

MIAMI BEACH

OFFICE OF THE CITY MANAGER

LTC NO. 268-2021

LETTER TO COMMISSION

TO: Honorable Mayor Dan Gelber and Members of the City Commission

FROM: Alina T. Hudak, City Manager 

DATE: June 29, 2021

SUBJECT: Fiscal Year 2021 Second 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 second quarter ending March 31, 2021 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."

It is important to note that certain assumptions for both revenues and expenditures have been made in these projections, including the projected ongoing impact of COVID-19 on the City's operations that will continue to be refined and adjusted as additional information 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 General Fund revenues and resort taxes from the ongoing impact of COVID-19. The second quarter projections anticipate that an additional \$22.7 million, which is a decrease of \$5.1 million from the \$27.8 million shortfall projected as of the first quarter of FY 2021, will be needed from General Fund reserves to re-balance the FY 2021 budget and \$10 million is recommended to be added to the Resort Tax reserve due to second quarter revenue projections coming in higher than projected in the first quarter.

To help offset this shortfall, the Administration recommends applying funds recently received from the Coronavirus Relief Fund under the CARES Act, through Miami-Dade County. To date, the City has received \$41.1 million, of which \$38.1 million is reimbursable to the General Fund. The Administration also recommends applying \$2.6 million of funds received in FY 2021 from the Federal Emergency Management Agency (FEMA) for costs incurred related to Hurricane Irma.

Should this be approved as recommended, the General Fund reserve would total approximately \$79.0 million, or 22.6%. 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).

USE OF RESERVES

	General Fund Reserve Amount	Resort Tax Reserve Amount
Pre COVID-19 Reserve as of 09/30/2019	\$80.6 million	\$15.2 million
Actual Use of Reserve in FY 2020	(\$0.3 million)	(\$5.0 million)
Adopted Use of Reserve in FY 2021	(\$9.6 million)	
Remaining Reserve	\$70.7 million	\$10.2 million
Projected FY 2021 Surplus/(Shortfall) as of Q2	(\$22.7 million)	\$10.0 million
CARES Act Funds to date	\$38.1 million	
Enhanced Police Initiatives (Staffing, Cameras, RTCC)	(\$7.5 million)	
No furlough days for FOP & IAFF; 1 less furlough day for all other employees	(\$1.2 million)	
FEMA Reimbursement to date for Hurricane Irma	\$2.6 million	
Arts & Cultural programming	(\$1.0 million)	
Projected Revised Reserve	\$79.0 million	\$20.2 million

The General Fund use of fund balance increased from \$9.6 million as adopted in the FY 2021 budget to a projected use of \$32.3 million as of the end of the second quarter of FY 2021 as a result of the following:

1. An additional \$12.2 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 \$7.6 million from, among other sources, 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 measures taken by the Mayor and City Commission to promote business operations and economic recovery in the City adversely impacted by the COVID-19 pandemic
3. Additional General Fund expenditures of \$2.8 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 expenditures 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 garage advertisement revenues that were earmarked for education initiatives in FY 2021

The FY 2021 Resort Tax and Parking Fund projected use of fund balance as of the second 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, the Convention Center Enterprise Fund, and Red Light Camera Special Revenue Fund which have been detailed further in the forthcoming second 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

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

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

To date, \$41.1 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 \$41.1 million in reimbursements received, approximately 92.6%, or \$38.1 million, is for General Fund expenditures that have been incurred.

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%.

AMERICAN RESCUE PLAN ACT FUNDS

The American Rescue Plan Act of 2021 (ARPA) was an emergency legislative package intended to “fund vaccinations, provide direct relief to families bearing the brunt of the COVID-19 crisis, and support struggling communities.” The bill provided a total of \$1.9 trillion to governments and other entities such as hospitals, public schools, and universities to promote recovery from the COVID-19 pandemic.

Signed into law by President Biden on March 11, 2021, the bill allocated \$350 billion in fiscal recovery funds to State, Local, Tribal, and Territorial (SLTT) Governments, of which \$45.6 billion was allocated for metropolitan cities, such as the City of Miami Beach, to:

- Respond to the COVID-19 public health emergency or its negative economic impacts including (but not limited to): assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality
- Provide premium pay to eligible State workers, or grants to eligible employers with employees that perform essential work during the COVID-19 public health emergency
- Provide government services to compensate for the reduction in revenue in the community due to the pandemic (budget shortfalls)
- Make necessary investments in water, sewer, or broadband infrastructure

The City is projected to receive an allocation in excess of \$20 million in one-time federal dollars from the American Rescue Plan Act to address the projected revenue shortfalls attributed to COVID-19, of which \$11.8 million has been received to date, that the Administration is recommending be used to balance the shortfall attributed to COVID-19 in the FY 2022 budget.

