



FY 2018 BUDGET REPORT

THIRD QUARTER ANALYSIS OF BUDGET COMPARED TO ACTUAL REVENUES AND EXPENDITURES FOR THE PERIOD BEGINNING OCTOBER 1, 2017 AND ENDING JUNE 30, 2018 WITH PROJECTIONS THROUGH SEPTEMBER 30, 2018

The purpose of this summary is to provide the Mayor and City Commission with the status of the FY 2018 budget relative to actual revenue and expenditures through the third quarter of the fiscal year and operating projections through September 30, 2018. At this point, with nine months of data, we have more clarity of what any potential issues may be. It should be noted that this is a preliminary projection that will be updated after year-end numbers are available after the close of the fiscal year.

GENERAL FUND OVERVIEW

An analysis of the General Fund actual nine-month operating revenues and expenditures for the period October 1, 2017 through June 30, 2018 (third quarter) indicates an estimated operating budget surplus of \$10,506,814 compared to \$5,283,323 at the end of the second quarter. Revenues are projected to be over budget by \$8.1 million and expenditures are projected to be under budget by \$2.4 million. As of June 30, 2018, revenues collected are \$206.5 million or 79 percent of budget. Expenditures are \$178.4 million or 68 percent of budget, however, there are often delays in expenditures until the close-out of the fiscal year.

It should be noted that the City receives a greater percentage of ad valorem taxes during the first three quarters (historically 90-99 percent) of the fiscal year. Ad valorem tax revenues represent approximately 42 percent of total budgeted revenues and represent 53 percent of the revenues received through the third quarter of the fiscal year.

GENERAL FUND YEAR END PROJECTION					
	FY 2018 Revised Budget	FY 2018 Q3 Actual	FY 2018 Year-End Projection	Variance	% Over/(Under) Revised Budget
Revenues	261,559,264	206,450,462	269,625,947	8,066,683	3.1%
Expenditures	261,559,264	178,398,135	259,119,134	(2,440,130)	-0.9%
Projected Surplus / (Deficit)	0	28,052,327	10,506,814		

Of the \$10.5 million projected surplus, approximately \$3.9 million is related to Building Permits and associated revenues and it is required per Florida Statutes to be allocated for building related expenditures. The remaining surplus available to the City for general use is \$6.6 million of which \$3.2 million is being used for one-time expenditures in the FY 2019 operating budget and \$3 million is proposed to be set aside for pension restoration. Additionally, in recent years, the City has dedicated projected operating surplus to maintaining the 17 percent operating reserve requirement in the next fiscal year and it is Staff's recommendation to set aside any remaining surplus for this purpose.

General Fund Operating Revenues

At the end of the third quarter of FY 2018, \$185 million or 78.9 percent of budgeted revenues have been

collected. Property Tax revenues represent approximately 42 percent of total budgeted revenues and represent 53 percent of the revenues received through the third quarter of the fiscal year. This occurs since the majority of ad valorem taxes are collected during the first half of the year. Overall, revenues are projected to be approximately \$8,066,683 above the revised budget.

GENERAL FUND REVENUE PROJECTIONS (as of June 30, 2018)							
Revenues	FY 2017 Actual	FY 2018 Revised Budget	FY 2017 Q3	FY 2018 Q3	FY 2018 Year-End Projection	Favorable/ (Unfavorable) Variance	% Over/(Under) Revised Budget
Property Taxes	95,054,038	109,045,852	94,884,057	108,659,224	108,659,224	(386,628)	-0.4%
Utilities Service Taxes	20,628,990	20,129,955	14,863,949	15,375,856	19,919,097	(210,858)	-1.0%
Franchise Fees	12,725,906	11,615,000	8,484,205	8,934,869	12,507,387	892,387	7.7%
Licenses & Permits	7,972,936	7,792,701	6,574,645	8,457,651	10,339,492	2,546,791	32.7%
Intergovernmental	17,150,045	15,921,215	13,122,268	14,352,383	17,776,905	1,855,690	11.7%
Charges For Services	38,507,309	37,988,881	33,615,688	35,190,219	38,821,177	832,296	2.2%
Other Charges For Services	8,319,707	7,634,273	6,831,079	8,004,645	9,224,429	1,590,156	20.8%
Miscellaneous & Other	2,338,729	2,021,010	1,697,434	2,029,646	2,397,618	376,608	18.6%
Interest	390,535	130,000	299,788	613,216	639,011	509,011	391.5%
Transfers/Other	9,546,197	9,731,285	4,737,098	4,832,753	9,792,517	61,232	0.6%
Fund Balance		39,549,092	0	0	39,549,092	0	0.0%
TOTAL	212,634,393	261,559,264	185,110,210	206,450,462	269,625,947	8,066,683	3.1%

General Fund Operating Expenditures

Year-end projections through September 30, 2018, indicate that citywide expenditures will be about \$259 million or \$2,440,130 under the revised budget.

