



# ***City of North Miami Beach, Florida***

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## **MEMORANDUM**

**TO:** Honorable Mayor and City Commission  
**FROM:** Tarik Rahmani, Chief Financial Officer  
**DATE:** May 20, 2025  
**CC** Mario Diaz, City Manager  
**RE:** Second Quarter Fiscal Year 2025 Report (Quarter ending March 31, 2025)

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I am pleased to present the Second Quarter Financial Performance report for Fiscal Year (FY) 2024–2025. This memorandum provides a summary of the City of North Miami Beach’s revenue and expenditure results for the quarter ending March 31, 2025, covering all City funds. The report compares year-to-date actual revenues and expenses to the Adopted FY 2024–2025 Budget (totaling approximately \$212.37 million citywide) and offers context for significant variances. The goal is to keep you informed of our mid-year fiscal status and to explain the key drivers behind our financial performance in a clear and transparent manner. Please note that all figures herein are preliminary, unaudited, and reported on a cash basis. Mid-year results are subject to timing differences and seasonal patterns, so these variances may not reflect final year-end trends.

The Finance department will continue to partner with the City Manager’s Office and the department staff to closely monitor changes as they occur to ensure the City’s continued financial stability.

### **Citywide Financial Summary**

As of March 31, 2025, the City of North Miami Beach’s overall financial position is positive. Across all funds, year-to-date expenditures remain well below budget, outpacing the shortfall in revenues and resulting in a net surplus. In aggregate, the City’s actual revenues through the second quarter are about \$105 million or 49.6% of budget.

**Table (1):** Mid-Year Revenue Status by Major Fund – FY 2024-25 (Through March 31, 2025)

<b>Fund</b>	<b>Adopted Budget</b>	<b>Actuals</b>	<b>% Budget Collected</b>
General Fund	\$79,902,236	\$43,682,238	54.7 %
Water Operational Fund	\$45,377,168	\$19,053,892	42.0 %
Sewer Operational Fund	\$15,964,128	\$4,729,430	29.6 %
Community Redevelopment Fund	\$12,084,983	\$2,642,765	21.9 %
Building Permit Fund	\$5,890,159	\$1,542,246	26.2 %
All Other Funds	\$53,150,972	\$33,675,323	63.4 %
<b>Citywide Total</b>	<b>\$212,369,646</b>	<b>\$105,325,894</b>	<b>49.6 %</b>

A few quick observations for context:

- **Mid-year target.** Because we are halfway through the fiscal year, a simple benchmark is 50 percent collection. Citywide we are just below that mark at 49.6 percent, which is reasonable.
- **Timing matters.** Large internal transfers and certain fee collections (especially in the Water, Sewer, and Building Permit funds) land in the second half of the year, explaining the current under-collection in those funds.
- **General Fund is on pace.** At 54.7 percent, General Fund revenues are slightly ahead of the straight-line target; property-tax receipts arrive early in the fiscal year, so this front-loads collections.
- **CRA and Building funds** trail by design. This due to prior year’s carry over that have not been posted while Building Permit revenue fluctuates with permitting cycles.
- **All Other Funds** show 63 percent because of one-time inflows. The \$25 million 2024 Special Obligation Bond is booked in the “Other” category; that single receipt pushes the ratio well above 50 percent, masking lower collections in several smaller funds that will true-up later.

**Table (2):** Mid-Year Expenditure Status by Major Fund – FY 2024-25 (Through March 31, 2025)

Fund	Adopted Budget	Revised Budget	Actuals	% Budget Spent
General Fund	\$79,902,236	\$81,342,833	\$39,320,241	48%
Water Operational Fund	\$45,377,168	\$46,262,698	\$20,203,121	44%
Sewer Operational Fund	\$15,964,128	\$24,388,080	\$13,546,072	56%
Community Redevelopment Fund	\$12,084,983	\$12,496,364	\$615,470	5%
Building Permit Fund	\$5,890,159	\$6,173,379	\$2,037,663	33%
All Other Funds	\$53,150,972	\$54,983,626	\$23,408,549	43%
<b>Citywide Total</b>	<b>\$212,369,646</b>	<b>\$225,646,980</b>	<b>\$99,131,116</b>	<b>44%</b>

At mid-year the City of North Miami Beach has used 44 percent of its revised expenditure budget. That is comfortably below the 50 percent straight-line target. The General Fund is right on pace at 48 percent. Water operations are at 44 percent because several large supply contracts will hit later in the year; spending is also low while we fill key vacancies, a process now under way. Sewer operations show 56 percent; that front-loaded pattern reflects early-year payments for chemicals, equipment, and scheduled debt service. CRA spending is only 5 percent because most redevelopment projects and grants are scheduled for the third and fourth quarters. Building-Permit expenses stand at 33 percent; The “All Other Funds” group sits at 43 percent, which is normal given project start-up lead times across multiple internal-service and special-revenue funds.

When we put revenues and expenses side by side, the City of North Miami Beach has collected \$105.3 million and spent \$99.1 million, leaving an interim operating surplus of roughly \$6.2 million. That amount is currently adding to fund balance and provides a cushion as we move into the more expense-heavy second half of the year. Timing differences drive most of the underspending, and we will continue to track every fund to be sure year-end totals remain within the Commission’s adopted limits.

### General Fund Performance

The General Fund, our primary operating fund with an adopted FY 2024-25 budget of \$79.9 million (revised to \$81.3 million after mid-year adjustments), is a major contributor to the citywide surplus. By March 31 the fund had taken in \$43.7 million (54.7 percent of budget) in revenues and spent \$39.3 million (48 percent of budget), producing a mid-year operating

surplus of about \$4.4 million.