ANALYSIS

As a result of the COVID-19 pandemic, the City is continuing to experience dramatic impacts to its Resort Tax, Convention Center, General Fund revenues, and to some extent, the Parking Fund 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 adopted 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

GENERAL FUND

General Fund Second Quarter Status

An analysis of the actual six-month operating revenues and expenses for the period October 1, 2020 through March 31, 2021 reveals an operating budget surplus of \$81.1 million. While the actual surplus as of March 31, 2021 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 six months of the fiscal year. For FY 2021, ad valorem property tax revenues represent approximately 59.8% of total budgeted revenues adopted and 73.1% of actual revenues collected during the first six months of the fiscal year.

As of March 31, 2021, total revenues collected were approximately 67.5% of the current FY 2021 amended budget, or \$228.9 million. Conversely, expenditures were approximately 43.6% of the current FY 2021 amended budget, or \$147.8 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	1/2 of Amended Budget	Actuals as of 03/31/21	Variance from 1/2 Amended Budget Over / (Under)
Revenues	\$ 329,023,000	\$ 339,219,000	\$ 169,609,500	\$ 228,926,049	\$ 59,316,549
Expenditures	\$ 329,023,000	\$ 339,219,000	\$ 169,609,500	\$ 147,780,707	\$ (21,828,793)
Excess of Revenues Over/(Under) Expenditures				\$ 81,145,343	

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 March 31, 2021, these projections have incorporated more current information, including the impact of COVID-19 on the City's projected revenues, as well as the actions that the City Administration is proactively continuing to take to mitigate the losses in revenues 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 March 31, 2021 with projections through September 30, 2021 reflects a projected year-end shortfall of \$22.7 million, which is a decrease of \$5.1 million from the \$27.8 million shortfall projected as of the first quarter of FY 2021.

It is important to note that this analysis is a preliminary projection based on not only the experience during the first six months of the fiscal year, but also the projected impact of COVID-19 on the City's operations for the remainder of the fiscal year. In addition, 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, funds received from the Federal government under the American Rescue Plan Act of 2021, or any potential costs from additional vaccination efforts that may be approved by the City Commission during FY 2021. As more information becomes available, these projections will continue to be refined over time.

FY 2021 Budget					
General Fund	Adopted Budget	Amended Budget	Projected	Difference	% Over / (Under)
Revenues	\$ 329,023,000	\$ 339,219,000	\$ 319,377,000	\$ (19,842,000)	-5.8%
Expenditures	\$ 329,023,000	\$ 339,219,000	\$ 342,029,000	\$ 2,810,000	0.8%
Excess of Revenues Over/(Under) Expenditures			\$ (22,652,000)	-6.7%	

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 March 31, 2021, actual operating revenues collected were approximately 67.5% of the current amended budget, or \$228.9 million, with operating revenues through fiscal year-end September 30, 2021 projected at \$319.4 million, which is approximately 5.8%, or \$19.8 million, below the current amended budget, primarily due to the ongoing impact of COVID-19 on the City’s revenues.

Revenue categories projected to exceed budget or with significant 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 5.0%, or \$1.2 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 originally 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 14.2%, or \$2.0 million, primarily due to a decrease in revenues for business tax receipts and sidewalk café fee revenues resulting from 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. In addition, on March 17, 2021, the Mayor and City Commission adopted Resolution 2021-31631 extending the suspension and/or proration of annual sidewalk café permit fees through September 30, 2021 to continue to promote business operations and economic recovery in the City.

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 9.6%, or \$1.1 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 originally 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 7.7%, or \$1.0 million, primarily due to slower than originally anticipated recovery in demand for City services and lower parks and recreation revenue collections, as a result of more participants qualifying for scholarships due to COVID-19.

Fines and Forfeits – This category, among other things, includes traffic fines, parking fines, and code enforcement violations, and is projected to be above the current amended budget by 15.7%, or \$168,000, primarily due to code enforcement and fire code fines and violations trending higher than budget.

Rents and Leases – This category includes revenues from various rentals and leases of City owned properties. Projected FY 2021 collections are 7.1%, or \$425,000, 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 provided to qualified tenants in FY 2021 as approved by the Mayor and City Commission on January 13, 2021 to continue to promote business operations and economic recovery in the City.

