

City of Coral Gables City Commission Meeting
Agenda Item H-1
February 19, 2013
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Jim Cason

Vice Mayor William H. Kerdyk, Jr.

Commissioner Maria Anderson

Commissioner Rafael “Ralph” Cabrera, Jr.

Commissioner Frank Quesada

City Staff

City Manager, Patrick Salerno

City Attorney, Craig E. Leen

City Clerk, Walter J. Foeman

Deputy City Clerk, Billy Urquia

Finance Director, Diana Gomez

Public Speaker(s)

H-1 [Start: 9:25:50 a.m.]

Presentation of Quarterly Report for the three months ended December 31, 2012

Mayor Cason: City Manager please read the titles of H-1 and H-2 into the public record.

City Manager Salerno: Thank you Mayor. Mayor and Commissioners H-1 is a presentation of the quarterly report for the three months ended December 31, 2012. Diana, would you come forward and make the presentation.

Ms. Gomez: Good morning. I don't know if I can follow that, but...(laughter). This is a review of the Quarterly Financial Report for the three months ended December 31, 2012, which is the first quarter of the Fiscal 13 year. The report that you have compares budget to actual revenues and actual expenditures, total appropriations for each department. Turn to page 3 of the report, which is Schedule of Revenue Budget to Actual, you'll see that the report provides comparative data for the same period...per year to show whether or not we are on track with previous years

collections. If you go down to the very last line on page 3, you'll see that for the first quarter we received approximately \$51 million in total revenues compared to the \$145 million of budgeted revenues, which shows 35 percent collections overall at this time. First quarter being 25 percent of the fiscal year, we are more than a third of the way into collections for the year. When looking at total revenues for the quarter compared to the prior year you'll see a slight decrease in percent collections. This is due primarily to timing of receipts in the current year for certain items; however the City is – we are collecting over the 25 percent mark, so there are some items that collect quicker than others, most of it has to do with timing. The first item that we are going to look at is property taxes, it's our largest revenue source representing approximately 45 percent of the budget. The total budget for the current year is \$64.7 million, which is down by \$1.4 million from the previous year and that's due to the reduction in the millage rate for Fiscal Year 2013. As of December 31st, we had collected approximately \$30 million of property taxes to date. This amount is down from the prior year collection, but it's really good timing. We reached out to the Property Tax Collector and they did acknowledge that they are slower in giving us some of the remittances to us; we reached a larger distribution in January that related to December. So if we compare all the distributions regardless of when we received for each month we are on track with collections of the prior year.

Vice Mayor Kerdyk: Mr. City Manager, I would suggest that maybe you ask the Property Appraiser to come here some day, that's Carlos Lopez Canterra, and Carlos lives in the City of Coral Gables and maybe he can answer some questions that we have. We've had Pedro Garcia before at another meeting, so maybe someday we can ask Carlos. He just got installed about a month ago or so, so I would give him a few weeks, but I think he'd be happy to come here and answer any questions we may have about the property appraising process.

City Manager Salerno: I'd be glad to do that Vice Mayor.

Ms. Gomez: Moving on to delinquent property tax collections. Collections are down from the prior year, but again having to do with the timing of the collection and the remittances that we received in January as opposed to December. Other revenues that we focus on during the year are the franchise taxes and utility services taxes. The Electric Franchise Fee makes up about \$4.5 million of budget; Electricity Utility Tax makes up \$5.3 million of the budget; and Telecommunication Services Tax makes up \$4.3 million of the budget, and all three of these collections today are coming in better than collections of the previous year. Other significant budgeted revenues are physical environment fees, which include Solid Waste Services at \$8.1 million; Sanitary Sewer at \$7.7 million; and Storm Water Utility at \$2.5 million of the budget; and again those collections are on track and consistent with the previous year. As you can see on the report we provided you some of the notes that tell us through when the period we've collected. This report is based on a cash basis meaning if we received the cash by the time of the

reporting date we'll include it in the report, if we haven't received it, it will not be included. Sometimes there are lags, several months' lags as to when we receive, some things we only receive annually or quarterly or semi-annually. Moving on to page 4, we have schedule expenditures, which compares budget to actual for all departments through December 31st. Total expenditures at the bottom of the page is 22 percent of the budget. Again being that we are at quarter of the way through you'd expect to see them at or around 25 percent, so we are running below the 25 percent, which is a good indication that we are on the budget thus far. The Finance Department does review individual departments and divisions consistently monitoring expenditures through the year to ensure that we are making the budget, and as you can see the majority of the department expenditures are trending less than the 25 percent of the year. The next set of schedules in the report provides details on the City's Enterprise Funds. These funds are accounted for like businesses, they report all revenues and expenses of the respective operations; Storm Water Utility Fund, Sanitary Sewer Fund, Venetian Pool, Golf Course, Tennis Centers, and Parking Funds, so you'll see the detail there. The next set of schedules shows the Internal Service Funds and these are the funds that charge internal City departments for expenditures that they incur; and then the final schedule on the report shows the activity of the Transportation and Trolley Fund, revenues from the trolley, from the transportation sales tax goes 100 percent to support the City's trolley operations. These revenues are collected two to three months behind and with a lag. So as of December 31st, we hadn't received any of these revenues, but since then we've received the October distribution in January, so it's something that we are aware of that it just comes in slower, but we accrue for it properly at the end of the year and we tend to get the revenues that are due. So that's all that I have, if you have any questions?

Mayor Cason: Property valuation challenges they were up 4 percent, how much do we lose at the end of each year through challenges to the valuations?

Ms. Gomez: I don't have the actual percentage of what we actually lose each year. The Valuation Board obviously they – I don't have that information; I can try to get that information for you.

Mayor Cason: OK.

City Manager Salerno: Mayor, I recall it was approximately 4 percent was last year.

Mayor Cason: OK – and there is nothing that's going to change very much on that?

City Manager Salerno: There is no way for us to tell that nor would the Property Appraiser's office opine as to what that is because it can vary from year to year.

Mayor Cason: OK. Do we have to vote on this?

Ms. Gomez: No, it's just for information. Thank you very much.

Mayor Cason: More discussion?

Commissioner Quesada: On page 6, Sanitary Sewer...if you look at the bottom of the page, Non Operating Revenues Expenses Interest Earning Income before Capital Grants, can you explain that to me a little bit more?- see lost or revised annual budget of \$3.8 million, can you just explain to me what that relates to?

Ms. Gomez: The Sanitary Sewer Fund – any loss in the budget we reappropriate anything from the previous year that has not been spent into the new year, so that information will come into the budget, so you see it's a loss before transfers, transfers and reappropriations, so the reappropriations will cover the deficit that you see there. So grants that we may have gotten in the previous years that are going to be spent it's not part of the original budget it's appropriated subsequently.

Commissioner Quesada: Related to monies spent to either improving or modifying our sanitary sewer system?

Ms. Gomez: Right – any grants or anything having to do with that or any funds that had been appropriated in the previous year that are not – we don't budget for a new one in the new year you have it from the previous year, you just roll it over to the current year.

Commissioner Quesada: OK. That's clear. Thank you.

Mayor Cason: Anyone else?- Questions?

Commissioner Anderson: Thank you very much.

Vice Mayor Kerdyk: Thank you very much.

[End: 9:35:08 a.m.]