GENERAL FUND EXPENDITURE PROJECTIONS (as of June 30, 2018)							
Departments	FY 2018 Revised Budget	FY 2018 Q3 Actual	FY 2018 Budget Remaining	FY 2018 Year-End Projection	Favorable/ (Unfavorable) Variance	% Over/(Under) Revised Budget	
City Commission	1,443,920	1,099,644	344,276	1,437,055	6,865	0.5%	
City Manager	2,274,986	1,561,318	713,668	1,991,533	283,453	12.5%	
Intergovernmental Affairs	3,399,983	2,500,001	899,982	3,397,173	2,810	0.1%	
City Attorney	775,836	559,004	216,832	765,974	9,862	1.3%	
City Clerk	434,747	237,696	197,051	364,965	69,782	16.1%	
Procurement Services	2,699,403	979,627	1,719,776	2,685,274	14,129	0.5%	
Financial Services	6,720,678	5,043,948	1,676,730	6,478,781	241,897	3.6%	
Development Services	11,248,732	8,124,171	3,124,561	10,766,637	482,095	4.3%	
CMED - Economic Development	865,069	524,137	340,932	788,150	76,919	8.9%	
Police	80,201,739	62,885,624	17,316,115	79,145,232	1,056,507	1.3%	
Fire-Rescue & Beach Safety	58,475,312	46,549,300	11,926,012	58,466,775	8,537	0.0%	
Human Resources/ Labor	1,791,655	1,240,561	551,094	1,763,921	27,734	1.5%	
Parks, Recreation & Cultural Arts	10,957,544	7,596,571	3,360,974	10,708,836	248,708	2.3%	
Public Works	15,979,960	12,027,537	3,952,423	16,091,101	(111,141)	-0.7%	
Non Departmental	32,401,784	27,468,997	4,932,787	32,379,811	21,973	0.1%	
Fund Balance Reserve	31,887,916	0	31,887,916	31,887,916	0	0.0%	
TOTAL	261,559,264	178,398,135	83,161,129	259,119,134	2,440,130	0.9%	

Current issues being monitored include: pending FEMA reimbursements for Hurricane Irma, pending outcome of outstanding pension issues, and union negotiations.

INTERNAL SERVICE AND SELF INSURANCE FUNDS OVERVIEW

The cost of providing centralized services by the Internal Service and Self Insurance funds are allocated to other Departments for a full cost reimbursement. The goods and services provided by Fleet Management, Information Technology, Records and Archives, Communications and Marketing, Benefits Administration and Risk Management are included in this grouping.

INTERNAL SERVICES AND SELF INSURANCE FUND EXPENDITURE PROJECTIONS (as of June 30, 2018)						
	FY 2018 Revised Budget	FY 2018 Q3 Actual	FY 2018 Budget Remaining	FY 2018 Year-End Projection	Favorable/ (Unfavorable) Variance	% Over/(Under) Revised Budget
Internal Services Fund						
Information Technology	9,490,997	6,785,041	2,705,956	9,486,886	4,111	0.0%
City Clerk	577,280	359,077	218,203	562,850	14,430	2.5%
CMED - Public Affairs	1,550,700	985,559	565,141	1,534,668	16,032	1.0%
Public Works	7,792,912	4,502,782	3,290,130	7,706,307	86,605	1.1%
TOTAL	19,411,889	12,632,459	6,779,430	19,290,711	121,178	
Self Insurance Fund						
Human Resources	44,613,272	30,746,905	13,866,367	44,595,613	17,659	0.0%
TOTAL	44,613,272	30,746,905	13,866,367	44,595,613	17,659	

An analysis of the actual nine-month operating expenditures for the period ending June 30, 2018, indicates that both the internal services and the self-insurance funds are expected to end the year slightly under budget.

ENTERPRISE FUNDS OVERVIEW

Enterprise funds are used to account for the City's ongoing activities that are similar to those found in the private sector. Parking, Sanitation, Water and Sewer, Stormwater, Golf and Records Preservation are included in this grouping.

ENTERPRISE FUND EXPENDITURE PROJECTIONS (as of June 30, 2018)						
	FY 2018 Revised Budget	FY 2018 Q3 Actual	FY 2018 Budget Remaining	FY 2018 Year-End Projection	Favorable/ (Unfavorable) Variance	% Over/(Under) Revised Budget
Water & Sewer Fund	95,657,646	68,582,264	27,075,382	94,564,285	1,093,361	1.1%
Stormwater Fund	3,022,510	2,030,836	991,674	2,935,927	86,583	2.9%
Golf Enterprise Fund	1,606,149	1,252,868	353,281	1,877,582	(271,433)	-16.9%
Sanitation Fund	14,053,427	9,356,221	4,697,206	13,851,390	202,037	1.4%
Parking Enterprise Fund	7,906,860	5,267,450	2,639,410	7,751,961	154,899	2.0%
Records Preservation Fund	41,751	33,002	8,749	40,839	912	2.2%
TOTAL	122,288,343	86,522,640	35,765,703	121,021,984	1,266,359	

An analysis of the actual nine-month operating expenditures for the period ending June 30, 2018, indicates that all enterprise funds, with the exception of the Golf Enterprise Fund, are expected to operate

within their adopted budget. The Golf Enterprise Fund is projected to close the fiscal year with a \$270,000 deficit primarily due to lower than expected revenue collection.

CONCLUSION

This analysis of budget to actual operating revenues and expenses with projections through September 30, 2018 provides the status of the FY 2018 Budget for nine months of the fiscal year. Based on preliminary projections, the General Fund is anticipated to have a \$10.5 million surplus at year-end. At this time, all other funds are projected to break even or have surpluses, with the exception of the Golf Enterprise Fund which is projected to close the fiscal year with a deficit of \$270,000. This deficit is typically subsidized by the General Fund.