Miscellaneous – This category includes revenues from various categories such as concessions, reimbursements, and miscellaneous revenue categories including beach access fees, advertising, and sale of city property. Projected FY 2021 collections are 5.3%, or \$798,000, below the current amended budget primarily due to a projected decrease of \$750,000 in beachfront concession revenues, which are trending lower than budgeted, attributed to the slower than originally anticipated recovery in the City's economic activity from COVID-19.

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 originally anticipated recovery in Resort Tax revenues, the contribution is projected to be 65.6%, or \$12.2 million, below the current amended budget at \$6.4 million.

Fund Balance/Retained Earnings – This category is comprised of prior year General Fund reserves and fund balance appropriated for one-time purposes specified in the current year budget. As part of the funding appropriated for FY 2021, \$1.2 million was to be transferred to the Parking Enterprise Fund to enable the Parking Department to phase-in the "right-sizing" reductions originally recommended by the City Administration, and approved by the Mayor and City Commission, as part of the FY 2021 budget process to minimize the impact to a number of employees in the Parking Department, especially Parking enforcement. Due

to FY 2021 Parking revenues trending above budget, as well as a delay in the reinstatement of service levels that were reduced due to COVID-19 (landscaping, security, janitorial, etc.) and continued vacancy of budgeted positions due to COVID-19, new vacancies, and hiring challenges, it is projected that the \$1.2 million will no longer need to be transferred to the Parking Enterprise Fund as presented at the Commission Budget Workshop on June 4, 2021.

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

General Fund Operating Expenditures

As of March 31, 2021, actual expenses were approximately 43.6% of the current FY 2021 amended budget, or \$147.8 million, with operating expenditures through fiscal year-end September 30, 2021 projected at \$342.0 million, which is approximately 0.8%, or \$2.8 million, above the current FY 2021 amended budget. As previously mentioned, these projections are not only based on experience during the first six months of the fiscal year, but also more current information available including the ongoing impact of COVID-19 on the City’s operations.

General Fund expenditures by department projected to exceed budget or with significant 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 15.1%, or \$169,000, above the current amended budget primarily 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 collections remains uncertain. As a result, in order to ensure that these education initiatives are funded, these expenditures may need to be transferred to and funded by the General Fund in FY 2021.

Organizational Development Performance Initiatives				
	FY 2021 Amended Budget	FY 2021 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 1,119,000	\$ 1,288,000	\$ 169,000	15.1%

Housing and Community Services – The department is projected to be below the current amended budget by 7.8%, or \$302,000, primarily due to projected savings in personnel services expenditures resulting from full-time and part-time budgeted positions that have been and/or remain vacant in the current fiscal year. A significant portion of the department’s vacancies are in the Homeless division and have been difficult to fill due to the nature of the work involved.

Housing and Community Services				
	FY 2021 Amended Budget	FY 2021 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 3,887,000	\$ 3,585,000	\$ (302,000)	-7.8%

Parks and Recreation – The department is projected to be 1.2%, or \$421,000, below the current amended budget primarily due to projected savings in personnel services expenditures resulting from numerous full-time and part-time budgeted positions that have been and/or remain vacant in the current fiscal year. These vacancies are primarily attributed to the department’s proactive efforts in reducing its costs for operations as much as possible to mitigate the projected revenue loss from COVID-19.

Parks and Recreation				
	FY 2021 Amended Budget	FY 2021 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 34,283,000	\$ 33,862,000	\$ (421,000)	-1.2%

Public Works – The department is projected to be below the current amended budget by 2.6%, or \$358,000, resulting from projected savings in personnel services expenditures due to numerous budgeted full-time vacancies within the department’s Engineering, Streets and Street Lighting, and Greenspace Management divisions. The department has been in the process of filling these budgeted positions; however, the volume of candidates who are interested and qualified for some of these positions has been very limited.

Public Works				
	FY 2021 Amended Budget	FY 2021 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 13,577,000	\$ 13,219,000	\$ (358,000)	-2.6%

Capital Improvement Projects (CIP) – The department is projected to be 7.1%, or \$393,000, below the current amended budget primarily due to projected savings in personnel services expenditures resulting from several budgeted full-time position vacancies that the department has been unable to fill or is in the process of filling based on the current needs of the department.

