

City of Coral Gables City Commission Meeting
Agenda Item H-1
February 11, 2014
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Jim Cason

Vice Mayor William H. Kerdyk, Jr.

Commissioner Pat Keon

Commissioner Vince Lago

Commissioner Frank Quesada

City Staff

City Manager, Patrick Salerno

City Attorney, Craig E. Leen

City Clerk, Walter J. Foeman

Deputy City Clerk, Billy Urquia

Diana Gomez, Finance Director

Public Speaker(s)

H-1 [Start: 11:09:57 a.m.]

Presentation of Quarterly Report of the three months ended December 31, 2013.

Mayor Cason: Let's move on to City Manager Items. Item H-1.

City Manager Salerno: Thank you, Mayor. H-1 is a presentation of the quarterly report for the three months ending December 31st. Diana?

Finance Director Gomez: Good morning.

[Altogether: Good morning.]

Finance Director Gomez: This is a review of the quarterly financial report for the three months ending December 31st, 2013, which is the first quarter of the 2014 Fiscal Year. The report compares budget to actual revenues and actual expenditures to total appropriations for each

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December 31, 2013

department. The schedule of revenues budget to actual on page 3, provides comparative data to the same period in the prior year to show whether or not we are on track with the previous year's collections of revenues. If you go down to the very last line in that page you will see that in the first quarter we received approximately \$77.5 million in total revenues compared to \$149 million of budgeted revenues, which shows 52 percent overall collection at this time. The first quarter represents 25 percent of the fiscal year and we are more than half way in collecting revenues at this time, and this is due primarily to the timing of the receipts of certain collections during the year. The first item is Property Taxes. It is our largest revenue source representing approximately 44 percent of the budget. The total budget for current Property Taxes is \$65.6 million dollars which is up approximately by \$900,000 from the previous fiscal year. As of December 31st, 2013, we have collected approximately \$53 million, or 81 percent of that budgeted line item. This amount is up from previous year's collection, due to the timing of receiving distributions from the County. In the prior year we received a large distribution in January that related to December, but this year we got December's distribution in December. There have been no receipts on delinquent property taxes in the first quarter and that is consistent with this time of year. We will expect to see those later on in the year. Other revenues that we focus on during the year are the Franchise Taxes, and Utility Service Taxes. The largest franchise tax revenue is the Electric Franchise Fee, which makes up about \$4.5 million of the budget. Under Utility Service Taxes, we have Electric Utility Tax which makes up \$5.3 million of the budget, and the Telecommunications Service Tax which makes up \$4.3 million of the budget and all three of these collections to date are in line with collections of the previous years. The Fire Assessment Fee collections are up from the prior year's collections and again it is the timing of the collections as seen in the Property Taxes. They come in at the same time, so we got that December distribution in December from the County. Other significant budgeted revenues are Physical Environment Fees, which include Solid Waste Services at \$8.4 million, Sanitary Sewer at \$8.6 million, and Stormwater Utility at \$3 million, all of whose collections are on track and consistent with prior year. If you turn to page 4 we have the schedule of expenditures comparing budget to actual for all departments through December 31st, 2013. Total expenditures for the first quarter at 21 percent of the budget, being again that we are at a quarter way of the budget you would expect to see at or around 25 percent and we are running below that, so we are on track with the budget thus far. When reviewing individual departments and divisions, you can see that the majority of them are trending less than 25 percent of their respective budgets, which is where we want to be. We are constantly monitoring expenditures during the year to ensure the departments are kept in line with their budgets. The next set of schedules in the report provides details on the City's Enterprise Funds. These funds are kind of like a business and they show all revenues and expenses of their respective operations. We have the Stormwater Utility Fund, Sanitary Sewer Fund, Venetian Pool, Golf Course, Tennis Center, and Parking Funds, and in the next set of schedule shows the City's Internal Service Funds, and these fund the Motor

Pool and Public Facilities Funds. They charge the internal city departments for the expenditures that they incur, and then the final schedule in the report shows the activity of the Transportation and Trolley Fund. Revenues received from the Transportation Sales Tax goes 100 percent to fund the City's trolley operations, these revenues are collected in the two to three month lag from the County and as of December 31st, we had not received any of these revenues, but since then we have received October's distribution. So it is just the slow timing of collections, but we do expect to receive the revenue that is budgeted. And that is it, I'll be happy to answer any questions you may have.

Mayor Cason: So the bottom line is from your perspective, everything is on track, no surprises, nothing unusual this year than the last time you did this.

Finance Director Gomez: As of the first quarter, yes, we are on track.

Commissioner Keon: Can I ask one question, what is revised annual budget mean? As oppose to...what does revised mean?

Finance Director Gomez: If there was any budget adjustments done since the time that the budget was adopted, so we roll over re-appropriations into the budget right after October, so it will include re-appropriations, things that were not spent last year.

Commissioner Keon: How do we know what the revisions are? Do you provide that information...

Finance Director Gomez: So anytime we have a budget amendment that comes in front of the Commission, that would revise the budget.

Mayor Cason: Like we are about to do, on the next issue.

City Manager Salerno: The next item...

Mayor Cason: The next item is one of those.

Commissioner Keon: OK.

Finance Director Gomez: So it will revised, the adopted budget to include...

Mayor Cason: And presumably...

Commissioner Keon: I just wondered if there was a change in Capital Projects?- if there is a change in the cost of something?

Finance Director Gomez: No.

Commissioner Keon: If there is a change in however, how is that reflected in the budget?

Finance Director Gomez: No, every time there is a budget amendment, it comes in front of this Commission and that is how we revise it. The only other this is the re-appropriations of budget that were not completed where it had been budgeted in the previous year. Once we close out the previous year, any funds that were left over we re-appropriate them into the current year. That is left over monies that had been budgeted at some point and get added into...

Commissioner Keon: That doesn't come through as an amendment, it just comes through as a practice, is that right?

Finance Director Gomez: It is a rollover. It is something that is just done.

Mayor Cason:...and just on the Consent Agenda, we just did a bunch of new revenues coming in, that would be one of those.

Commissioner Keon: I understand that, I wondered how the revenues from projects that have been voted on and maybe scopes have changed, or maybe things have changed in it, and there is a change in the actual charge to the budget.

Finance Director Gomez: We would bring a budget amendment to the City Commission.

Commissioner Keon: It would come as a budget amendment also. Thank you.

Mayor Cason: OK. So this is not an item we have to vote on right?

Finance Director Gomez: No.

Mayor Cason: Any other questions? If not we will move on...

Commissioner Keon: Thank you very much, I really have to tell you what a great feeling it is, to be a Commissioner now with the fiscal expertise and the people in place taking care of our dollars every day. Thank you very much.

[End: 11:17:20 a.m.]