



MIAMI BEACH

RECEIVED

2013 JUN 17 PM 1:21

OFFICE OF THE CITY MANAGER

NO. LTC # **210-2013**

LETTER TO COMMISSION

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jimmy Morales, City Manager

DATE: June 17, 2013

SUBJECT: ANALYSIS OF BUDGET TO ACTUAL REVENUES AND EXPENSES FOR THE SIX MONTHS ENDING MARCH 31, 2013, WITH OPERATING BUDGET PROJECTIONS THROUGH SEPTEMBER 30, 2013

The purpose of this LTC is to provide the Mayor and Commission with the status of the FY 2012/13 budget and a comparison of actual revenue and expenses reflected at the end of the second quarter with projections through September 30, 2013.

At this stage of projecting the fiscal year end, there are issues still to be determined. The first 6 months of any fiscal year do not provide a definitive indication of where we will be at the end of the year. However, with six full months of data we have an idea of what the issues are. Certain assumptions on both revenue and expenditures were made that are still developing and will be adjusted in later projections. Those assumptions, as well as our continued effort at managing the City's expenditures, will affect our projections going forward.

The FY 2011/12 year-end budget amendment adopted by the City Commission in November, 2012, identified approximately \$1.4 million in encumbrances and set asides for projects budgeted in FY 2011/12 that will instead be spent in FY 2012/13. The FY 2012/13 budget amendment adopted in April, 2013 reflected the carry forward of these unspent funds. Accordingly, the projections presented below are compared to the April budget amendment.

GENERAL FUND

Upon review, it is projected that the General Fund expenditures will exceed revenues by approximately \$2 million, an improvement from the first quarter projection of a \$3.75 million shortfall.

Both the first and second quarter shortfalls are driven by employee givebacks that have not been achieved to date, particularly in the Fraternal Order of Police (FOP) and the International Federation of Fire Fighters (IAFF) bargaining units, as well as accumulated leave payouts related to the previously negotiated changes in the Fire and Police Pension Plan that amended the timeframe for eligibility to purchase prior creditable service. However, the second quarter projection reflects improvement due to salary savings in part due to several high-level positions that were held vacant pending my appointment, as well as the savings resulting from unspent contingency.

General Fund Overview

An analysis of the actual six-month operating revenues and expenditures for the period October 1, 2012 through March 31, 2013, reveals an operating budget surplus of \$60.1 million. While the surplus as of March 31st seems unusual as compared to the projection for the fiscal year ending on September 30th, it should be noted that the City receives a greater percentage of ad valorem taxes during the first two quarters, (historically 80 percent). Ad valorem tax revenues represent approximately 45 percent of total budgeted revenues and represent 59 percent of the revenues received in the first two quarters of the fiscal year.

As of March 31, 2013, total General Fund revenues collected were approximately 61 percent of the amended budget or \$156.4 million. This year, 81 percent of the budgeted property tax revenue was received in the first two quarters, as compared to the historical level of 80 percent as noted above. The remaining 55 percent of revenues are at approximately 33 percent of the adopted budget as of March 31, 2013, as compared to approximately 45 percent in prior years. This is primarily due to interest earning revenues which are reflected as negative \$0.8 million for the first six months. This is due to an accounting reversal of "Unrealized Gains on Investments" which was accounted for at the end of FY 2011/12. This is a non-cash impact, and, if the City's investment status is similar at the end of FY 2012/13 as it was in FY 2011/12, there will be a similar offsetting accounting entry for a net gain/loss of \$0 at year-end. In addition, the actuals do not reflect the budgeted use of prior year carryover. If revenues are adjusted for these items, actuals would be 47 percent of budget

Expenditures are approximately 37 percent of the FY 2012/13 adopted budget, lower than in prior years; however, there are often delays in expenditures in the first half of the fiscal year.

FY 2012/13 Budget				
General Fund	Amended Budget 2013	1/4 of Amended Budget	Actual as of 3/31/13	Variance from 1/4 Amended Budget Over/ (Under)
Revenues	\$ 257,670,000	\$ 64,417,500	\$ 156,352,336	\$ 91,934,836
Expenditures	\$ 257,670,000	\$ 64,417,500	\$ 96,248,752	\$ 31,831,252
Surplus/(Deficit)	\$ -	\$ -	\$ 60,103,584	\$ 60,103,584

General Fund Year-End Projections

The projected year-end operating revenues and expenditures through September 30, 2013, provide a more realistic snapshot of anticipated year-end shortfalls or surpluses at this point in time. Further, while the actual revenues and expenditures presented are as of March 31, 2013, some of the projections have incorporated more recent information, if available.