**Table (3):** Mid-Year General Fund Revenue Status – FY 2024-25 (Through March 31, 2025)

Revenue Source	Adopted Budget	Actuals	% Budget Collected
Ad Valorem Taxes	\$31,255,756	\$27,512,749	88 %
Special Assessment	10,498,243	4,321,406	41%
State-Shared Revenues	6,631,856	1,971,400	30%
Interfund Transfers	6,852,460	3,426,230	50%
Utility Service Taxes	4,430,719	1,620,446	37%
Franchise Fees	4,388,942	1,473,745	34%
Other Revenues	15,844,260	3,356,261	21%
<b>Citywide Total</b>	<b>\$79,902,236</b>	<b>\$43,682,238</b>	<b>54.7%</b>

Revenues are tracking close to plan: property-tax collections arrived early, and most other revenue lines are on pace, although some fees and grants will post later in the year. Spending is running slightly behind because several contracts, projects, and new hires are scheduled for the third and fourth quarters. We also prepaid the full annual contributions to the General Employees’ and Police pension plans in the first half, so no further pension outflow will be needed this year—a timing choice that front-loads one large cost but still leaves overall expenses under budget. This interim surplus gives us breathing room while we roll out the second-half work program, and we will keep a close watch to be sure expenditures remain within the Commission-approved levels.

**Table (4):** Mid-Year General Fund Spending by Department – FY 2024-25 (Through March 31, 2025)

Department	Adopted Budget	Revised Budget	Actuals	% Budget Spent
Police Department	\$30,940,533	\$31,111,940	\$20,915,225	67%
Legislative (Mayor, Commission, non-dept.)	\$19,767,257	\$19,813,990	\$2,451,227	12%
Public Works	\$9,218,353	\$9,736,710	\$5,485,931	56%
Parks & Recreation	\$6,720,631	\$7,066,707	\$3,786,736	54%
Executive (City Manager, etc.)	\$5,237,242	\$5,421,472	\$2,647,607	49%
Financial Services	\$2,664,932	\$2,703,233	\$1,346,957	50%
Library	\$2,447,151	\$2,447,151	\$1,003,774	41%
Administrative (Legal & Clerk)	\$1,807,742	\$1,808,054	\$1,045,182	58%
Human Resources	\$1,018,395	\$1,018,395	\$448,261	44%
Capital Outlays	\$80,000	\$215,180	\$189,341	88%
<b>Total General Fund</b>	<b>\$79,902,236</b>	<b>\$81,342,833</b>	<b>\$39,320,241</b>	<b>48%</b>

At the halfway point of the fiscal year the General Fund has disbursed \$39.3 million, or 48 percent of its \$81.3 million spending plan—right on target for mid-year. Spending is concentrated where we would expect. The Police Department leads the stack at 67 percent; we will manage those costs closely so the police budget finishes within its limit. Public Works and Parks & Recreation are midway through the year—56 percent and 54 percent, respectively. Executive operations, including the City Manager’s Office and support divisions, sit at 49 percent, matching the straight-line benchmark. Legislative and non-departmental costs show only 12 percent spending. Support areas—finance, HR, library, legal, clerk, and minor capital—average just under 50 percent, reflecting steady day-to-day activity.

With \$43.7 million in revenues already collected and \$39.3 million spent, the General Fund holds a current operating surplus of roughly \$4.4 million. That cushion provides room for the second-half work program, and the Finance department will continue to track every department to make sure year-end results stay squarely within the Commission's adopted budget appropriation.

### **Outlook for the Remainder of FY 2024–25**

Looking forward to the second half of the fiscal year, we anticipate that the current surplus will be gradually drawn down as the City executes on its budgeted plans. Capital project implementation will be a major focus – as we begin to utilize the \$25 million in bond funds for Washington Park project and other capital revenues for infrastructure projects, expenditures will rise. Operating costs will also climb. Departments that were recruiting or bidding contracts in the first half will put those people and services in place over the next two quarters. This is planned and fully covered by current revenues.

On the revenue side we will stay alert to outside forces that could shift the picture. Nationwide talk of new import tariffs has economists warning of higher prices and slower consumer spending; if those headwinds reach South Florida, they could dampen sales-tax sharing and delay private construction, which would show up in our permit and impact fees. Closer to home, the State Legislature wraps up this month. We are tracking several bills that could alter how cities collect water utility taxes, franchise fees, or shared revenues. None of these measures is final, and our core revenues—property taxes, utility charges, and state-shared dollars—remain solid today. In the Adopted Budget, the City Commission reinforced its commitment to fiscal sustainability by increasing minimum fund balance reserves for the General Fund.

### **Conclusion**

Mid-Year results confirm that the City of North Miami Beach's financial performance through the second quarter of FY 2024–2025 is sound and on course. The City is operating within its adopted budget, and the mid-year financial results reflect a combination of careful spending control and the planned timing of revenues and expenditures.

If you have any questions about this report or require further detail on any aspect of the City's finances, please do not hesitate to contact me. My office, in collaboration with the City Manager, is fully prepared to provide additional data or analysis as needed. We are committed to maintaining transparency and accountability in our financial reporting and to being good stewards of the City's resources. I would like to thank the Mayor and Commissioners for your continued support and guidance, and I assure you that the Administration will keep you well-informed as we manage the City's finances responsibly throughout the remainder of the fiscal year.

Respectfully,

Tarik Rahmani –CFO  
City of North Miami Beach