Capital Improvement Projects				
	FY 2021 Amended Budget	FY 2021 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 5,551,000	\$ 5,158,000	\$ (393,000)	-7.1%

Police – The department is projected to be 0.1%, or \$175,000, below the current amended budget primarily due to projected savings in personnel services expenditures budgeted for the additional 15 sworn Police Officer positions and 2 sworn Sergeant positions that were approved to be created as part of the Second Amendment to the FY 2021 Operating Budget on March 17, 2021, through Resolution 2021-31646. The recruitment and training of sworn positions in the City is an extensive process that can take several months. As a result, savings are being projected for these additional positions that were added in the current fiscal year to account for the time that potential recruits will have to go through the recruitment and training process before being deployed. A portion of these projected savings will be used to fund \$180,000 of projected costs of the additional measures being taken by the Department in the Art Deco Cultural District (ADCD) to enhance visibility and deter criminal activity detailed further in a Letter to Commission dated June 21, 2021 (LTC# 254-2021). Had this new initiative not been implemented, the department would have a projected saving of \$355,000 at year-end.

Police				
	FY 2021 Amended Budget	FY 2021 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 119,514,000	\$ 119,339,000	\$ (175,000)	-0.1%

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 \$2.7 million, which is attributed to several factors. Firstly, during the six months of FY 2021, there were numerous firefighters out for extended periods of time due to testing positive for COVID-19 which, as a result, required the usage of unbudgeted overtime to fill these slots to maintain minimum shift staffing requirements. Secondly, the department has, 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.

Fire				
	FY 2021 Amended Budget	FY 2021 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 91,890,000	\$ 94,064,000	\$ 2,174,000	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 20.4%, or \$3.7 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. Since the final confirmed volume of participation in the program is still unknown at this time, the projected impact of the pension buyback window is a conservative projection that 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.

Citywide Accounts				
	FY 2021 Amended Budget	FY 2021 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 18,057,000	\$ 21,733,000	\$ 3,676,000	20.4%

While the above-listed General Fund departments comprise those projected to exceed their current amended budgets or with significant variances to budget in excess of 10.0%, or \$300,000, all other General Fund departments are projected to have savings at year-end that may be realigned within the General Fund to address any department overages should these projections be realized 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 six-month operating expenses for the period October 1, 2020 through March 31, 2021, reveals that all Enterprise Funds have expenses less than one half of their current FY 2021 amended budget. 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
Budget Amendment - 03/17/21	0	0	0	0	0	0	0
Budget Amendment - 04/21/21	0	0	0	0	0	0	2,000,000
FY 2021 Amended Budget	22,580,000	50,397,000	32,830,000	38,058,000	37,646,000	16,756,000	32,707,000
1/2 Adopted Budget	11,062,000	24,613,000	15,579,500	17,748,500	18,779,000	8,298,000	13,159,000
1/2 Amended Budget	11,290,000	25,198,500	16,415,000	19,029,000	18,823,000	8,378,000	16,353,500
Revenues as of 03/31/21	12,419,879	24,128,381	15,254,693	15,850,074	16,577,015	6,361,664	7,594,148
Expenditures as of 03/31/21	8,929,431	21,500,944	12,294,330	13,540,746	12,376,566	7,556,472	4,855,887
Expenditures Above/(Below) 1/2 Amended Budget	(2,360,569)	(3,697,556)	(4,120,670)	(5,488,254)	(6,446,434)	(821,528)	(11,497,613)
% Variance	-10.5%	-7.3%	-12.6%	-14.4%	-17.1%	-4.9%	-35.2%

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 March 31, 2021, 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 ongoing revenue impact.

All Enterprise Funds are projected to be under budget 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 detailed further below.

Parking – Based on the Parking Enterprise Fund’s FY 2021 second quarter projections, revenues are projected to exceed expenditures resulting in a projected surplus of approximately \$5.2 million that would be available to be set aside in FY 2021 for renewal and replacement of existing Parking assets or future operating expenditures, after eliminating the budgeted \$1.2 million contribution from the General Fund, should these projections be realized at year-end. The surplus projected as of the second quarter is attributed to a combination of factors which include FY 2021 Parking revenues trending above budget, a delay in the reinstatement of service levels that were reduced due to COVID-19 (landscaping, security, janitorial, etc.) and the continued vacancy of budgeted positions due to COVID-19, new vacancies, and hiring challenges as presented at the Commission Budget Workshop on June 4, 2021. It is important to note, however, that due to the uncertainty of Parking’s revenues, the surplus projected as of the second quarter may be less as of year-end; therefore, trends will continue to be monitored over the coming months.

Convention Center – Due to the ongoing impact of COVID-19 on Convention Center operations, it is projected that the Convention Center Fund will require the use of approximately \$6.8 million of prior year fund balance. This is an increase of approximately \$1.6 million over the use of fund balance budgeted for FY 2021 of \$5.2 million and 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 13.

