

Financial Report

City of Pensacola

3rd Quarter Financial Statement

Nine Months Ending June 30, 2018



FY 2018 Issues

- Growth in the Economy Continues
- Half-Cent Sales Tax , Local Option Sales Tax (PFP), & 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 – **+\$628,700** or **6.01%** Up
 - Half-Cent Sales Tax – **+\$220,800** or **7.72%** Up
 - Communication Services Tax – **+\$90,700** or **4.68%** Up
 - Municipal Revenue Sharing – **+\$34,300** or **2.03%** Up



General Fund

- Escambia County School Board - School Resource Officer(SRO) Revenue is anticipated to be below budget
 - School Resource Officer(SRO) Revenue - **\$22,000**
Down
- In Total, Revenues Projected to Meet or Exceed budget
- General Fund Transfer to Stormwater Capital is below budget
- Third Quarter Expenditures, In Total, Within Budget



Tree Planting Trust Fund

- Revenue and Expenditures Recorded in General Fund
 - Total Contributions Plus Interest Income - \$3,000
 - Expenditures/Encumbrances - \$0
 - City Council Voted to move \$300,000 to a reserved account
 - To this date no review has been scheduled by City Council
 - End of Third Quarter Unencumbered Balance - \$388,567



Housing Initiatives Fund/Inner City Housing Initiatives Fund

- Revenue and Expenditures Recorded in General Fund
 - Housing Initiative Fund :
 - Third Quarter Total Contributions - \$251,500
 - Expenditures/Encumbrances - \$90,100
 - End of Third Quarter Housing Incentive Fund Balance - \$161,374
 - Pensacola Inner City Community Redevelopment Area
 - City Council Allocated funds August 10, 2017 - \$440,000



Special Revenue Funds

- Local Option Gasoline Tax Fund
 - Revenue equaled Budget through 3rd Quarter
 - Expenditures will not Exceed Budget for the fiscal year



Special Revenue Funds

- Stormwater Utility Fund
 - Revenue of \$2,720,317 Represents 98.21% of Budget
 - Expenditures are Consistent with Budget for 3rd Quarter
 - Stormwater Utility Fee
 - Appears Will not meet budgeted level - **\$44,800** Down
 - Airport Parcels Will Receive Credits
 - State Right of Way Maintenance - **\$189,900** Down
 - Additional State Contract Not Received
 - Revenues Same as FY 2017- \$99,600



Special Revenue Funds

- Municipal Golf Course Fund
 - Expenditures Exceeded Revenue by **\$222,300** Before General Fund Subsidy (\$165,000)
 - **\$24,000** below FY 2017 3rd Quarter Revenues
 - Decrease in Revenue Due to Extreme weather during FY 2018



Special Revenue Funds

- **Municipal Golf Course Fund**

- 15,174 Rounds played in 3rd Quarter of FY 2018 - a decrease of **843** Rounds from FY 2017
- 4,829 of Driving Range usage in 3rd Quarter of FY 2018 - an increase of **858** Driving Range usage from FY 2017
- Concession payments are current through the 3rd quarter of FY 2018
- Expenditures Consistent with Budget

- **Inspection Services Fund**

- In total, Revenues Exceeded Expenditures By **\$82,200**
- Revenues **\$118,600** below Prior Year
- Expenditures are Anticipated to be Within Budget by Fiscal Year End



Special Revenue Funds

■ Roger Scott Tennis Center

- Expenditures Exceeded Revenues by **\$42,200**
- Revenues **\$45,400** below Prior Year
- Awarded Contract for Operation & Management of Roger Scott Tennis Center to Gulf Coast Tennis Group, LLC on November 9, 2017
 - Began Operation in January 2018
 - City receives minimum annual guaranteed revenue of \$125,000
 - Estimated to fund City's cost of Operations



Special Revenue Funds

- Community Maritime Park Management Services Fund
 - Community Maritime Park
 - New Market Tax Credit (NMTC) Completed
 - Assets & Liabilities of Community Maritime Park Associates, Inc. (CMPA) transferred to City
 - CMPA dissolved June 2017
 - FY 2018 First Full Year Of Operations By The City
 - Revenues and Appropriated Fund Balance Exceeded Expenditures by **\$22,800**
 - Majority of the Revenues Will be Received or Accrued in 4th Quarter
 - Expenses Consistent with Budget



Capital Projects Funds

- Local Option Sales Tax Fund
 - Revenues Exceeded Budget by **\$434,700** or **8.50%** Up
 - Expenditures in Total, Consistent with Budget
 - Extension of Local Option Sales Tax (Fourth Series)
- Local Option Gasoline Tax Series 2016 Project Fund
 - Approved by City Council on July 14, 2016
 - Prior Year Expenditures Through 3rd Quarter represent First Phase
 - Expenditures Through 3rd Quarter of FY 2018 represents the Third Phase
 - Council approved project list for Phase II on the December 14, 2017 and Contracts awarded February 8, 2018



Capital Projects Funds

- Stormwater Capital Projects Fund
 - General Fund Transfer Equaled Collection - \$2,726,600
 - Expenditures Within Budget