A summary of preliminary projected General Fund Revenues and Expenditures as of September 30, 2013, is as follows and reflects revenues short of expenditures by approximately \$1.4 million if no additional contingency is spent for the remainder of the year, and \$1.8 million, as explained above, assuming that half of the budgeted contingency is fully expended over the remaining half of the fiscal year.

FY 2012/13 Budget			
General Fund	Amended Budget 2012/13 (April Amendment)	Projected	Variance Projected/ Amended Budget
Revenues	\$ 257,670,000	\$ 258,702,000	\$ 1,032,000
Expenditures*	257,670,000	260,049,000	2,379,000
Surplus/(Deficit)	\$ -	\$ (1,347,000)	\$ (1,347,000)
Operating Contingency		\$ 475,000	475,000
Net surplus (Deficit)		\$ (1,822,000)	\$ (1,822,000)
* Prior to Expenditure of Operating Contingency			

Status of Employee Givebacks

The FY 2012/13 General Fund budget includes nearly \$3 million of General Fund employee givebacks. At the time of budget development, the \$3 million in employee givebacks were allocated across all salary groups proportionate to salaries. Subsequently targets were developed for each salary group proportionate to each group's share of the City's total pension and health costs, since these have been the major cost drivers of personnel costs in recent years. The initial budget assumed merit and step increases for all seven (7) salary groups. However, it was anticipated that a large share of the employee givebacks for FY 2012/13 would be achieved through negotiating merit and step freezes, adherence to the Fair Labor Standards Act (FLSA) for the purposes of calculating overtime, as well as a reduction or elimination of various "extra" pays for those employees covered by the FOP and the IAFF.

The reality is that employees covered by the FOP and the IAFF have not experienced a freeze in their step increases in the last four (4) years, while the American Federation of State, County and Municipal Employees (AFSCME) and the Government Supervisors Association of Florida (GSAF) experienced a freeze on merit increases for two (2) years. Merits for employees covered by GSAF were reinstated effective October 1, 2012 and merits for employees covered by AFSCME have been reinstated effective April 1, 2013; however, the maximum merit increase was reduced from four percent to two percent once reinstated. In comparison, this is the third year of no merit increases for employees covered by the Communication Workers Association (CWA) as it is a "status quo" provision in the CWA collective bargaining agreement. Furthermore, this is the fourth straight year that employees in the "Unclassified" and "Other" salary groups have not received any merit increases. These assumptions are utilized for the projections throughout the remainder of the fiscal year.

The chart below provides a summary of the budgeted employee givebacks by salary group, the target employee givebacks by salary group and the employee givebacks achieved to date, while assuming that there are no changes in any of the collective bargaining agreements throughout the remainder of the fiscal year.

SALARY GROUP	Target	General Fund Budgeted Givebacks	General Fund Givebacks Achieved -- current status	Difference from Budget
AFSCME	\$ 322,000	\$ 119,000	\$ -	\$ (119,000)
CWA	\$ 417,000	\$ 291,000	\$ 183,000	\$ (108,000)
FOP	\$ 1,396,000	\$ 1,342,000	\$ -	\$ (1,342,000)
GSA	\$ 74,000	\$ 32,000	\$ -	\$ (32,000)
IAFF	\$ 900,000	\$ 900,000	\$ -	\$ (900,000)
Unclassified/ Others	\$ 673,000	\$ 499,000	\$ 735,000	\$ 236,000
Total	\$ 3,782,000	\$ 3,183,000	\$ 918,000	\$ (2,265,000)

In addition, other savings have been achieved by senior management positions being held vacant in anticipation of the hiring of a new City Manager. However, both of the budgets for the Fire Department and Police Department are forecasted to be over budget by \$0.7 million and \$1.4 million, respectively.

Accumulated Leave

The accumulated leave payout budget for FY 2012/13 is \$1.9 million and was developed based on experience in the prior year. Expenditures are projected to be \$6.4 million, a difference of \$4.5 million. The most significant portion of this increase was due to an increase in leave used for Fire and Police pension buybacks.

As explained in the FY 2011/12 year-end agenda item and the first quarter LTC, this is primarily driven by the 2010 Fire and Police Pension Plan changes that became effective on June 27, 2012, with the Third District Court of Appeal's unanimous decision that the collective bargaining process set out in the Public Employee Relations Act is the final word on implementing the collective bargaining rights guaranteed by the Florida Constitution. Included in the negotiated pension changes was the ability for a member to exercise their right to buy back prior creditable service upon vesting (ten years of service) compared to the previous pension benefit that provided the ability for a member to buy back prior creditable service upon twenty years of creditable service with the City.