If realized at year-end, the additional projected use of \$1.6 million of fund balance, which is in addition to the \$5.2 million budgeted to be used for FY 2021, will be funded from the Convention Center fund balance, which totals approximately \$8.2 million resulting in a projected remaining fund balance of approximately \$1.4 million.

The Convention Center Fund currently has a 17.0% reserve of \$4.9 million. Therefore, should events continue to be canceled at the Convention Center, the Administration would recommend using 6.0% of this reserve, or \$1.7 million, if necessary, to further support operations in FY 2021 and maintaining the minimum 11.0% reserve requirement of \$3.2 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.

Sanitation – Based on the Sanitation Enterprise Fund’s FY 2021 second quarter projections, revenues are projected to exceed expenditures resulting in a projected surplus of approximately \$1.5 million. This projected surplus is primarily attributed to a reimbursement of approximately \$1.5 million received from the Federal Emergency Management Agency (FEMA) for costs incurred by the City in the Sanitation Fund related to Hurricane Irma. Since the costs incurred by the Sanitation Fund related to Hurricane Irma were funded from the Sanitation Fund’s reserves, it is recommended that the projected surplus be used to replenish Sanitation’s reserves should these projections be realized at year-end.

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
Budget Amendment - 03/17/21	0	0	0	0	0	0	0
Budget Amendment - 04/21/21	0	0	0	0	0	0	2,000,000
FY 2021 Amended Budget	22,580,000	50,397,000	32,830,000	38,058,000	37,646,000	16,756,000	32,707,000
FY 2021 Projections:							
Charges for Services	21,422,000	45,245,000	32,059,000	31,596,000	32,013,000	15,263,000	3,137,000
Other	2,210,000	4,839,000	91,000	4,101,000	4,762,000	941,000	14,415,000
FY 2021 Revenue Projections	23,632,000	50,084,000	32,150,000	35,697,000	36,775,000	16,204,000	17,552,000
\$ Over/(Under) Amended Budget	1,052,000	(313,000)	(680,000)	(2,361,000)	(871,000)	(552,000)	(15,155,000)
% Over/(Under) Amended Budget	4.7%	-0.6%	-2.1%	-6.2%	-2.3%	-3.3%	-46.3%
FY 2021 Expenditure Projections							
\$ Over/(Under) Amended Budget	(478,000)	(313,000)	(680,000)	(2,361,000)	(6,083,000)	(552,000)	(8,328,000)
% Over/(Under) Amended Budget	-2.1%	-0.6%	-2.1%	-6.2%	-16.2%	-3.3%	-25.5%
Revenues Over/(Under) Expenditures	1,530,000	0	0	0	5,212,000	0	(6,827,000)

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 six-month operating revenues and expenses for the period October 1, 2020 through March 31, 2021, reveals that all Internal Service Funds have expenses less than one half 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.

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
Budget Amendment - 03/17/21	0	0	0	0	0	0	0
Budget Amendment - 04/21/21	0	0	0	0	0	0	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
1/2 Adopted Budget	521,000	6,608,000	8,826,000	729,500	5,478,000	11,227,500	20,129,000
1/2 Amended Budget	526,000	7,544,000	9,143,000	1,013,500	5,857,500	11,267,500	20,129,000
Revenues as of 03/31/21	505,148	7,134,886	7,831,073	1,023	5,193,306	10,880,237	19,310,385
Expenditures as of 03/31/21	427,652	4,571,229	7,624,615	698,657	4,576,836	6,958,955	16,957,159
Expenditures Above/(Below) 1/2 Amended Budget	(98,348)	(2,972,771)	(1,518,385)	(314,843)	(1,280,664)	(4,308,545)	(3,171,841)
% Variance	-9.3%	-19.7%	-8.3%	-15.5%	-10.9%	-19.1%	-7.9%

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 March 31, 2021, 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 ongoing revenue impact.

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 significant variances to budget in excess of 10.0%, or \$300,000, are further detailed below.

Information Technology – This fund is projected to be 3.2%, or \$594,000, below the current amended budget primarily due to projected savings of \$336,000 in contract maintenance and telephone expenditures identified by the department, as well as some delays in the recruitment process for several position vacancies.

Property Management – This fund is projected to be 3.6%, or \$423,000, below the current amended budget primarily due to projected savings in personnel services expenditures of \$293,000 resulting from several full-time budgeted positions that have been and/or remain vacant in the current fiscal year as a result of delays in the recruitment process, as well as an additional \$130,000 in savings projected for maintenance and utilities expenditures.

