

# Financial Report

City of Pensacola

3rd Quarter Financial Statement

Nine Months Ending June 30, 2017



# FY 2017 Issues

- Growth in the Economy Continues
- Half-Cent Sales Tax & Ad Valorem Revenues
  - 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
  - Street Light Maintenance & Traffic Signal Revenue Exceeded Budget
  - Franchise Fees & Public Service Tax – + **\$47,600** or **0.48%** Up
  - Half-Cent Sales Tax – + **\$38,100** or **1.35%** Up
  - Communication Services Tax – - **\$86,800** or **4.41%** Down
  - Municipal Revenue Sharing – - **\$39,900** or **2.28%** Down



# General Fund

- Escambia County School Board - School Resource Officer(SRO) Revenue is anticipated to be below budget
  - School Resource Officer(SRO) Revenue - **\$50,000** Down
- In Total, Revenues Projected to Meet budget
- General Fund Transfer to Stormwater Capital Projects Exceed Budget
- Third Quarter Expenditures, In Total, Within Budget



# Tree Planting Trust Fund

- Revenue and Expenditures Recorded in General Fund
  - Total Contributions Plus Interest Income - \$48,038
  - Expenditures/Encumbrances - \$106,958
  - End of Third Quarter Unencumbered Balance - \$393,214



# Special Revenue Funds

- Local Option Gasoline Tax Fund
  - Settlement Agreement reached 4/6/17
    - Funds released & now being remitted
  - Revenues Exceeded Budget by **\$7,600 or 0.86%**
  - Expenditures will not Exceed Budget for the fiscal year
- Stormwater Utility Fund
  - Revenue of \$2,744,262 Represents 103.38% of Budget
  - Expenditures are Consistent with Budget for 3<sup>rd</sup> Quarter



# Special Revenue Funds

- Municipal Golf Course Fund
  - Expenditures Exceeded Revenue by **\$193,500**  
Before General Fund Subsidy (\$165,000)
    - **\$20,600** above FY 2016 3<sup>rd</sup> Quarter Revenues
      - Increase in Revenue due to tournaments  
and advertising



# Special Revenue Funds

- Municipal Golf Course Fund
  - 10,686 Rounds played in 3<sup>rd</sup> Quarter of FY 2017 – a decrease of **190** Rounds from FY 2016
  - Driving Range usage in 3<sup>rd</sup> Quarter of FY 2017 - an increase of **298** Driving Range usage from FY 2016
  - Concession payments are current through the 3<sup>rd</sup> quarter of FY 2017
  - Expenditures Consistent with Budget





# Special Revenue Funds

## ■ Inspection Services Fund

- In total, Revenues Exceeded Expenditures By **\$238,600**
- Revenues **\$310,700** above Prior Year
- Expenditures Were Consistent With Budget

## ■ Roger Scott Tennis Center

- Expenditures Exceeded Revenues by **\$64,600**
- Revenues **\$13,500** below Prior Year
- Expenditures Not Anticipated to Exceed Budget
- PJ's Courtside Café agreement terminated March 10, 2017
  - Concession payments fully paid in accordance with agreement



# Special Revenue Funds

- Community Maritime Park Management Services Fund
  - Community Maritime Park Insurance – 100% Reimbursed
    - Expenditures - \$94,000
  - Park Maintenance and Landscaping
    - Expenditures - \$130,000
  - Event Management
    - Revenues Exceeded Expenditures by **\$8,400**
  - Employee Leasing
    - Expenditures Exceeded Revenues by **\$11,400**
  - New Market Tax Credit (NMTC)
    - CMPA Forgive Loans and Acquire Assets and Liabilities
    - Unwind complete as of May 31, 2017
    - CMPA entity Dissolved in June, 2017



# Capital Projects Funds

- Local Option Sales Tax Fund
  - Revenues Below Budget by **\$5,600** or **.11%** Down
  - Expenditures in Total, Consistent with Budget
  - Cash Shortfalls
    - Fund Balance Negative through FY 2017
- Local Option Gas Tax (LOGT) Series 2016 Project Fund
  - Approved by City Council on July 14, 2016
  - Expenditures Through 2<sup>nd</sup> Quarter represent First Phase
  - Council approved project list for Phase III on July 13, 2017
- Stormwater Capital Projects Fund
  - General Fund Transfer Equaled Collection - \$2,747,877
  - Expenditures Within Budget



