



# Financial Report

City of Pensacola

2nd Quarter Financial Statement

Six Months Ending March 31, 2013



# Issues



- Downturn in Economy
- Supplemental Budget Resolutions
  - December 2012 - Reduced Revenue Levels in Franchise Fees & Public Service Taxes
  - March 2013 - Reduced personal service and operating accounts in General Fund and budgeted revenue and expenses in the Gas Utility and Airport Fund



# Issues



- Expenditures in line with Budgeted Projections
  - Decline in Revenue may Result in Expenditure Reductions Below Budgeted Levels to Balance Budget
- Parks Maintenance moved under purview of Neighborhood Services
  - Transition to take place at the end of April 2013



# General Fund

- Revenues Exceeded Budget – In Total
  - Attributed to Property Tax & Local Business Tax Revenues
  - Franchise Fees & Public Service Tax - **-\$74,700** or 1.298% Down
  - Half-Cent Sales Tax – **+\$14,900** or 0.99% Up
  - Communication Services Tax – **+\$1,500** or 0.10% Up
  - Municipal Revenue Sharing – **+\$10,400** or 0.94% Up
  - In total, revenues are projected to meet or be below budget by fiscal year end.



# General Fund

- Expenditures Below Budget
- Selective Hiring Process Continues
- Departments/Divisions Required to Live Within their Operating Budgets Without Depending on Savings in their Personal Services Budgets



# Tree Planting Trust Fund

- Revenue and Expenditures Recorded In General Fund
  - Contributions & Interest- \$4,134
  - Exp/Enc - \$40,330
  - Unencumbered Balance - \$639,849



# Park Purchases Fund

- Revenue and Expenditures Recorded In General Fund
  - Contributions Plus Interest Income - \$42
  - Exp/Enc - \$0
  - Unencumbered Balance - \$38,183



# Economic Development Incentives Fund

- Revenue and Expenditures Recorded In General Fund
- Revenues - Sale of Assets, Sale of City owned vacant land. Lease Fees & Traffic Fines from the Red Light Camera Fines Program
  - Red Light Camera Program on hold pending proposed State Legislation
    - Fund Balance - \$183,125
    - Lease Fees - \$64,386
    - Exp/Enc - \$0
      - Plan to be Presented to City Council for Approval
  - Unencumbered Balance - \$247,515





# Special Revenue Funds

- Local Option Gasoline Tax Fund
  - Revenue Exceeded Budget **\$9,800** or 1.62%
  - Expenditures will not exceed budget for the year
- West Florida Public Library
  - Revenues and expenditures consistent with budget.



# Special Revenue Funds

- West Florida Public Library (Continued)
  - Commissioners Approved a Municipal Service Taxing Unit (MSTU) to begin in FY 2014
  - WFPL System Operation will Transition from the City of Pensacola to Escambia County – Effective October 1, 2013
    - City Transition Team working with County Staff to Make Transition as Seamless as Possible
- Stormwater Utility Fund
  - Revenue of \$2,107,964 Represents 83.55% of Budget
  - Fund expenditures consistent with budget



# Special Revenue Funds

## ■ Municipal Golf Course

- Expenditures Exceeded Revenues By **\$56,500** Before General Fund Subsidy (\$50,000)
  - **\$27,400** below Prior Year Second Quarter Revenues
  - Decrease in Usage when Compared to Last Fiscal Year
    - Rounds played: FY13 - 12,675/FY12 - 10,619
      - Down **2,056**
    - Driving Range Usage: FY13 – 4,018/FY12 – 3,493
      - Down **525**
- Marketing Strategies to Increase Rounds of Play – Increased advertising, Specials for Sunday & Monday play, Promotion of various special events.
- Modification of Rate Structure to add Sales tax to Fees



# Special Revenue Funds

- Municipal Golf Course (Continued)
  - Rounds of Golf continue to be down as much as 10% among the Gulf Coast States.
    - Increased competition
    - Implementation of New Marketing Strategies
  - Pensacola NAS Golf Course now open to all civilian users as well as military
  - Expenditures are Consistent with Budget
  - General Fund Subsidy - \$100,000
  - Concessionaire Behind on Lease Payments
    - 5 Payments Behind **(\$8,150)**



# Special Revenue Funds

- Inspection Services Fund

- Expenditures Exceeded Revenues By **\$17,500**

- Revenues are **\$94,500** below prior year second quarter revenues

- Larger construction projects have not yet begun

- Large office projects to be submitted for review Within next few months should boost revenues during the third Quarter