Risk Management – This fund is projected to be 2.2%, or \$499,000, below the current amended budget, primarily due to lower than originally projected increases in policy renewals across most lines of insurance, including, but not limited to property, workers’ compensation,

and cyber liability totaling \$276,000, as well as projected savings of \$223,000 in general, police, workers compensation, and public official liability claims and case reserves based on actuarial forecasts as of the end of the second quarter of FY 2021. Since claims can fluctuate, these trends will continue to be monitored over the coming months and future projections adjusted accordingly.

Medical and Dental – This fund is projected to be 4.8%, or \$1.9 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 second quarter of FY 2021. It is important to note that despite the better than anticipated claims experience realized during the first six months of the fiscal year, claims can fluctuate significantly throughout the year; therefore, these 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
Budget Amendment - 03/17/21	0	0	0	0	0	0	0
Budget Amendment - 04/21/21	0	0	0	0	0	0	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	1,008,000	12,577,000	15,675,000	2,025,000	10,104,000	20,475,000	0
Other	38,000	2,367,000	2,017,000	1,000	1,188,000	1,561,000	38,331,000
FY 2021 Revenue Projections	1,046,000	14,944,000	17,692,000	2,026,000	11,292,000	22,036,000	38,331,000
\$ Over/(Under) Amended Budget	(6,000)	(144,000)	(594,000)	(1,000)	(423,000)	(499,000)	(1,927,000)
% Over/(Under) Amended Budget	-0.6%	-1.0%	-3.2%	0.0%	-3.6%	-2.2%	-4.8%
FY 2021 Expenditure Projections							
\$ Over/(Under) Amended Budget	(6,000)	(144,000)	(594,000)	(1,000)	(423,000)	(499,000)	(1,927,000)
% Over/(Under) Amended Budget	-0.6%	-1.0%	-3.2%	0.0%	-3.6%	-2.2%	-4.8%
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 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 six-month operating revenues and expenses for the period October 1, 2020 through March 31, 2021, reveals that all Special Revenue Funds have expenses less than half of their current FY 2021 amended budgets primarily due to expenditures that are typically incurred in the latter part of the fiscal year with the exception of the 5th & Alton Garage Fund which

incurred some one-time expenses earlier in the fiscal year. It is, however, important to note that the actuals incurred for these funds through March 31, 2021 are not representative of typical trends for a full fiscal year.

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 are as of March 31, 2021, the year-end projections incorporate more current information available.

Revenues for all Special Revenue Funds are projected to be equivalent to or in excess of expenditures as of year-end unless subsequently detailed below. In addition, while no Special Revenue Funds are projected to exceed budget, many are projected to have significant 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 revenue loss.

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

Education Compact Fund – This fund is projected to be 25.9%, or \$166,000, 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 collections remains uncertain. As a result, in order to fund certain education initiatives, these expenditures may need to be funded by the General Fund in FY 2021.

Education Compact				
	FY 2021 Amended Budget	FY 2021 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 641,000	\$ 475,000	\$ (166,000)	-25.9%

Red Light Camera Fund – This fund is projected to be 45.0%, or \$633,000, below the current amended budget due to delays in the installation of an additional five red light cameras, as well as revenues generated from the existing cameras that are trending lower than budgeted resulting from existing cameras that are or anticipated to be temporary offline for repairs or replacement. Overall, expenditures are projected to exceed revenues by \$454,000. Therefore, should this projected shortfall be realized at year-end, it will be offset using available fund balance in the Red Light Camera Fund which is approximately \$791,000.

Red Light Camera				
	FY 2021 Amended Budget	FY 2021 Projected	Projected vs Amended Budget Variance	% Over / (Under)
Expenditures	\$ 1,407,000	\$ 774,000	\$ (633,000)	-45.0%

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 adverse impacts to its Resort Tax revenues.

Total two percent Resort Tax revenues for FY 2021 are projected to be 6.0%, or \$2.8 million, 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 2021.

Total FY 2021 two percent Resort Tax expenditures are projected to be 27.5%, or \$12.8 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 \$12.2 million decrease in the FY 2021 Resort Tax contribution to the General Fund for tourism-eligible expenditures in the General Fund; a \$191,000 decrease in the contributions to the Miami Beach Visitor and Convention Authority (VCA) and Greater Miami Convention & Visitors Bureau (GMCVB) that are based on a percentage of two percent Resort Tax collections; and savings in other miscellaneous two percent Resort Tax operating expenditures totaling \$387,000.

