

Financial Report

City of Pensacola

2nd Quarter Financial Statement

Six Months Ending March 31, 2015



FY 2015 Issues

- Economy continues to rebound
- Half-Cent Sales Tax & Local Option Sales Tax
 - Growth in excess of 5% - 2013 to 2014
- Ad Valorem Taxable Valuations
 - Positive Growth
- Expenditures, in total, in line with budgeted projections
- Interest rates
- Legal services and fees



General Fund

- In total, revenues exceeded budget
 - Attributed to Property Tax, Local Business Tax, and Transfer from Pensacola Energy
 - Franchise Fees & Public Service Tax - **+\$275,400** or **4.35%** Up
 - Half-Cent Sales Tax – **+\$37,700** or **2.34%** Up
 - Communication Services Tax – **-\$42,300** or **3.26%** Down
 - Municipal Revenue Sharing – at budgeted level
 - In total, revenues are projected to meet or exceed budget by fiscal year end.



General Fund

- Second quarter expenditures, in total, were within budget
- \$1.11 million – Unassigned fund balance at the end of FY 2014
 - Designated FY 2016 beginning fund balance



Tree Planting Trust Fund

- Revenue and expenditures are recorded in the General Fund
 - Contributions plus Interest Income - \$59,540
 - Expenditures/Encumbrances - \$130,545
 - Rotary Centennial Park - \$48,250
 - Remaining Balance - \$548,620



Special Revenue Funds

- Local Option Gasoline Tax Fund
 - Revenue exceeded budget by **\$13,300** or **2.18%**
 - Expenditures will not exceed budget for the fiscal year
- Stormwater Utility Fund
 - Utility Fee Revenue - \$2,198,418 or 86.53% of Budget
 - Expenditures consistent with budget



Special Revenue Funds

- Municipal Golf Course
 - Expenditures exceeded revenues by **\$164,700** before General Fund Subsidy (\$50,000)
 - **\$44,500** below prior year 2nd Quarter revenues
 - Decline due to the April 2014 Flood
 - Resulted in partial closure of Golf Course (9 holes)
 - Golf Course currently open for adjusted play at a reduced rate.
 - Golf Course repairs began on March 23, 2015
 - Club House repairs to begin in June 2015
 - Golf Course & Club House fully operational by August 2015



Special Revenue Funds

- Municipal Golf Course (Continued)
 - Rounds played in 2nd Quarter of FY15 – 6,897/FY14 – 8,066
 - Down **1,169**
 - Driving Range Usage in FY15 – 2,200/FY14 – 2,011
 - Up **189**
- Staff continues to:
 - advertise through local media outlets and update website
 - monitor revenues and implement various Marketing Strategies
- Expenditures are consistent with budget
- Increased subsidy over the budgeted \$100,000 anticipated



Special Revenue Funds

- Municipal Golf Course (Continued)
 - Three-year agreement executed between the City and Fusion Grill, Inc. on March 28, 2014
 - Amended payment schedule
 - Reduced hours during partial closure in exchange for suspension of concession payment due
 - Payment resumed in March 2015



Special Revenue Funds

- Inspection Services Fund
 - In total, revenues exceeded expenditures by **\$49,200**
 - Revenues are **\$97,100** above prior year 2nd quarter revenues
 - Construction projects underway; permits continue to be issued
 - Expenditures were consistent with budget
- Roger Scott Tennis Center
 - Total Revenue consistent with budget
 - Annual memberships renewed were **\$2,200** greater than the previous fiscal year
 - Expenditures not anticipated to exceed budget by fiscal year end



Special Revenue Funds

- Roger Scott Tennis Center (Continued)
 - Concessionaire
 - On February 6, 2014, a one-year agreement was executed between the City and Coastal Concessions, LLC
 - One flat rate monthly rental payment received - \$500
 - Non-Renewal of Contact
 - Sales/Supply & Demand
 - RFQ advertised – Responses opened March 18, 2015
 - The Southern Ladle, Inc.
 - New concessionaire can begin May 1, 2015



Special Revenue Funds

- Community Maritime Park Management Services Fund
 - CMPA Board approved extension of contract to March 27, 2018
 - Three components to agreement:
 - Community Maritime Park Insurance
 - Reimbursed at 100% by CMPA
 - Expenditures - \$69,000
 - Park Maintenance and Landscaping Services
 - CMPA pays City actual costs incurred up to a maximum of \$200,000, reduced from \$248,945
 - Expenditures – \$101,800
 - Event scheduling and planning, management of outside kiosk sales, rentals, food service, other vendor services, and parking management.
 - Amount charged is reduced by revenues earned
 - Maximum payable by the CMPA is \$100,000, reduced from \$256,054
 - Expenditures - \$10,500



Special Revenue Funds

- Community Maritime Park Management Services Fund
(Continued)
 - Employee Leasing function accounted for in CMP Services Fund
 - Expenditures exceeded revenues by **\$12,100** through the second quarter of FY 2015
 - Revenues will equal expenditures by year end