- Expenditures Expected to Come Within Budgeted Levels By Year End

- Roger Scott Tennis Center

- Total Revenue Consistent With Budget

- Increased Memberships Renewed Slightly Above Previous Fiscal Year

- Expenditures Not Anticipated To Exceed Budget By Fiscal Year End



# Special Revenue Funds

- Roger Scott Tennis Center (Continued)
  - Concessionaire
    - Contract Terminated in FY 2012
    - City Operated Concession
    - Plans to begin operating in March 2013 are delayed due to:
      - Delays with the Alcohol Beverage Division of the State of Florida in obtaining permits
      - Water damage to the Concession building
    - Plans to proceed with operation the concession will continue after permitting is obtained and repairs to the concession building are completed.



# Special Revenue Funds

## ■ Community Maritime Park Management Services Fund

- Park Management Service Agreement with the Community Maritime Park Associates (CMPA)
  - Community Maritime Park Insurance
    - Reimbursed at 100% by CMPA
- Expenditures - \$67,876
  - Public Works Department provides Park Maintenance and Landscaping Services (effective end of April 2013 Neighborhood Services)
    - CMPA pays City actual costs incurred up to a minimum of \$248,945
- Public Works has incurred \$102,698 in expenditures for services for 1<sup>st</sup> 6 months of FY 2013
- Neighborhood Services provides event scheduling and planning, management of sales, rentals, food services, parking management, and other vendor services.
- Revenues Exceed Expenditures by **\$29,412**



# Special Revenue Funds

## ■ Community Maritime Park Management Services Fund (Continued)

- Non-Agreement – Grand Opening Event of Community Maritime Park
  - Rescheduled for November 17, 2012
  - Donations - \$100,250
    - Additional donations are anticipated, but have not been received.
  - Grand opening expenditures exceeded donations by **\$37,212**
- Consultant reviewing financial aspects of Community Maritime Park
- Operating subsidy needed by fiscal year end - \$300,000
- Security Services outside the stadium total \$47,030





# Special Revenue Funds

## ■ Community Maritime Park Management Services Fund (Continued)

### ■ Recommendations:

- Until sufficient revenues are generated by the CMPA:
- A subsidy from the CRA should be continued to be budgeted in future fiscal year.
- Increase the CRA budgeted subsidy from \$300,000 to \$400,000 for FY 2013
- The additional \$100,000 is available from FY 2012 carryover funds.



# Capital Projects Funds

- Tax and Franchise Fee Debt Service Fund (TFFDSF)
  - The last Debt Service payment was made on October 1, 2012
- Local Option Sales Tax Fund
  - Revenues Exceeded Budget by **\$89,400** or 3.45%
  - Expenditures Consistent With Budget
  - Pooled Cash
  - Fund Balance - negative
- Stormwater Capital Projects Fund
  - \$2,110,808 Transfer Equaled Revenue Fee Collection
  - Expenditures Within Budget



# Enterprise Funds

## ■ Gas Utility Fund

- Expenses and Encumbrances Below Revenue and Fund Balance by **\$1,899,500**
  - Lower Gas Costs
  - Warmer Winter
- Supplemental Budget Resolution
- PGA Calculation
  - FY 2012 Operating Reserve - \$4,897,316
  - Shortfall in Reserve Balance - **\$3,105,184**
  - Additional \$0.10 per Ccf - \$1,117,021
- Infrastructure Cost Recovery Fee - \$104,803
- Gas Construction – Note Expenditures



# Enterprise Funds

- Sanitation Fund
  - Revenue Exceeded Expenses and Encumbrances by **\$261,700**
  - Fund Revenues Consistent With Budget and Exceeded Prior Year
  - Expenses Consistent with Budget



# Enterprise Funds

## ■ Port of Pensacola

- Expenses and Encumbrances are Below Revenues and Fund Balance by **\$360,500**
- Revenues Below FY 2012 by **\$243,400**
  - Dockage
    - Long-term stay and departure of Global 1200
    - Offshore Inland Operations – stays of 10 to 14 days
- Expenses, In Total, At or Below Budget
- Port Lease Payments
  - Martin Marietta – One month behind
  - Northwest Florida Cold Storage – Requested Early Termination of Lease
    - Outstanding balance of **\$119,681.08**
    - Total payment anticipated on May 7<sup>th</sup> or 8<sup>th</sup>



