0	0.0%	267,000	0	0.0%
Pay-As-You-Go Capital	2,939,000	2,939,000	0	0.0%	2,939,000	0	0.0%
Info & Comm. Tech Fund	300,000	300,000	0	0.0%	300,000	0	0.0%
Capital Renewal and Replacement Fund	769,000	769,000	0	0.0%	769,000	0	0.0%
Building Fund	0	13,596,000	0	0.0%	13,596,000	0	0.0%
TOTAL EXPENDITURES	350,143,000	371,874,000	78,022,490	21.0%	370,285,000	(1,589,000)	-0.4%
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	0	0	101,565,860		1,986,000		