

City of Coral Gables City Commission Meeting
Agenda Item H-2
May 13, 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

Interim City Manager, Carmen Olazabal

Assistant City Attorney, Bridgette Thornton

City Clerk, Walter J. Foeman

Deputy City Clerk, Billy Urquia

Finance Director, Diana Gomez

Public Speaker(s)

Agenda Item: H-2 [Start: 03:04:27 p.m.]

Mayor Cason: H-2.

Interim City Manager Olazabal: H-2 is a presentation of the quarterly report for the six months ended March 31, 2014. Diana.

Commissioner Quesada: Mr. Mayor, I am going to request in the future when we have long meetings that you bring us lunch.

[laughter]

Finance Director Gomez: Good afternoon, this is a review of the quarterly financial report for the six months ended March 31, 2014, which is the second quarter of the 2014 Fiscal Year. This report compares budget to actual revenues and actual expenditures to total appropriations for each department. If you turn to page three of the report, schedule of revenues budget to actuals.

This report provides comparative data in the same period from the prior year as to whether or not we are on track with the previous year's collections. If you go down to the last line item on page three, you will see that for the first quarter, we received approximately \$104 million in total revenues, compared to \$149 million of budgeted revenues which shows 69 percent overall collection at this time, which is an increase compared to the prior year at this same time. The first item that I will focus on is property taxes, it is our largest revenue source, representing approximately 42 percent of the budget...

Commissioner Quesada: What page are you on?

Finance Director Gomez: Page 3. The total budget for current property taxes is \$66,122,035, which is up slightly from the prior year as of March 31, 2014. We have collected approximately \$59 million or 90 percent of the budget. This amount is slightly higher than those of prior year's collections at the same time, due to timing of receipts from the County. Delinquent property tax collections are down from the prior year, as well as the budget for the current year was reduced. Speaking to the Tax Collector's Office, the total population of delinquent accounts is going down. Additionally, the property appraisers office is settling claims quicker and not getting things to file appeals. Therefore things are getting paid as current property taxes and not making it into the delinquent bucket. In the current year thus far we have not received and distributions for delinquent property taxes, we have only received reverted tax notices into this account, so we are going to continue to monitor this budget and see if any adjustments would be necessary before the end of the year. Other revenues that we focus on during the year are Franchise Taxes and Utility Service Taxes. The Electric Franchise Fee makes up \$4.5 million of the budget and the Electric utility Tax makes up \$5.3 million of the budget, both of which are coming in slightly higher, than the prior year collections. Telecommunications Services Tax makes up \$4.3 million of the budget and to date we have collected \$1.7 million, so 39 percent of the budgeted amount. We have noticed that this revenue is going down slightly, due primarily to reduction in pricing on communication services, because of increased competition in the marketplace and bundling of services. Again we will continue to monitor this line item and adjust the budget accordingly if we deem it necessary. Business licenses make up \$3.3 million of the budget, this is billed at the beginning of the year and the majority of the collections are received in the first quarter. To date, we have received collections of approximately 99 percent. The uncollected balance represents 60 businesses out of 8,811 that have not paid yet. Those businesses if they do not pay, they would send them notices of violations and take them to the Code Enforcement Board and make every effort to get a payment on those. Permits represent about \$6.1 million of the budget, revenue collected through this second quarter are consistent with prior year collections at this date and the budget for permits is based on trends of recurring permit activity. State Revenue Sharing is the City's share of Sales Tax Revenue makes up \$3.4 million of the budget which we

have received in a slight lag from the State, but still in line with collections from the prior year. We anticipate meeting or slightly exceeding the budgeted amounts by the end of the year.

Mayor Cason: We should be getting some more now that Amazon and others are starting to pay internet taxes, so that should probably. We get a piece of that.