The 225 members that had ten or more years of creditable pension service time as of September 30, 2010, were notified that they have until September 30, 2013, to exercise their right to purchase these buybacks. As a result, there continues to be an influx of members who are exercising this right and purchasing creditable pension service time following the Third District Court of Appeal's decision. The members have until September 30, 2013, to elect this option. The buyback payouts through March 31, 2013, totaled \$2.2 million. Based on eligibility to elect this payout, an additional \$4.2 million is projected before the September 30, 2013, deadline. Given the potential for additional purchases in FY 2012/13, we will continue to closely monitor this over the remainder of year, but thereafter anticipate this to decline to prior year levels.

Medical Insurance

It is important to note that as of the second quarter projection, no additional transfers are projected to the health self-insurance plan.

As of September 2012, the City's benefits consultant, Gallagher Benefit Services, projected a loss for FY 2012/13, with a 12 percent premium increase, of \$309,000. The City's budget for FY 2012/13 assumed a 10 percent increase in the City's share of premium costs. However, premium increases for FY 2012/13 were subsequently deferred pending review of the entire health plan structure by the City's Budget Advisory Committee.

Fortunately, plan expenditures declined significantly during the first quarter of FY 2012/13 as compared to the first quarter of FY 2011/12, and, in fact, claim expenditure per plan member for calendar year 2012 declined overall by 9 percent as compared to calendar year 2011. This trend has continued through the second quarter, with FY 2012/13 YTD claims declining by 13.5 percent to date as compared to FY 2011/12. As of April 2013, Gallagher Benefit Services is projecting premiums slightly in excess of claims for FY 2012/13 if no premium increases are implemented.

General Fund Operating Revenues

For a detail of General Fund Revenues by category, see attached Schedule A.

At this time, we are projecting property tax collections for FY 2012/13 at 95 percent of total property taxes assessed and consistent with the original adopted budget, thereby allowing adjustments for discounts, as well as a level of adjustments due to appeals similar to long-term historical levels. It is important to note that, in the last two (2) years, property tax collections have been significantly below prior year levels due to higher levels of appeals and adjustments. The impact of appeals and adjustments for the FY 2012/13 budget will be provided by the Miami-Dade County Property Appraiser in July.

Overall revenues are projected to be approximately \$1 million above the amended budget, similar to the first quarter projection. However Building Development Process Fee revenues (Licenses and Permits), are projected to exceed the budget by approximately \$2.1 million (almost 11 percent). This increase is projected to be offset by significant declines in Interest Earnings and Communications tax revenues, a continuing trend in recent years.

As in prior years, significant variances to budget in excess of \$300,000 or 10 percent by revenue category are explained below:

Licenses and Permits – This category includes business tax receipts, licenses/building/special use permits, and sidewalk café fee revenues and is projected to be in excess of budget by \$2.1 million (11 percent above the amended budget) primarily due to increases in Building Development Process Revenues, reflecting continuing improvement in the economy.

Interest Earnings – This category is projected to be in below budget by \$0.5 million (approximately 18 percent below the amended budget).

General Fund Operating Expenditures

As of March 31, 2013, actual expenditures were approximately 37 percent of budget or \$60 million. Year-end projections through September 30, 2013, indicate that expenditures will be \$260 million, approximately \$2.9 million (1 percent) over the amended budget, assuming that three quarters of the contingency is spent over the remaining three quarters of the year.

Citywide Accounts are projected to be above budget by approximately \$3.9 million due to leave liability payouts (driven by an influx of Fire and Police Pension Plan buybacks) projected to be above budget by approximately \$4.5 million, as explained above. This is offset by small savings in various accounts.

A comparison of actual and projected expenditures to budget by Department is provided in Schedule A. The other major drivers of expenditures above budget are the Fire and Police departments, as explained previously. However, as in prior years, Departments with significant variances to budget in excess of \$300,000 or 10 percent are explained below:

Office and Budget and Performance Improvement (OBPI) – In part due to the additional employee givebacks from Unclassified employees as explained above, but also due to a number of vacancies, including the Director, the OBPI is projected to be approximately \$287,000 below the amended budget (approximately 13 percent).

	Amended Budget 2012/13 (April Amendment)	Projected	Variance Projected/ Amended Budget
OBPI			
Expenditures	2,160,000	1,873,000	(287,000)

Real Estate Housing and Community Development (REHCD) – In part due to the additional employee givebacks from Unclassified employees as explained above, REHCD is projected to be approximately \$209,000 below the amended budget (approximately 20 percent).