Capital Projects Funds

- Local Option Sales Tax Fund
 - Revenues exceeded budget by **\$132,200** or **4.69%**
 - In total, expenditures consistent with budget
 - Pooled Cash
 - Fund Balance – negative through FY 2017
- Stormwater Capital Projects Fund
 - \$2,202,272 Transfer from General Fund equaled revenue fee collection
 - Expenditures were within budget



Enterprise Funds

■ Gas Utility Fund

- Appropriated fund balance and Revenue exceeded Expenses and encumbrances by **\$2,873,000**
- Gulf South Rate increase – May 1st
- FY 14 Reserve Shortfall - \$4.1 million
- Additional \$0.10 per Ccf - \$1,246,067
- Infrastructure Cost Recovery – \$792,928
- In total, Expenses within Budget



Enterprise Funds

■ Sanitation Fund

- Appropriated fund balance and Revenue below expenses and encumbrances by **\$389,100**
- Revenues were consistent with budget
- Expenses were consistent with budget



Enterprise Funds

■ Port of Pensacola

- Appropriated Fund Balance of \$1,084,800 and Revenue exceeded expenses and encumbrances by **\$1,052,500**
 - Revenues were **\$270,700** above FY 14 revenues
 - Increase attributed to Dockage and Rent revenue
- Expenses, In total, at or below budget and slightly less than FY 14 Expenses
- Port Lease Payments
 - Martin Marietta – balance of \$3,877



Enterprise Funds

- Port of Pensacola (Continued)
 - Offshore Inland Marine
 - Balances less than 60 days past due - \$15,486
 - Dockage and Other Vessel fees - Slower to Pay
 - Balance 60 – 120 Days Past Due - \$284,953
 - Over 120 Days Past Due – \$224,442
 - Total Amount Due - \$524,881



Enterprise Funds

■ Airport Fund

- Total appropriated fund balance of \$1,925,400 and Revenue exceeded expenses and encumbrances by **\$2,185,500**
- Revenues are projected to meet expenses by fiscal year end
- Decreased passenger traffic by **1.6%**
 - Due to cancelled flights associated with winter in February & March
- Revenues were **\$1,352,700** above FY 14 Revenues
- Air Carrier Landing Fees revenue increase
 - Due to adjustment of last year's airline negotiations & larger planes with increased seating capacity
- 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



Natural Disaster Fund

(Formerly Hurricane Damage Fund)

- Special Revenue Fund
 - Accounts for disaster-related activity
- Receives revenues from Federal & State agencies on a reimbursement basis
 - April 2014 Flooding
 - Federal – 75%
 - State – 12.5%
 - City of Pensacola – Balance of expenditures
- Accrual reversals from previous year reflect negative revenues



Investment and Debt Service Schedules

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



Legal Costs Schedule

Schedule of legal costs paid to attorneys and/or firms who have provided services to the City



Legal Costs Schedule

CITY OF PENSACOLA
 SCHEDULE OF LEGAL COSTS
 March 31, 2015
 (Unaudited)

| ATTORNEY NAME OR FIRM | AMOUNT PAID | NATURE OF SERVICES PROVIDED |
|-----------------------------------|---------------------|--|
| ALLEN NORTON & BLUE P A | \$24,649.82 | Administrative, Collective Bargaining and Employee Matters |
| BEGGS & LANE | 74,557.55 | Contract and Real Estate Law |
| BONDURANT MIXON & ELMORE LLP | 36,301.18 | Occupy Pensacola Litigation |
| BRYANT MILLER OLIVE PA | 7,139.55 | Bond Counsel |
| GRAY ROBINSON PA | 13,190.05 | Tax and Pension Plan Compliance |
| GUNSTER YOAKLEY & STEWART PA | 18.87 | Natural Gas Franchise Fee |
| HAMMONS, LONGORIA, WHITTAKER PA | 408.90 | Code Enforcement Lien Foreclosures |
| JOLLY & PETERSON PA | 4,830.85 | Police Liability Claims |
| LAW OFFICES OF WILLIAM I GAULT | 62.50 | Aviation Bankruptcy Claims |
| LEWIS LONGMAN & WALKER P A | 41,597.52 | Environmental Matters and Property Issues |
| MCCARTER & ENGLISH LLP | 36,049.68 | Natural Gas Industry |
| MESSER CAPARELLO PA | 2,065.00 | Employee Matters |
| MESSER LAW FIRM PA | 75,000.00 | City Attorney |
| NABORS GIBLIN & NICKERSON P A | 215.96 | Annual Stormwater Assessment Program |
| PHILIP A BATES PA | 65.20 | Sanitation Claims |
| QUINTAIROS PRIETO WOOD & BOYER PA | 8,731.86 | Workers Compensation and Liability Claims |
| RAY, JR LOUIS F | 12,470.00 | Code Enforcement Special Magistrate |
| RODERIC G. MAGIE, PA | 25,934.73 | Workers Compensation Claims |
| THE HAMMONS LAW FIRM PA | 10,826.91 | Code Enforcement Lien Foreclosures |
| WILSON HARRELL & FARRINGTON PA | 108,513.24 | Claims and Litigation |
| REPORT TOTAL | <u>\$482,629.37</u> | |



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