The proceeds of the one percent bed tax, as adopted through Resolution No. 2018-30512, and continuing in FY 2021, 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 bed tax revenues for FY 2021 are projected to be 7.7%, or \$824,000, 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 bed tax, one percent Resort Tax expenditures are equally projected to be 7.7%, or \$824,000, below the current amended budget as of year-end, of which \$496,000 impacts Transportation initiatives in tourism-related areas, \$246,000 impacts North, Middle, and South Beach quality of life projects equally, and \$82,000 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 7.7%, or \$824,000, 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 7.7%, or \$824,000, 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 second quarter projections, approximately \$2.5 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 ongoing impact of COVID-19 on the City Resort Tax revenues, combined Resort Tax revenues are projected to be 5.2%, or \$3.6 million, below the current amended budget as of year-end, while expenditures are projected to be 19.5%, or \$13.6 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 resulting in \$10.0 million available to be set aside to the reserves.

Should these projections be realized at year-end, the Administration recommends that the year-end Resort Tax surplus be utilized to address and enhance public safety, enforcement, and programming in the tourism areas throughout the City, including the Art Deco Cultural District (ADCD), as discussed at the Commission Budget Workshop on June 4, 2021 and set aside funds to achieve the City's additional Resort Tax reserve targets as amended by the City Commission through Resolution 2019-30664 on January 16, 2019.

RESORT TAX FUND							
	FY 2021 Adopted Budget	FY 2021 Amended Budget	Actuals as of 03/31/21	% 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	17,166,183	38.1%	43,352,000	(1,693,000)	-3.8%
Miscellaneous Revenues	1,057,000	1,057,000	105,061	9.9%	451,000	(606,000)	-57.3%
Resort Tax Fund Balance	0	503,000	0	0.0%	0	(503,000)	-100.0%
1% Resort Tax (QOL)	10,771,000	10,771,000	3,794,786	35.2%	9,947,000	(824,000)	-7.7%
Additional 1% for Convention Center	12,457,000	12,457,000	3,794,786	30.5%	12,457,000	0	0.0%
Total Revenues	69,330,000	69,833,000	24,860,816	35.6%	66,207,000	(3,626,000)	-5.2%
Expenditures							
General Fund Contribution	18,639,000	18,639,000	9,319,500	50.0%	6,415,000	(12,224,000)	-65.6%
Sanitation Fund Contribution	5,780,000	5,780,000	2,890,000	50.0%	5,780,000	0	0.0%
Contribution to GMCVB	4,527,000	4,527,000	3,250,000	71.8%	4,370,000	(157,000)	-3.5%
Contribution to VCA	1,075,000	1,075,000	281,566	26.2%	1,041,000	(34,000)	-3.2%
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	15,384,000	4,128,825	26.8%	15,072,000	(312,000)	-2.0%
Marketing	200,000	200,000	37,263	18.6%	125,000	(75,000)	-37.5%
Transfer to NB, MB, SB Capital, Transp. and Arts (QOL)	10,771,000	10,771,000	3,794,786	35.2%	9,947,000	(824,000)	-7.7%
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	69,833,000	23,701,940	33.9%	56,207,000	(13,626,000)	-19.5%
Excess of Revenues Over/(Under) Expenditures	0	0	1,158,875		10,000,000		

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, the Convention Center Enterprise Fund, and the Red Light Camera Special Revenue Fund. These projected overages and shortfalls, if realized at year-end, will be closed using a mix of sweeping savings from other funds and the use of available fund balance.

The assumptions in the second quarter projections will continue to be refined as additional data and information becomes available between now and the development of the third quarter projections, as well as during the development of the FY 2022 budget. Any material variances will be disclosed and discussed at upcoming Finance and Economic Resiliency Committee (FERC) meetings.

