

Financial Report

City of Pensacola

1st Quarter Financial Statement

Three Months Ending December 31, 2017



FY 2018 Issues

- Growth in the Economy Continues
- Half-Cent Sales Tax & Local Option Sales Tax (PFP)
 - Growth from FYE 2016 to FYE 2017
 - Half-Cent Sales Tax increased by **2.76%**
 - Local Option Sales Tax increased by **2.86%**
- 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 – **+\$67,600** or **2.36%** Up
 - Half-Cent Sales Tax – **+\$37,700** or **5.28%** Up
 - Communication Services Tax – **+\$20,600** or **4.27%** Up
 - Municipal Revenue Sharing – **+\$11,700** or **2.07%** Up



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 - \$1,100
 - Expenditures/Encumbrances - \$0
 - City Council Voted to move \$300,000 to a reserved account
 - Review of Tree Planting Trust Fund expenditures
 - End of First Quarter Unencumbered Balance - \$385,900



Housing Initiatives Fund/Inner City Housing Initiatives Fund

- Revenue and Expenditures Recorded in General Fund
 - Establishment of Fund January 12, 2017
 - Pensacola Inner City Community Redevelopment Area
 - City Council Allocated funds August 10, 2017 - \$440,000
 - First Quarter Total Contributions - \$124,800
 - Expenditures/Encumbrances - \$0



Special Revenue Funds

- Local Option Gasoline Tax Fund
 - Revenue equaled Budget for 1st Quarter
 - FY 17 City Appeal Concerning Calculation for Distribution of funds
 - Funds Held in Escrow until Settlement
 - Settlement Agreement Reached April 6, 2017
 - Funds Released and Received on May 1, 2017
 - For comparison purposes revenue for prior fiscal year provided to reflect two-month period.
 - Expenditures will not Exceed Budget for the fiscal year



Special Revenue Funds

- Stormwater Utility Fund
 - Revenue of \$1,910,000 Represents 68.82% of Budget
 - State Right of Way Maintenance
 - Consistent with Prior Year Actual Amount of \$99,600
 - Fiscal Year End Estimated Revenues To Be Adjusted \$189,900
 - Expenditures are Consistent with Budget for 1st Quarter



Special Revenue Funds

- Municipal Golf Course Fund
 - Expenditures Exceeded Revenue by **\$117,900**
Before General Fund Subsidy (\$55,000)
 - **\$14,800** below FY 2017 1st Quarter Revenues
 - Decrease in Revenue Due to Unseasonably Cold Weather



Special Revenue Funds

- **Municipal Golf Course Fund**

- 4,606 Rounds played in 1st Quarter of FY 2018 - a decrease of **464** Rounds from FY 2017
- 1,332 of Driving Range usage in 1st Quarter of FY 2018 - an increase of **313** Driving Range usage from FY 2017
- Concession payments are current through the 1st quarter of FY 2018
- Expenditures Consistent with Budget

- **Inspection Services Fund**

- In total, Expenditures Exceeded Revenues By **\$156,300**
- Revenues **\$38,200** above Prior Year
- Expenditures Were Consistent With Budget



Special Revenue Funds

■ Roger Scott Tennis Center

- Revenues Below Budget
 - Membership Renewal
- Revenues **\$6,900** above Prior Year
- Expenditures Not Anticipated to Exceed Budget
- 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
 - Expenditures Exceeded revenues by **\$166,000**
 - Expenses Consistent with Budget



Capital Projects Funds

- Local Option Sales Tax Fund
 - Revenues Exceeded Budget by **\$76,000** or **5.781%** Up
 - Expenditures in Total, Consistent with Budget
 - Extension of Local Option Sales Tax (Fourth Series)
- Local Option Gasoline Tax Series 2016 Project Fund
 - Three Phase program to Accelerate Street Rehabilitation
 - Phase I – Complete
 - Funding From LOGT Bond Proceeds
 - Phase III – In Progress
 - Funding from LOGT Bond Proceeds
 - Phase II – approved by City Council December 2017
 - Funding from Local Option Sales Tax Fund



Capital Projects Funds

- Stormwater Capital Projects Fund
 - General Fund Transfer Equaled Collection - \$1,910,000
 - Expenditures Within Budget