	Amended Budget 2012/13 (April Amendment)	Projected	Variance Projected/ Amended Budget
REHCD			
Expenditures	1,048,000	839,000	(209,000)

Planning – In part due to the additional employee givebacks from Unclassified employees as explained above, but also due to a number of vacancies, including the Planning Director, the Planning Department is projected to be approximately \$398,000 below budget (approximately 12 percent).

Planning	Amended Budget 2012/13 (April Amendment)	Projected	Variance Projected/ Amended Budget
Expenditures	3,419,000	3,021,000	(398,000)

Fire - The Fire Department is projected to be approximately \$700,000 above the amended budget (approximately one (1) percent above the amended budget). In addition to the \$1 million in budgeted employee givebacks that have not been achieved to date, overtime is projected to be \$196,000 over budget. Overtime is projected to be above budget in Ocean Rescue by \$282,000 due to difficulties in hiring temporary and part-time positions, while the remainder of the Department is projected to be under budget. It is important to note that while the additional three (3) Firefighters hired as part of a pilot program to reduce weekend overtime have yet to be deployed on a weekend specific shift, the overtime is reduced in part due to the fact that the Department hired additional positions for the last class in anticipation of Fire Department employees that will be separating from the City this year. An LTC regarding projected overtime in the Fire Department for FY 2012/13 will be provided under separate cover.

Fire	Amended Budget 2012/13 (April Amendment)	Projected	Variance Projected/ Amended Budget
Expenditures	62,263,000	62,963,000	700,000

Police – The Police Department is projected to be approximately \$1,410,000 above the amended budget (approximately 2 percent above the amended budget). In addition to the \$1.4 million in budgeted employee givebacks that have not been achieved to date, overtime is projected to be \$537,000 over budget as shown on Schedule B. The primary driver represented on Schedule B for the overtime above budget is identified as “manpower shortage”. The Department has been working to significantly reduce the number of vacancies during the current fiscal year and continues to deploy newly-hired officers as they complete their post-academy orientation and field training required for all new officers. The Police Chief is aware of the projection and has been instructed to take the necessary actions to ensure that overtime is brought closer in line with budget.

Police	Proposed Amended Budget 2012/13 (April Amendment)	Projected	Variance Projected/ Amended Budget
Expenditures	94,970,000	96,380,000	1,410,000

ENTERPRISE FUNDS

The City accounts for proprietary operations in Enterprise Funds. Convention Center, Parking, Sanitation, Sewer, Stormwater, and Water are included in this grouping. The expenditures for these funds are budgeted to be fully offset by charges for services.

An analysis of the actual six-month operating expenditures for the period October 1, 2012 through March 31, 2013, reveals that all funds except Sewer and Convention Center have expenditures less than one-half of their budget. However, this is not representative, as there is often a lag in expenditures, particularly related to those billed by outside entities. Sewer has expenditures in the first six months in excess of one-half of their budget, primarily as 78 percent of the annual debt service payment was incurred in the half.

ENTERPRISE FUNDS	Sanitation	Sewer	Stormwater	Water	Parking	Convention Center
Budget Amendment (April 2013)	17,328,000	37,730,000	11,984,000	34,684,000	47,702,000	12,702,000
1/2 Amended Budget	8,664,000	18,865,000	5,992,000	17,342,000	23,851,000	6,351,000
Expenditures as of 3/31/13	6,494,150	19,196,221	5,807,608	14,274,118	18,502,710	7,010,245
Expenditure Above/(below) 1/2 of Amended Budget	(2,169,850)	331,221	(184,392)	(3,067,882)	(5,348,290)	659,245

The projected year-end operating revenues and expenditures through September 30, 2013, is, however, a more realistic snapshot of anticipated surplus or shortfall at this point in time. In addition, while the actual revenues and expenditures presented are as of March 31, 2013, the projections have incorporated more recent information, as available.

As represented below, for all funds, revenues are projected to be equivalent or in excess of expenditures. Further, while Convention Center is projected to be over budget, this is primarily due to expenditures related to the Convention Center Development project, some of which may be reimbursed by the Miami-Dade County General Obligation Bond.

The Convention Center is projected to have a shortfall of approximately \$0.4 million and be over budget by approximately \$0.8 million. This is primarily due to an increase in the number of events, which is offset by revenues being projected over budget. In addition, electrical expenditures are projected to be above budget, indicating that budgeted savings from the Amaresco energy savings initiative are not being realized. This is partially offset by increased revenues. Public Works Department staff has been directed to work with Amaresco to address this issue.

