

# Financial Report

City of Pensacola

1st Quarter Financial Statement

Three Months Ending December 31, 2016



# FY 2017 Issues

- Growth in the Economy Continues
- Half-Cent Sales Tax & Local Option Sales Tax (PFP)
  - Growth from FYE 2015 to FYE 2016
    - Half-Cent Sales Tax increased by **3.97%**
    - Local Option Sales Tax increased by **4.48%**
- 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 Revenues & Transfer from Pensacola Energy
  - Franchise Fees & Public Service Tax – **+\$159,200** or **6.09%** Up
  - Half-Cent Sales Tax – **+\$27,200** or **3.96%** Up
  - Communication Services Tax – **-\$31,600** or **6.31%** Down
  - Municipal Revenue Sharing – **-\$29,000** or **4.84%** Down



# General Fund

- In Total, Revenues Projected to Meet or Exceed budget
- General Fund Transfer to Stormwater Capital Projects Exceed Budget
- First Quarter Expenditures, In Total, Within Budget



# Tree Planting Trust Fund

- Revenue and Expenditures Recorded in General Fund
  - Total Contributions Plus Interest Income - \$8,900
  - Expenditures/Encumbrances - \$45,400
  - End of First Quarter Unencumbered Balance - \$416,500



# Special Revenue Funds

- Local Option Gasoline Tax Fund
  - City Appeal Concerning Calculation for Distribution of funds
    - Funds Held in Escrow
  - Expenditures will not Exceed Budget for the fiscal year
- Stormwater Utility Fund
  - Revenue of \$1,856,600 Represents 69.81% of Budget
  - Expenditures are Consistent with Budget for 1<sup>st</sup> Quarter



# Special Revenue Funds

- Municipal Golf Course Fund
  - Expenditures Exceeded Revenue by **\$103,400**  
Before General Fund Subsidy (\$55,000)
    - **\$10,200** above FY 2016 1st Quarter Revenues
      - Increase in Revenue due to tournaments  
and advertising



# Special Revenue Funds

- **Municipal Golf Course Fund**

- 5,070 Rounds played in 1<sup>st</sup> Quarter of FY 2017 - an increase of **326** Rounds from FY 2016
- 1,019 of Driving Range usage in 1<sup>st</sup> Quarter of FY 2017 - an decrease of **151** Driving Range usage from FY 2016
- Concession payments are current through the 1<sup>st</sup> quarter of FY 2017
- Expenditures Consistent with Budget





# Special Revenue Funds

## ■ Inspection Services Fund

- In total, Expenditures Exceeded Revenues By **\$169,700**
- Revenues **\$2,200** below Prior Year
- Expenditures Were Consistent With Budget

## ■ Roger Scott Tennis Center

- Revenues Below Budget
  - Membership Renewal
- Revenues **\$9,600** below Prior Year
- Expenditures Not Anticipated to Exceed Budget
- PJ's Courtside Café began operations on August 16, 2016
  - Concession payments are current through the 1<sup>st</sup> quarter of FY 2017
  - PJ's Courtside Café wishes to terminate contract effective, March 10, 2017



# Special Revenue Funds

- Community Maritime Park Management Services Fund
  - Community Maritime Park Insurance – 100% Reimbursed
    - Expenditures - \$27,200
  - Park Maintenance and Landscaping
    - Expenditures - \$38,400
  - Event Management
    - Revenues Below Expenditures by **\$11,500**
  - Employee Leasing
    - Expenditures Exceeded Revenues by **\$7,200** in the 1<sup>st</sup> Quarter
  - By Fiscal Year End, Revenues will Equal Expenditures



# Capital Projects Funds

- Local Option Sales Tax Fund
  - Revenues Exceeded Budget by **\$43,300** or **3.41%** Up
  - Expenditures in Total, Consistent with Budget
  - Cash Shortfalls
    - Fund Balance Negative through FY 2017
- Stormwater Capital Projects Fund
  - General Fund Transfer Equaled Collection - \$1,856,600
  - Expenditures Within Budget



# Enterprise Funds

## ■ Gas Utility Fund

- Expenses and Encumbrances Exceed Fund Balance and Revenue by **\$6.7 Million**
  - Capital Outlay, Debt Service & Transfer Expenditures
- First Quarter FY17 Revenues exceed FY16 Revenues
  - Due to increased cost of gas
- FY16 Reserve Shortfall - \$3.3 million
  - Additional \$0.10 per Ccf - \$528,863
- Infrastructure Cost Recovery Fee - \$408,800
- In total, Expenses Consistent with Budget



# Enterprise Funds

## ■ Sanitation Fund

- Fund Balance and Operating Revenue were Below Operating Expenses and Encumbrances by