ATH/JW/TOS

EXHIBIT A

CITY OF MIAMI BEACH FY 2021 GENERAL FUND 2ND QUARTER							
	FY 2021 Adopted Budget	FY 2021 Amended Budget	Actuals as of 03/31/21	% Actual of Amended Budget	FY 2021 Year End Projections	Over/(Under) Amended Budget	% Over/(Under) Amended Budget
REVENUES							
Ad Valorem Taxes	193,218,000	193,218,000	163,949,285	84.9%	193,218,000	0	0.0%
Ad Valorem Taxes - Pay-As-You-Go Capital	2,592,000	2,592,000	2,592,000	100.0%	2,592,000	0	0.0%
Ad Valorem Taxes - Capital Renewal & Replacement	807,000	807,000	807,000	100.0%	807,000	0	0.0%
Ad Valorem Taxes - Normandy Shores	18,000	18,000	18,000	100.0%	18,000	0	0.0%
Other Taxes	24,083,000	24,083,000	9,630,699	40.0%	22,888,000	(1,195,000)	-5.0%
Licenses and Permits	13,925,000	13,925,000	7,891,580	56.7%	11,952,000	(1,973,000)	-14.2%
Intergovernmental	11,254,000	11,254,000	4,625,568	41.1%	10,168,000	(1,086,000)	-9.6%
Charges for Services	13,061,000	13,061,000	7,439,131	57.0%	12,061,000	(1,000,000)	-7.7%
Fines and Forfeitures	1,069,000	1,069,000	747,756	69.9%	1,237,000	168,000	15.7%
Interest	2,769,000	2,769,000	3,764,218	135.9%	2,671,000	(98,000)	-3.5%
Rents and Leases	5,954,000	5,954,000	3,124,908	1.0%	5,529,000	(425,000)	-7.1%
Miscellaneous	15,125,000	15,125,000	6,561,406	43.4%	14,327,000	(798,000)	-5.3%
Other-Resort Tax Contribution	18,639,000	18,639,000	9,319,500	50.0%	6,415,000	(12,224,000)	-65.6%
Other-Non-Operating Revenues	16,910,000	16,910,000	8,455,000	50.0%	16,910,000	0	0.0%
Fund Balance/Retained Earnings	9,599,000	19,795,000	0	0.0%	18,584,000	(1,211,000)	-6.1%
TOTAL REVENUES	329,023,000	339,219,000	228,926,049	67.5%	319,377,000	(19,842,000)	-5.8%
EXPENDITURES							
Mayor & Commission	2,517,000	2,517,000	1,114,362	44.3%	2,453,000	(64,000)	-2.5%
City Manager	4,798,000	4,798,000	2,210,950	46.1%	4,645,000	(153,000)	-3.2%
Marketing and Communications	2,180,000	2,221,000	954,287	43.0%	2,153,000	(68,000)	-3.1%
Office of Management and Budget (prev. OBPI)	1,466,000	1,466,000	659,577	45.0%	1,396,000	(70,000)	-4.8%
Org. Dev Performance Initiatives	1,018,000	1,119,000	233,317	20.9%	1,288,000	169,000	15.1%
Finance	6,294,000	6,358,000	2,927,819	46.0%	6,270,000	(88,000)	-1.4%
Procurement	2,699,000	2,705,000	1,195,504	44.2%	2,527,000	(178,000)	-6.6%
Human Resources/Labor Relations	2,794,000	2,794,000	1,162,164	41.6%	2,650,000	(144,000)	-5.2%
City Clerk	1,829,000	1,844,000	814,274	44.2%	1,736,000	(108,000)	-5.9%
City Attorney	5,743,000	6,150,000	2,682,768	43.6%	5,976,000	(174,000)	-2.8%
Housing & Community Services	3,489,000	3,887,000	1,310,777	33.7%	3,585,000	(302,000)	-7.8%
Property Management General Fund	2,001,000	2,054,000	831,756	40.5%	1,949,000	(105,000)	-5.1%
Planning	5,192,000	6,095,000	2,040,738	33.5%	5,972,000	(123,000)	-2.0%
Environment & Sustainability	1,152,000	1,248,000	491,014	39.3%	1,231,000	(17,000)	-1.4%
Tourism & Culture	3,162,000	3,242,000	1,574,315	48.6%	3,229,000	(13,000)	-0.4%
Economic Development	1,108,000	1,372,000	575,456	41.9%	1,252,000	(120,000)	-8.7%
Code Compliance	6,456,000	6,477,000	2,841,205	43.9%	6,342,000	(135,000)	-2.1%
Parks & Recreation (including Golf courses)	34,016,000	34,283,000	13,205,732	38.5%	33,862,000	(421,000)	-1.2%
Public Works	13,567,000	13,577,000	4,788,899	35.3%	13,219,000	(358,000)	-2.6%
Capital Improvement Projects	5,544,000	5,551,000	2,282,208	41.1%	5,158,000	(393,000)	-7.1%
Police	115,167,000	119,514,000	54,715,927	45.8%	119,339,000	(175,000)	-0.1%
Fire	91,171,000	91,890,000	44,807,441	48.8%	94,064,000	2,174,000	2.4%
Citywide (Net of Individual Items Below):	13,743,000	16,140,000	4,352,565	27.0%	21,027,000	4,887,000	30.3%
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%	0	(1,211,000)	-100.0%
TOTAL EXPENDITURES	329,023,000	339,219,000	147,780,707	43.6%	342,029,000	2,810,000	0.8%
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	0	0	81,145,343	23.9%	(22,652,000)	(22,652,000)	