Enterprise Funds

■ Gas Utility Fund

- Expenses and Encumbrances Exceed Fund Balance and Revenue by **\$3.7 Million**
 - Capital Outlay, Debt Service & Transfer Expenditures
- First Quarter FY18 Revenues exceed FY17 Revenues
 - Due to colder start of winter
- FY17 Reserve Shortfall - \$3.94 million
 - Additional \$0.10 per Ccf - \$378,300
- Infrastructure Cost Recovery Fee - \$757,700
- In total, Expenses Consistent with Budget



Enterprise Funds

■ Sanitation Fund

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

\$452,600

- Fund Revenues were **\$60,800** above FY 17 Revenues

- Expenses Consistent with Budget



Enterprise Funds

■ Airport Fund

- Fund Balance and Revenue Exceeded Expenses and Encumbrances by **\$2.9 million**
- Passenger Traffic Increased by 8.55% Compared to First Quarter of FY 2017
- Airport Revenues were **\$326,800** above FY 2017
 - Airline Revenues **\$34,500** above prior fiscal year
 - Non-Arline Revenues Exceeded prior fiscal year by **\$326,800**
 - Due to increase Parking revenue and Concessions
 - Concession Revenue Exceeded prior year fiscal year by **\$27,800**
 - Parking Lot Revenue was **\$185,300** over prior year
- FAA Lease Agreement for FASCO tower in negotiations
- Expenses Consistent with Budget



Enterprise Funds

■ Port of Pensacola

- Fund Balance and Revenues Below Expenses and Encumbrances by **\$151,500**
- Revenues Below FY 17 Revenues By **\$33,500**
 - Decrease in Dockage
 - Result of fewer vessel dockage days
 - Attributable to the depressed state of offshore oil and gas industry



Enterprise Funds

■ Port of Pensacola

- Expenses, In Total, were at or below Budget
 - Expenses **\$135,600** less than FY 2017 for same time period
 - Due to two large infrastructure repair projects in FY 2017:
 - Projects to repair damaged rail track and inoperable fire suppression systems
- All Port Lease Payments are Current
- Offshore Inland – Balance of **\$508,000**
 - \$16,609.92 – Current
 - \$0 – More than 30 days past due
 - \$508,000 – More than 120 days past due



Enterprise Funds

- Port of Pensacola

- Update Offshore Inland

- Over 120 Days

- December 31, 2017 - \$508,000.00

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

- \$10,000 until full repayment of debt - \$145,000

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



Enterprise Funds

- Port of Pensacola

- Financial Position Update

- FYE 2017

- Port Expenditures Exceeded Port Revenues - **\$721,400**
 - Port Reserve Balance **\$370,773**

- If FYE 2018 Is Same As FYE 2017

- Port Reserves Would Be Depleted
 - Port would be short **\$330,000**

- Plan of Action

- Optimal Return on Port's Assets
 - Is In Process



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, 2017
(Unaudited)

<u>ATTORNEY NAME OR FIRM</u>	<u>AMOUNT PAID</u>	<u>NATURE OF SERVICES PROVIDED</u>
ALLEN NORTON & BLUE P A	\$50,686.46	Administrative, Collective Bargaining and Employee Matters
BEGGS & LANE	68,590.29	Contract and Real Estate Law
BRYANT MILLER OLIVE PA	54,323.98	Bond Counsel
CARLTON FIELDS JORDEN BURT	3,300.06	Environmental and Real Estate
GRAY ROBINSON PA	6,705.00	Fee, Tax and Pension Plan Compliance
JOLLY & PETERSON PA	19,763.40	Police Liability Claims
QUINTAIROS PRIETO WOOD & BOYER PA	8,607.00	Workers Compensation and Liability Claims
RODERIC G. MAGIE, PA	8,074.89	Workers Compensation Claims
STEINMEYER FIVEASH LLP	3,247.03	Environmental and Property Matters
WILSON HARRELL & FARRINGTON PA	102,707.42	Claims and Litigation
WOODEN LAW FIRM PC	26,005.00	Land Development Matters
REPORT TOTAL	<u>\$352,010.53</u>	



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