**\$485,200**

- Fund Revenues Consistent With Budget
- Revenues Slightly Higher than Prior Year Revenues
- Rate Study currently under review
- Expenses Consistent with Budget



# Enterprise Funds

## ■ Airport Fund

- Fund Balance and Revenue Exceeded Expenses and Encumbrances by **\$897,700**
- Passenger Traffic Increased by 1.10% Compared to First Quarter of FY 2016
  - Due to improved general economic conditions
- Airport Revenues were **\$311,600** above FY 2016
  - Airline Revenues **\$161,900** below prior fiscal year
  - Non-Airline Revenues Exceeded prior fiscal year by **\$473,500**
    - Due to Rental car customer facility charges concessions, and parking revenue
  - Concession Revenue Exceeded prior year fiscal year by **\$11,000**
  - Parking Lot Revenue was **\$115,500** over prior year
- FAA Lease Agreement for FASCO tower in negotiations
- Expenses Consistent with Budget



# Enterprise Funds

## ■ Port of Pensacola

- Fund Balance and Revenue Exceeded Expenses and Encumbrances by **\$338,000**
- Revenues Below FY 16 Revenues By **\$108,300**
  - Decrease in Dockage Revenue
    - Result of fewer vessel dockage days
      - Attributable to the depressed state of offshore oil and gas industry
- Expenses, In Total, Exceeded Budget
  - Expenses **\$192,700** greater than FY 2016 for same time period
  - Due to two large infrastructure repair projects:
    - Projects to repair damaged rail track and inoperable fire suppression systems



# Enterprise Funds

## ■ Port of Pensacola

- All Port Lease Payments are Current with the Exception of:
  - Cemex, Pensacola Stevedoring & Pate Metal Components
    - Balances Less than 90 Days Past Due and Total \$26,480
- Dockage and Other Vessel Fees – Slower to Pay
  - Offshore Inland – Balance of **\$649,927**
    - \$1,867 – Current
    - \$2,553.98 – More than 30 days past due
    - \$645,505.60 – More than 120 days past due
- FDOT Economic Development Grant - \$2 million
  - Construction of heavy-lift overhead crane facility to support Offshore Inland
    - Grant reimbursement in question
    - Offshore Inland to open up \$363,000 in receivables
    - Once reimbursement issue is solved, outstanding receivables to be addressed





# Enterprise Funds

- Port of Pensacola

- Update Offshore Inland

- Over 120 Days

- December 31, 2016 - \$645,505.60

- March 6, 2017 - \$642,305.60

- Anticipate Amount Over \$363,000 Paid In Full By September 30, 2017 (\$279,305.60)

- Anticipate \$363,000 Paid In Conjunction with Improvements to Warehouse #1

- Anticipate Termination of Warehouse #9 Lease On Or Before May 31, 2017



# Internal Service Funds

- Insurance Retention Fund/Central Services Fund
  - Provide Services To the City's 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
  - Interest Rates



# 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  
 December 31, 2016  
 (Unaudited)

<u>ATTORNEY NAME OR FIRM</u>	<u>AMOUNT PAID</u>	<u>NATURE OF SERVICES PROVIDED</u>
ALLEN NORTON & BLUE P A	\$16,509.68	Administrative, Collective Bargaining and Employee Matters
BEGGS & LANE	68,945.90	Contract and Real Estate Law
BRYANT MILLER OLIVE PA	37,800.00	Bond Counsel
COLLEEN CLEARY ORTIZ PA	1,635.00	Police Forfeiture Claim
GALLOWAY, JOHNSON, TOMPKINS, BURR AND SMITH	5,495.00	Contract Law
GRAY ROBINSON PA	10,924.71	Fee, Tax and Pension Plan Compliance
GUNSTER YOAKLEY & STEWART PA	693.00	Natural Gas Matters
JOLLY & PETERSON PA	3,668.69	Police Liability Claims
MCCARTER & ENGLISH LLP	8,305.07	Natural Gas Industry
PHILIP A BATES PA	260.40	Sanitation Matters
PLAUCHE MASELLI PARKERSON LLP	14,732.79	Utility Litigation
QUINTAIROS PRIETO WOOD & BOYER PA	8,469.44	Workers Compensation and Liability Claims
RAY, JR LOUIS F	5,075.00	Code Enforcement Special Magistrate
RODERIC G. MAGIE, PA	8,850.01	Workers Compensation Claims
SCHNADER HARRISON SEGAL & LEWIS LLP	105.00	Aviation Industry
SPERO, DONALD J	2,687.50	Arbitration
STEINMEYER FIVEASH LLP	24,546.18	Environmental and Property Matters
WILSON HARRELL & FARRINGTON PA	<u>117,016.13</u>	Claims and Litigation
REPORT TOTAL	<u>\$335,719.50</u>	



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