	Sanitation	Sewer	Stormwater	Water	Parking	Convention Center
REVENUES						
Projected Revenues						
Charges for Service	\$ 12,308,000	\$ 35,552,000	\$ 11,619,000	\$ 32,267,000	36,598,000	9,155,000
Other	\$ 4,780,760	\$ 3,470,000	782,000	\$ 2,478,000	\$ 11,481,000	5,750,000
Total Projection	\$ 17,088,760	\$ 39,022,000	\$ 12,401,000	\$ 34,745,000	\$ 48,079,000	\$14,905,000
EXPENDITURES						
Projected Expenditures	\$ 17,082,227	\$ 37,431,000	\$ 11,748,000	\$ 31,792,000	\$ 47,095,300	\$13,542,000
Surplus/(Shortfall)	\$ 6,533	\$ 1,591,000	\$ 653,000	\$ 2,953,000	\$ 983,700	\$ 1,363,000
Variance from Expenditure Amended Budget	\$ (245,773)	\$ (299,000)	\$ (236,000)	\$ (2,892,000)	\$ (606,700)	\$ 840,000

In addition, despite expenditures being close to budget, Parking is anticipated to have a surplus of \$1 million due to increased revenues. Together with the \$4.8 million budgeted to be used to increase reserves, this should provide year-end available cash balance funding towards the annual transfer of \$7.2 million to the General Fund in FY 2013/14, the same level as budgeted for FY 2012/13.

INTERNAL SERVICE FUNDS

The City accounts for those goods and services provided by one Department to other Departments citywide on a cost reimbursement basis. Central Services, Fleet Management, Information Technology, Property Management, and Risk Management (Self Insurance) are included in this grouping.

An analysis of the actual six-month operating expenditures for the period October 1, 2012 through March 31, 2013, reveals that all funds have expenditures less than one-half of the Amended Budget, except Central Services which is slightly above budget. However, as with Enterprise Funds, this is not representative since there is often a lag in expenditures, particularly related to those billed by outside entities. In Risk Management, there is a significant lag in expenditure.

INTERNAL SERVICE FUNDS	CENTRAL SERVICES	FLEET MGT	INFORMATION TECHNOLOGY	PROPERTY MGT	RISK MGT
Adopted Budget	\$ 906,000	\$ 9,700,000	\$ 16,366,000	\$ 8,862,000	\$ 23,494,000
Amended Budget (April 2013)	\$ 906,000	\$ 9,723,000	\$ 16,656,000	\$ 9,004,000	\$ 23,500,000
1/2 of Amended Budget	\$ 453,000	\$ 4,861,500	\$ 8,328,000	\$ 4,502,000	\$ 11,750,000
Expenditures as of 3/31/13	\$ 465,612	\$ 2,836,348	\$ 6,026,638	\$ 3,124,712	\$ 9,045,695
Expenditure Above/(Below) 1/2 of Amended Budget	\$ 12,612	\$ (2,025,152)	\$ (2,301,362)	\$ (1,377,288)	\$ (2,704,305)

Based on the more realistic projection of year-end operating revenues and expenditures through September 30, 2013, and incorporating more recent information as available, all Internal Service Funds, are expected to have revenues equal to or in excess of expenditures and be within budget.

	CENTRAL SERVICES	FLEET MGT	INFORMATION TECHNOLOGY	PROPERTY MGT	RISK MGT
REVENUES					
Projected Revenues					
Charges for Service	1,098,740	9,205,000	14,604,000	8,554,000	23,166,000
Other	2,260	486,000	1,939,000	292,000	171,000
Total Projected Revenues	\$ 1,101,000	\$ 9,691,000	\$ 16,543,000	\$ 8,846,000	\$ 23,337,000
EXPENDITURES					
Projected Expenditures					
	\$ 906,000	\$ 9,542,000	\$ 16,493,000	\$ 8,846,000	\$ 23,285,000
Surplus/(Shortfall)	\$ 195,000	\$ 149,000	\$ 50,000	\$ -	\$ 52,000
Variance from Expenditure Amended Budget	\$ -	\$ (181,000)	\$ (163,000)	\$ (158,000)	\$ (215,000)

RESORT TAX FUND

The City's Resort Tax Fund is primarily supported by Resort 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 tourist 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, Art Basel, and various concerts.

The 2 percent Resort Tax Fund operating revenues are projected to be in excess of budget by approximately \$2.1 million and, as a result, payments to the Visitor's Convention Authority (VCA), which are based on a percent of revenues, are projected to exceed budget. In addition, savings are projected in salaries due to staff turnover and the use of contingency is projected to be below budget.

