

**City of Coral Gables City Commission Meeting
Agenda Item H-1
February 9, 2016
City Commission Chambers
405 Biltmore Way, Coral Gables, FL**

City Commission

**Mayor Jim Cason
Commissioner Pat Keon
Commissioner Vince Lago
Vice Mayor Frank Quesada
Commissioner Jeannett Slesnick**

City Staff

**City Manager, Cathy Swanson-Rivenbark
City Attorney, Craig E. Leen
City Clerk, Walter J. Foeman
Deputy City Clerk, Billy Urquia
Finance Director, Diana Gomez**

Public Speaker(s)

Agenda Item H-1 [11:27:22 a.m.]

Presentation of the Quarterly Financial Report for the three months ended December 31, 2015.

Mayor Cason: Let's move to H-1. City Manager that's the quarterly financial report.

City Manager Swanson-Rivenbark: Diana Gomez our Finance Director is coming forward. We also did individual briefings with you all on this.

Ms. Gomez: Good morning. This is a review of the quarterly financial report for the three months ended December 31, 2015, which is the first quarter of the Fiscal 2016 year. This report compares budget to actual revenues and actual expenditures to total appropriations for each department. The schedule of revenues budget to actual on page 3 provides comparative data to the same period from the prior year to show whether or not we are on track to the previous year's collections of revenues. If you go down to the very last line on the page, you'll see that for the first quarter received approximately \$84.2 million in total revenues compared to \$162 million of budgeted revenues, which shows about 52 percent overall collected at this time. The first quarter

represents 25 percent of the fiscal year and we are more than half way into collecting revenues at this time and this is due primarily to the timing of certain revenues such as property taxes which we receive early in the fiscal year. As I said, property taxes are our largest revenue source representing approximately 45 percent of the budget. The total budget for property taxes is \$72.3 million, and as of December 31, 2015, we had collected approximately \$59 million or 82 percent of the budget, which is consistent with the prior year collection at the time. As of December 31st, we had not received any distributions on the transportation sales tax. However these receipts are usually on a three year, three to four months lag, and October's distributions, sorry, received in January which is consistent with prior years as well. Other revenues that we focus on during the year, the franchise taxes and utility service taxes. The largest franchise tax revenue is the electric franchise fee, which makes up about \$4.7 million of the budget. On the utility service taxes we have the electric utility tax, which makes up \$5.9 million of the budget; and the telecommunication service taxes, which make up \$4 million of the budget. All three of these collections to date are in line with collections from the previous year. Construction permits which are budgeted at \$5.8 million are at 25.43 percent collected or \$1.5 million to date. Permits are down slightly from the prior year which is due to timing and size of projects at the same time last year. Intergovernmental revenues which includes state revenue sharing and sales tax revenue are all in line with prior year collections at this time as well. General Government Fees which includes the Board of Adjustment, Board of Architects, Development Review Committee fees are down a little bit, but these fees have to do with timing of projects throughout the year and not necessarily consistent from year to year, just dependent on the projects and the size of the projects. Other significant budgeted revenues are physical environment fee, which include solid waste services at \$8.7 million; sanitary sewer at \$9.3 million; and storm water utility at \$3.1 million. All of which collections are on tract and consistent with prior year. Moving on to page 4, we have a schedule of expenditures comparing budget to actual for all departments through December 31st. Total expenditures for the first quarter are at 22 percent of the budget, being the first quarter of the year, you would expect to see expenditures around 25 percent. So we are running below that which is great. All the departments for the most part are in line with staying at the 25 percent mark or less. The next set of slides, schedules rather in the report provides details in the City's Enterprise Funds. These funds are accounted for like a business; they show all revenue and expenditures in their respective operations. As you know, we have the storm water utility fund, sanitary sewer fund, Venetian Pool, Golf Course, tennis centers, and parking funds; and the operations of these funds are in line with expected collections and expenditures to date. The next set of schedules show the Internal Service Funds, which are Motor Pool and Public Facilities Fund, and these funds are used to report charges to the internal City departments for the expenditures they incur for things like vehicles and facilities. And the final schedule in the report shows the activity for the Transportation and Trolley Fund. Revenue received in these transportation sales taxes goes 100 percent to fund the trolley operations and the revenues are collected on a three to four month lag from the County. So even though we haven't received

anything on these, we still expect to receive it by the end of the year. And that's all that I have on the quarterly, if you have any questions I'd be happy to answer them.

Mayor Cason: How are our reserves doing?

Ms. Gomez: So right now we are currently underway with our financial audit. As of the close of last fiscal year, Fiscal 9-30-14, the last audited numbers we are at \$37.4 million. When we finalize the audit in the next month or two, we will know the amount of the fund balance for the current year. I don't have a number at this point, but I do anticipate an increase or an ability to be able to get to at least 25 percent fund balance reserve without an issue.

Mayor Cason: OK.

Commissioner Lago: And I wanted to make sure that - we had a discussion the other day with the City Manager, talking about what the Mayor just mentioned about reserves. I want to make sure that as our budget increases, because of the revenue that's coming in, I want to make sure that we take into account that we make sure that our reserves also continue to grow as our budget increases.

Ms. Gomez: Correct. So what we do is we take the total operating expenditures in the new fiscal year's budget, which is an increase in the budget, plus the debt service expenditures and take the 25 percent of that number. So that number is indeed about, let's say \$39.5 million, I'm not sure exactly...

Commissioner Lago: Almost \$40 million.

Ms. Gomez: Yes. I believe that there is not going to be an issue when we close out these financials that we'll make that reserve target.

Commissioner Lago: OK. Perfect. Thank you.

Mayor Cason: Thank you.

[End: 11:33:41 a.m.]