# Enterprise Funds

## ■ Airport Fund

- Revenue and Fund Balance Exceeds Expenses and Encumbrances by **\$557,500**
- Supplemental Budget Resolution
- Revenues are Projected to meet Expenses
- Management Review of Operational and Maintenance expenses
  - Identified ways to improve performance, cross-utilize staff, reduce expenses
  - Resulted in reductions of \$1.8 million



# Enterprise Funds

## ■ Airport Fund

- Improving Revenues
  - Adjustment of Airport Parking Rates
  - Shuttle Busses Discontinued
  - Increased cost of Permits Parking for Flight Crew
- Entitlement grant reimbursements - \$7.58 million
- Passenger traffic Increased by 2%  
Compared to Second Quarter of FY 2012



# Enterprise Funds

## ■ Airport Fund

- Operating Revenues are **\$640,100** above prior year revenues
- Air Carrier Landing Fees, Rental Car Service Facility Rent, Parking Lot Revenues, Airline Rentals, Loading Bridge Fees,
- Rental Car Revenues down **\$113,600** from Prior Year Revenues
- Rental Car usage down 2% from Prior year.
- Expenses are Consistent With Budget





# Internal Service Funds

- Insurance Retention Fund/Central Services Fund
  - Provide Services To Other Operating Funds
  - Revenues and Expenses Consistent With Budgeted Levels



# Investment and Debt Service Schedules

- Provided For Information
  - Listing of City Investments
  - Listing of City's Debt Issues

**CITY OF PENSACOLA  
GENERAL FUND - PROPOSED BUDGET  
FISCAL YEAR 2013 BUDGET WITH PROJECTIONS FOR FY 2014**

	<b>FY 2013 BEGINNING BUDGET</b>	<b>FY 2013 CURRENT BUDGET</b>	<b>FY 2013 PROJECTED BUDGET</b>	<b>FY 2014 PROJECTED BUDGET</b>
<b>Sources:</b>				
<b>Fund Balance</b>	-	1,838,759	1,838,759	-
<b>Revenues</b>				
Property Taxes	12,015,300	12,015,300	12,015,300	12,015,300
Franchise Fees/Utility Taxes	15,088,000	14,349,000	14,133,600	14,440,800
State Revenue	9,717,000	9,736,000	9,786,600	9,894,600
Other Revenue	3,407,500	2,757,500	2,590,800	2,608,600
ESP Transfer	8,000,000	8,000,000	8,000,000	8,000,000
<b>Total Revenues</b>	<b>48,227,800</b>	<b>46,857,800</b>	<b>46,526,300</b>	<b>46,959,300</b>
<b>Total Sources</b>	<b>48,227,800</b>	<b>48,696,559</b>	<b>48,365,059</b>	<b>46,959,300</b>
<b>Uses:</b>				
<b>Personnel Expenses</b>	34,572,100	34,011,302	33,813,600	34,717,800
<b>Operating Expense</b>	10,783,400	11,733,807	11,600,000	10,342,800
<b>Sub-Total</b>	<b>45,355,500</b>	<b>45,745,109</b>	<b>45,413,600</b>	<b>45,060,600</b>
<b>Capital Outlay</b>	-	-	-	-
<b>Agency Funding</b>	431,900	446,633	446,633	506,900
Saenger Theatre	242,900	303,555	303,555	239,900
Resid S/W & Sanit Asst Pgm	6,400	6,400	6,409	5,600
Transfer To WFPL	1,487,300	1,487,300	1,487,300	-
Transfer to Urban Core TIF	1,377,700	1,381,489	1,381,489	1,381,500
Transfer to Eastside TIF	25,900	25,873	25,873	25,900
Transfer to Stmwtr Cap Prjcts	2,532,900	2,532,900	2,532,900	2,541,700
Transfer to Golf Course	100,000	100,000	100,000	90,000
<b>Sub-Total</b>	<b>6,205,000</b>	<b>6,284,150</b>	<b>6,284,159</b>	<b>4,791,500</b>
<b>Cost Recovery - A/O</b>	<b>(3,332,700)</b>	<b>(3,332,700)</b>	<b>(3,332,700)</b>	<b>(2,892,800)</b>
<b>Total Uses</b>	<b>48,227,800</b>	<b>48,696,559</b>	<b>48,365,059</b>	<b>46,959,300</b>
<b>Difference</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE: Does not include Tree Planting Trust Fund, Park Purchase Fund, or Economic Development Incentive Fund**



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