In addition to the uses listed above, the proceeds of the additional one percent (1 percent) tax are used as follows: Fifty percent of the amount earned is committed to the payment of a portion of the debt service on the Miami Beach Redevelopment Agency City Center Bonds. The remaining fifty percent is allocated equally among North Beach, Middle Beach and South Beach for capital projects that enhance Miami Beach's tourist related areas and various arts and cultural programs. The 1 percent Resort Tax Fund operating revenues are projected to be in excess of budget by approximately \$1.4 million and, as a result, the debt service and transfers to North Beach, Middle Beach, and South Beach for capital projects and the transfers to the arts and cultural programs are projected to exceed budget as represented below.

In total, the projected revenues are estimated to be in excess of budget by \$3.5 million and expenditures in excess of budget by approximately \$1.2 million for the reasons described above. This results in a net operating surplus of approximately \$2.3 million for the 1 percent and 2 percent Resort Tax revenues and expenditures, combined.

RESORT TAX FUND						
	FY 2012/13 Adopted Budget	FY 2012/13 Amendment	FY 2012/13 Amended	3/31/13 Actual	FY 2012/13 Projection	Over/ (Under)
Revenues						
2% Resort Tax	\$ 44,132,000		\$ 44,132,000	\$ 20,362,890	\$ 46,259,000	\$ 2,127,000
1% Resort Tax	9,368,000		9,368,000	4,939,848	10,773,000	1,405,000
Other Revenues	754,000		754,000	669,352	724,000	(30,000)
Total Revenue	\$ 54,254,000	\$ 0	\$ 54,254,000	\$ 25,972,090	\$ 57,756,000	\$ 3,502,000
Expenditures						
General Fund Contribution	\$ 30,965,000		\$ 30,965,000	\$ 15,482,500	\$ 30,965,000	\$ 0
Other Operating/Other Uses	4,548,079		4,548,079	577,438	4,489,000	(59,079)
Contributions to VCA and GMCVB	7,427,361		7,427,361	5,420,762	7,530,000	102,639
Marketing	248,000		248,000	2,932	248,000	0
Contingency	482,241		482,241	0	242,000	(240,241)
2% Debt Service	1,215,319		1,215,319	0	1,216,000	681
1% Debt Service	4,684,000		4,684,000	2,469,924	5,387,000	703,000
Transfer to Capital and the Arts (1%)	4,684,000		4,684,000	2,469,924	5,387,000	703,000
Total Expenditure	\$ 54,254,000	\$ 0	\$ 54,254,000	\$ 26,423,480	\$ 55,464,000	\$ 1,210,000
Surplus/(Deficit)	\$ (0)	\$ 0	\$ (0)	\$ (451,390)	\$ 2,292,000	\$ 2,292,000

CONCLUSION

This analysis of budget to actual operating revenues and expenses with projections through September 30, 2013, provides the status of the FY 2012/13 Adopted Budget for the first six months of the fiscal year. The Administration will continue to monitor revenues and expenses, as well as, the progress of contract negotiations with the City's five (5) collective bargaining units throughout the fiscal year and resulting impacts on the FY 2012/13 budget.

LTC - Analysis Of Budget To Actual Revenues And Expenses For The Six Months Ending March 31, 2013, With Operating Budget Projections Through September 30, 2013
Page 12 of 13