Enterprise Funds

■ Gas Utility Fund

- Fund Balance and Operating Revenue Exceeded Gas Operating Expenses and Encumbrances by **\$3,938,800**
- Third Quarter FY18 Revenues exceed FY17 Revenues by **\$5,084,300**
 - Due to Colder Temperatures During Early Spring
- FY17 Reserve Shortfall - \$3.94 million
 - Additional \$0.10 per Ccf - \$1,439,402
- Infrastructure Cost Recovery Fee - \$2,990,474
- In total, Expenses Consistent with Budget



Enterprise Funds

■ Sanitation Fund

- Fund Balance and Operating Revenue Exceeded Operating Expenses and Encumbrances by **\$194,800**
 - Fund Revenues were **\$389,300** above FY 17 Revenues
- Expenses Consistent with Budget



Enterprise Funds

■ Port of Pensacola

- Fund Balance and Revenues Below Expenses and Encumbrances by **\$231,300**
- Revenues Below FY 17 Revenues By **\$34,100**
 - Decrease in Property Rental, Wharfage, and Dockage
 - Result of fewer vessel dockage days
 - Attributable to the depressed state of offshore oil and gas industry



Enterprise Funds

■ Port of Pensacola

- FY 17 Expenditures Exceed Revenues by **\$721,400**
 - FY17 Reserve Balance of \$370,733
 - FY 18 If Pattern Continues Will be Short by **\$330,000**
- Expenses, In Total, are below Budget
 - Expenses **\$193,500** less than FY 2017 for same time period
 - Staff Continues to Operate at Minimal Cost
- All Port Lease Payments are Current
- Offshore Inland – Balance of **\$450,020.30**
 - \$12,020.30 – Current
 - \$0 – More than 30 days past due
 - \$438,000 – More than 120 days past due



Enterprise Funds

- Port of Pensacola

- Update Offshore Inland

- Over 120 Days

- June 30, 2018 - \$438,000.00

- An Establishment of payment plan incorporated into an amendment to tenants lease approved by City Council

- \$10,000 Installment Payments until full repayment of debt

- Includes \$363,000 in invoices being held in abeyance pending construction of an overhead crane Facility in Port Warehouse #1



Enterprise Funds

■ Airport Fund

- Fund Balance and Revenue Exceeded Expenses and Encumbrances by **\$7.0 million**
- Passenger Traffic Increased by 19.34% Compared to Third Quarter of FY 2017
 - Increase Due to Improved Air Service & General Economic Conditions
- Airport Revenues were **\$1,246,600** above FY 2017
 - Airline Revenues **\$36,300** above prior fiscal year
 - Non-Airline Revenues Exceeded prior fiscal year by **\$1,210,300**
 - Due to three new revenue sources: Cargo Landing Fees, Cargo Apron Area Rental, and Baggage Handling System
 - Parking Lot Revenue was **\$282,600** over prior year
- FAA Lease Agreement for FASCO tower in negotiations
- Expenses Consistent with Budget



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, 2018
 (Unaudited)

<u>ATTORNEY NAME OR FIRM</u>	<u>AMOUNT PAID</u>	<u>NATURE OF SERVICES PROVIDED</u>
ALLEN NORTON & BLUE P A	\$60,970.20	Administrative, Collective Bargaining and Employee Matters
BEGGS & LANE	217,457.70	Contract and Real Estate Law
BRYANT MILLER OLIVE PA	59,863.93	Bond Counsel
CARLTON FIELDS JORDEN BURT	15,469.54	Environmental and Real Estate
GRAY ROBINSON PA	66,208.12	Fee, Tax and Pension Plan Compliance
GUNSTER YOAKLEY & STEWART PA	18,496.82	Natural Gas Matters
HAND ARENDALL HARRISON SALE	17,878.95	Contract and Real Estate Law
HARRISON SALE MCCLOY & JACKSON	18,210.76	Contract and Real Estate Law
JOLLY & PETERSON PA	66,468.94	Police Liability Claims
LOCKE LORD LLP	2,500.00	Bond Disclosure Counsel and New Market Tax Credits
MCCARTER & ENGLISH LLP	38,731.75	Natural Gas Industry
PHILIP A BATES PA	150.00	Sanitation Matters
PLAUCHE MASELLI PARKERSON LLP	19,874.45	Utility Litigation
QUINTAIROS PRIETO WOOD & BOYER PA	47,360.43	Workers Compensation and Liability Claims
RAY, JR LOUIS F	22,968.00	Code Enforcement Special Magistrate
RODERIC G. MAGIE, PA	32,152.61	Workers Compensation Claims
STEINMEYER FIVEASH LLP	28,536.61	Environmental and Property Matters
THE HAMMONS LAW FIRM PA	304.50	Code Enforcement Lien Foreclosures
WILSON HARRELL & FARRINGTON PA	155,896.99	Claims and Litigation
WOODEN LAW FIRM PC	51,505.00	Land Development Matters
REPORT TOTAL	<u><u>\$941,005.30</u></u>	



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