Finance Director Gomez: Yes. I would expect so. Fire Assessment collection fees are up slightly from the prior year collections and that is due to the increase in the Fire Fee with the current budget and then other significant budgeted revenues are Physical Environment Fees, which include Solid Waste Services at \$8.4 million, Sanitary Sewer is \$8.6 million, and Stormwater Utility at \$3 million, all of whose collections are coming in on track or better than the prior year at this time. Moving on to page four, schedule of expenditures comparing budget to actuals for all departments through March 31, 2014, total expenditures at the bottom of the line are 42.2 percent of the budget, being that we are half way through the year. We should expect to see expenditures roughly at 50 percent, so we are running below that and that just shows us that we are on track and not exceeding the budget thus far. Obviously when we are reviewing the individual departments and divisions you will see that the majority of them are trending less than 50 percent of their respected budgets. We do hold all departments accountable for their budgets to make sure that they stay inline any overages are discussed with department heads and budgets are adjusted if necessary. The next set of schedules on the report provides details on the City's Enterprise Funds, these funds are counted like a business. The show all of the revenue and expenses of the respected operations, and you know we have the Stormwater Utility Funds, Sanitary Sewer Fund, Venetian Pool, Golf Course, Tennis Center and Parking Funds, and then the next set of schedules is the City's internal service funds which are the motor pool funds and the public facilities funds, and these funds charge the internal City Departments for the expenditures that they incur, and then if you look at the final schedule on the report, it shows the activity for the Transportation and Trolley Fund revenue received from the Transportation and Sales Tax goes 100 percent to fund the City's trolley operations and they are collected on a two to three month lag from the County. So even though we have slow timing in collections, we do anticipate to receive everything by year end, so that is all that I have. I'll be happy to answer any questions you may have.

Commissioner Quesada: Well one thing that jumped out at me, was the permit fees, that is up, so that shows there is a lot of construction going on in the City and I saw that. It is up like \$250,000 something like that. Other than that, it looks good.

Finance Director Gomez: Yes.

Commissioner Keon: I had a question about the Parking Garage Number 3, it is like the only parking garage that has a lost. Where is Parking Garage Number 3? Does anybody know?

[Inaudible]

Commissioner Keon: OK. I just wandered where it was.

Mayor Cason: There is one thing that I would like to bring up. I brought it up last time, is the garbage fees that are uncollected, you have gotten us some statistics to show that 80 percent of those are not abandoned or bank owned properties. In other words that is like \$2.4 million out of something like 803 properties that are not paying those garbage fees, are they still getting garbage service?

Finance Director Gomez: My understanding is that those properties are still receiving garbage services. Yes, the answer would be yes.

Mayor Cason: Have we made an effort to collect this money?

Finance Director Gomez: We are actively collecting on all properties that are delinquent. We are actively collecting by placing liens on the properties and we are seeing a lot of received collections as properties try to transfer ownership, people come in to settle those liens. So we are doing something in order to try to get collections.

Mayor Cason: So we have liens on all of these that have not paid.

Finance Director Gomez: I believe that if the balance is over \$1,000 that is where our efforts on putting liens on the properties has been, so meaning it is more than a year. A year and-a-half, because a year is \$700 roughly, so we wait until it goes over \$1,000 before we put the lien on the property. To give them a little bit of time, but I believe it was \$1,000 we started with the higher balances and then we worked our way down and we are at I believe \$1,000.

Mayor Cason: Can you in the future give a little more granularity on this? I mean it is so much money that it is owed to us, that I would like to see if there is anything else that we can do to induce these people to pay. If it is just a question that they don't want to pay, can't pay, I mean it is a lot of money.

Finance Director Gomez: In term of more details, I do have a listing of all of the properties that have not paid and their balance, I don't know what detail...

Mayor Cason: Let me have those, let me take a look at that.

Finance Director Gomez: OK.

Mayor Cason: Alright. Anything else...We don't need to vote on that...

Finance Director Gomez: No.

Mayor Cason: OK. Thank you very much.

Finance Director Gomez: Thank you.