SCHEDULE A

CITY OF MIAMI BEACH							
FY 2012/13 GENERAL FUND PROJECTIONS							
Quarter 2							
	FY 2012/13 Adopted Budget	FY 2012/13 Amended Budget	Actuals as of Mar. 31, 2013	% Actual of FY13 Amended Budget	FY 2012/13 Projection as of Quarter 2	Over/ (Under) Amended Budget As of Quarter 2	% Over/ (Under) Amended Budget
REVENUES							
Ad Valorem Taxes	\$ 102,171,000	\$ 102,171,000	\$ 82,728,552	81%	\$ 102,171,000	0	0.0%
Ad Valorem Taxes-S Pte Costs	10,296,000	10,296,000	8,336,741	81%	10,296,000	0	0.0%
Ad Valorem Cap.Renewal & Replace.	1,850,000	1,850,000	1,497,958	81%	1,850,000	0	0.0%
Ad Valorem Taxes-Norm Shores	129,000	129,000	104,452	81%	129,000	0	0.0%
Other Taxes	24,023,000	24,023,000	7,827,492	33%	23,459,000	(564,000)	-2.3%
Licenses and Permits	20,033,000	20,033,000	13,564,812	68%	22,169,575	2,136,575	10.7%
Intergovernmental	9,827,000	9,827,000	4,165,227	42%	9,904,000	77,000	0.8%
Charges for Services	4,689,000	4,689,000	2,162,521	46%	4,721,500	32,500	0.7%
Golf Courses	5,979,000	5,979,000	3,313,322	55%	5,856,000	(123,000)	-2.1%
Fines and Forfeits	2,199,000	2,199,000	1,340,503	61%	2,344,800	145,800	6.6%
Interest	2,983,000	2,983,000	1,259,121	42%	2,459,000	(524,000)	-17.6%
Unrealized Gains/ (Losses)- Investment	0	0	(2,095,968)	0%	-	0	0.0%
Rents and Leases	6,464,000	6,464,000	4,404,450	68%	6,374,628	(89,372)	-1.4%
Miscellaneous	9,620,000	9,620,000	4,119,469	43%	9,560,640	(59,360)	-0.6%
Other - Resort Tax contribution	30,965,000	30,965,000	15,482,500	50%	30,965,000	0	0.0%
Other - Non Operating revenues	10,742,000	10,742,000	4,266,184	40%	10,742,000	0	0.0%
Reserve-Building Department Ops.	1,500,000	1,500,000	0	0%	1,500,000	0	0.0%
Prior Year-End Carryover	3,400,000	4,790,000	0	0%	4,790,000	0	0.0%
Prior Yr Surplus from Parking Oper Fd	7,200,000	7,200,000	3,875,000	54%	7,200,000	0	0.0%
Prior Yr Set Aside for Pension Credit	2,210,000	2,210,000	0	0%	2,210,000	0	0.0%
TOTAL REVENUES	\$ 256,280,000	\$ 257,670,000	\$ 156,352,336	61%	\$ 258,702,143	\$ 1,032,143	0.4%
Unrealized Gains/ (Losses)- Investment			2,095,967.80				
Total Net of Unrealized Gains/ (Losses)	\$ 256,280,000	\$ 257,670,000	\$ 158,448,303	61%	\$ 258,702,143	\$ 1,032,143	0.4%
EXPENDITURES							
Mayor and Commission	1,648,000	1,648,000	699,831	42%	1,641,000	(7,000)	-0.42%
City Manager	2,313,000	2,745,000	1,244,000	45%	2,682,000	(63,000)	-2.30%
Communications	893,000	893,000	341,612	38%	845,000	(48,000)	-5.38%
City Clerk	1,505,000	1,505,000	529,529	35%	1,403,000	(102,000)	-6.78%
Finance	4,426,000	4,426,000	1,509,283	34%	4,344,000	(82,000)	-1.9%
Office of Budget & Perf Improve.	2,160,000	2,160,000	700,774	32%	1,873,000	(287,000)	-13.3%
Human Resources/Labor Relations	1,827,000	1,827,000	637,517	35%	1,661,000	(166,000)	-9.1%
Procurement	1,063,000	1,068,000	432,385	40%	998,000	(70,000)	-6.6%
City Attorney	4,318,000	4,318,000	1,824,181	42%	4,450,000	132,000	3.1%
Real Estate, Housing & Comm Dev	1,048,000	1,048,000	337,276	32%	839,000	(209,000)	-19.9%
Community Services	460,000	460,000	187,269	41%	491,000	31,000	6.7%
Homeless Services	990,000	990,000	374,564	38%	1,002,000	12,000	1.2%
Building	10,985,000	11,072,000	4,368,740	39%	10,896,000	(176,000)	-1.6%
Code Compliance	4,647,000	4,647,000	1,787,891	38%	4,422,000	(225,000)	-4.8%
Planning	3,419,000	3,419,000	1,214,614	36%	3,021,000	(398,000)	-11.6%
Tourism & Cultural Development	2,503,000	2,503,000	768,839	31%	2,395,000	(108,000)	-4.3%
Parks and Recreation	22,153,000	22,179,000	8,660,371	39%	22,064,000	(115,000)	-0.5%
Golf Courses	6,619,000	6,619,000	3,179,382	48%	6,424,000	(195,000)	-2.9%
Public Works	6,548,000	6,688,000	2,607,941	39%	6,500,000	(188,000)	-2.8%
Capital Improvement Program	4,841,000	4,858,000	1,580,315	33%	4,478,000	(380,000)	-7.8%
Fire	62,242,000	62,263,000	20,997,306	34%	62,963,000	700,000	1.1%
Police	94,963,000	94,970,000	36,433,085	38%	96,380,000	1,410,000	1.5%
Citywide Accounts	8,817,535	9,467,535	5,809,807	61%	13,372,000	3,904,465	41.2%
Citywide Acc-Operating Contingency	1,000,000	1,000,000	0	0%	-	(1,000,000)	-100.0%
Citywide Accounts-Normandy Shore	187,292	187,292	0	0%	196,000	8,708	4.6%
Citywide Accounts-Transfers	2,014,173	2,019,173	22,240	1%	2,019,000	(173)	0.0%
Reserve-Future Budget Shortfalls	831,000	831,000	0	0%	831,000	0	0.0%
Capital Renewal & Replacement	1,859,000	1,859,000	0	0%	1,859,000	0	0.0%
Reserve - Carryforward Pension Credit Surplus	-	-	0	0%	-	0	0.0%
TOTAL EXPENDITURES	\$ 256,280,000	\$ 257,670,000	\$ 96,248,752	37%	\$ 260,049,000	\$ 2,379,000	0.9%
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	\$ (0)	\$ 0	\$ 62,199,552		\$ (1,346,857)	\$ (1,346,858)	
Citywide Acc-Operating Contingency	0	0			476,000	476,000	47.6%
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES (NET OF OPERATING CONTINGENCY)	\$ (0)	\$ 0	\$ 62,199,552		\$ (1,822,857)	\$ (1,822,858)	