# Enterprise Funds

## ■ Gas Utility Fund

- Expenses and Encumbrances Exceed Fund Balance and Revenue by **\$1,513,700**
- 3<sup>rd</sup> Quarter FY17 Revenues above FY16 Revenues by **\$706,100**
- FYE 16 Reserve Shortfall - **\$3.63** million
  - Additional \$0.10 per Ccf - **\$1,162,672**
- Infrastructure Cost Recovery Fee
  - **\$1,530,897** (for prior year expenses)
- In total, Expenses Consistent with Budget



# Enterprise Funds

## ■ Sanitation Fund

- Fund Balance and Operating Revenue Exceeded Operating Expenses and Encumbrances by **\$413,500**
  - Fund Revenues were \$377,600 above FY 2016
- Replacement of 3 Damaged Garbage Trucks
  - Due to January 19, 2017 fire incident
- Expenses Consistent with Budget
- Effective June 1, 2017 Sanitation Fee Adjustments



# Enterprise Funds

## ■ Airport Fund

- Fund Balance and Revenue Exceeded Expenses and Encumbrances by **\$4.4 Million**
- Passenger Traffic Increased by 2.81% Compared to 3<sup>rd</sup> Quarter of FY 2016
  - Due to increase of number of seats and additional routes
- Airport Revenues were **\$565,700** below FY 2016
  - Airline Revenues **\$673,900** below prior fiscal year
    - Due to Reduction in the Air Carrier Landing Fees
  - Non-Arline Revenues Exceeded prior fiscal year by **\$108,200**
    - Attributed to parking lot revenue
- 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 **\$200,900**
  - Revenues Below FY 16 Revenues By **\$548,800**
    - Decrease in Dockage Revenue
      - Result of fewer vessel dockage days
        - Attributable to the depressed state of offshore oil and gas industry
  - Expenses, In Total, At or Below Budget
    - Expenses **\$22,900** less than FY 2016 for same time period
    - Staff Continues to Operate at Minimal Cost



# Enterprise Funds

## ■ Port of Pensacola

- All Port Lease Payments are Current with the Exception of:
  - Pensacola Stevedoring
    - Balances Less than 60 Days Past Due and Total \$3,941.67
- Dockage and Other Vessel Fees – Slower to Pay
  - Offshore Inland – Balance of **\$610,100.99**
    - \$27,100.99 – Current
    - \$0 – More than 30 days past due
    - \$583,000 – More than 120 days past due
  - Being addressed via establishment of payment plan City Council approved May 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  
 June 30, 2017  
 (Unaudited)

ATTORNEY NAME OR FIRM	AMOUNT PAID	NATURE OF SERVICES PROVIDED
ALLEN NORTON & BLUE P A	\$64,040.08	Administrative, Collective Bargaining and Employee Matters
BEGGS & LANE	211,795.65	Contract and Real Estate Law
BONDURANT MIXON & ELMORE LLP	11,316.12	Civil Rights Litigation
BRYANT MILLER OLIVE PA	45,260.50	Bond Counsel
CARLTON FIELDS JORDEN BURT	11,326.52	Environmental and Real Estate
COLLEEN CLEARY ORTIZ PA	1,635.00	Police Forfeiture Claim
GALLOWAY, JOHNSON, TOMPKINS, BURR AND SMITH	5,495.00	Contract Law
GRAY ROBINSON PA	79,590.42	Fee, Tax and Pension Plan Compliance
GUNSTER YOAKLEY & STEWART PA	5,576.25	Natural Gas Matters
JOLLY & PETERSON PA	21,252.69	Police Liability Claims
KLEIN HORNIG LLP	10,765.00	New Market Tax Credits
MCCARTER & ENGLISH LLP	25,099.71	Natural Gas Industry
PHILIP A BATES PA	260.40	Sanitation Matters
PLAUCHE MASELLI PARKERSON LLP	37,946.25	Utility Litigation
QUINTAIROS PRIETO WOOD & BOYER PA	35,745.20	Workers Compensation and Liability Claims
RAY, JR LOUIS F	17,255.00	Code Enforcement Special Magistrate
RODERIC G. MAGIE, PA	21,668.58	Workers Compensation Claims
SCHNADER HARRISON SEGAL & LEWIS LLP	245.00	Aviation Industry
SPERO, DONALD J	2,687.50	Arbitration
STEINMEYER FIVEASH LLP	34,760.19	Environmental and Property Matters
THE HAMMONS LAW FIRM PA	2,471.00	Code Enforcement Lien Foreclosures
WILSON HARRELL & FARRINGTON PA	305,673.90	Claims and Litigation
WOODEN LAW FIRM PC	51,400.00	Land Development Matters
REPORT TOTAL	<u>\$1,003,265.96</u>	



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