

# 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> |  |



# Financial Report

City of Pensacola

3rd Quarter Financial Statement

Nine Months Ending June 30, 2017