SCHEDULE B

POLICE OVERTIME FY13 PROJECTION - EXCLUDING REIMBURSABLES BY NON CITY ENTITIES								
	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Adopted Budget	3/24/13 Actual	FY13 Projection	FY13 Variance	% Variance
South Pointe Spring Break	0	92,203	121,067	100,000	0	0	-100,000	-100%
South Pointe Other	72,241	69,018	137,375	100,000	126,966	238,899	138,899	139%
City Center	174,814	350,461	452,475	450,000	125,616	356,917	-93,083	-21%
Crime Investigations	987,957	920,087	979,973	899,366	348,498	724,876	-174,490	-19%
Manpower Shortage	921,943	829,267	1,350,536	866,000	635,718	1,318,878	452,878	52%
General Fund Regular	373,194	403,311	621,555	379,000	317,590	550,529	171,529	45%
NRO Homeless	519	10,007	45,928	10,000	24,682	43,884	33,884	339%
Spring Break	0	561,042	726,401	750,000	581,242	750,000	0	0%
Other Special Events (including Spring Break and New Year's Eve prior to FY 2010/11 and New Year's Eve prior to FY 2011/12)	871,475	419,391	635,138	150,000	325,037	488,039	338,039	225%
Memorial Day	0	857,044	954,704	916,000	0	954,704	38,704	4%
New Year's Eve (Previously budgeted under Misc. Special Events)	44,671	159,817	0	105,000	106,829	106,829	1,829	2%
Misc. Special Events	0	0	0	100,000	0	50,000	-50,000	-50%
Chargebacks to Sanitation/Parks/E911/Parking	580,464	401,699	160,917	160,000	67,912	162,804	2,804	2%
Other	166,986	303,908	116,475	-258,000	201,217	305,849	563,849	-219%
Sub-Total	\$4,194,264	\$5,377,256	\$6,302,546	\$4,727,365	\$2,861,306	\$6,052,207	\$1,324,841	
TOTAL OVERTIME								
	4,194,264	5,377,256	6,302,546	5,271,000	2,861,306	6,052,207	781,207	15%
RDA-City Ctr	174,814	350,461	452,475	450,000	125,616	356,937	-93,063	-21%
Spring Break	0	653,245	693,705	850,000	581,242	871,067	21,067	2%
Memorial Day	0	0	954,704	916,000	0	954,704	38,704	4%
New Year's Eve (Previously budgeted under Misc. Special Events)	0	891	104,782	105,000	106,829	106,829	1,829	2%
Parking	148,618	110,304	313	0	0	0	0	0%
Other Reimbursables	0	0	-1,734	0	272,866	272,866	272,866	100%
Sanitation	31,256	30,429	26,916	30,000	4,064	30,000	0	0%
Net GF	3,839,576	4,231,925	4,071,385	2,920,000	1,770,690	3,459,805	539,805	18%
E-911	399,905	259,066	133,688	130,000	63,848	132,804	2,804	2%
Memorial Day prior to FY 12	0	857,044	0	0	0	0	0	0%
Parks	0	1,009	2,472	0	0	0	0	0%
Police GF	3,439,671	3,114,806	3,935,224	2,790,000	1,706,842	3,327,000	537,000	19%