

Financial Report

City of Pensacola

3rd Quarter Financial Statement

Nine Months Ending June 30, 2021

FY 2021 Issues

- Consistent growth in the Economy
- Half-Cent Sales Tax & Local Option Sales Tax
 - Growth from FYE 2019 to FYE 2020
 - Half-Cent Sales Tax decreased by **2.28%**
 - Local Option Sales Tax decreased by **2.84%**
- Ad Valorem Taxable Valuations
 - Positive Growth
- COVID-19 – Certain Revenues Continue to Trend Lower
- American Rescue Plan Act - \$19.1M
 - Through July 2021 Council has approved ARPA Appropriations totaling \$10,282,640
- Expenditures in total, in line with Budgeted Projections
- Interest Rates
- Legal Services and Fees
- Contracts & Expenditures over \$25,000 Approved by Mayor

General Fund

- In Total, Revenues Exceeded Budget
 - Attributed to Property Tax, Half-Cent Sales Tax, and the Transfer from Pensacola Energy
 - Franchise Fees & Public Service Tax – **-\$126,600 or 1.13%**
 - Half-Cent Sales Tax – **+ \$418,900 or 12.41%**
 - Communication Services Tax – **-\$19,700 or 0.94%**
 - Municipal Revenue Sharing – **\$27,400 or 1.57%**

General Fund

- In Total, Revenues Exceeded Budget
 - Until the End of the COVID-19 Pandemic, Revenues are Unknown to Meet Budget by FYE
- Special Permits within Planning Services Have Exceeded Budget
- Revenues for Escambia School Board for the School Resources Officer's program are under Budget
- PPD Taxi and Adult Entertainment Permits suspended, updated Ordinances to be brought to Council for Approval
- General Fund Transfer to Stormwater Capital Projects meets Budget
- 3rd Quarter Expenditures, In Total, Within Budget

Tree Planting Trust Fund

- Revenue and Expenditures Recorded in General Fund
 - Total Contributions Plus Interest Income - \$11,600
 - Expenditures/Encumbrances - \$16,400
 - End of 3rd Quarter Balance - \$522,900.

Park Purchases Trust Fund

- Revenue and Expenditures Recorded in General Fund
 - Total Contributions Plus Interest Income - \$8,400
 - Expenditures/Encumbrances - \$0
 - End of 3rd Quarter Unencumbered Balance - \$119,100
 - Council approved Expansion of Magee Field - \$110,000

Housing Initiatives Fund

- Revenue and Expenditures Recorded in General Fund
 - 3rd Quarter “Housing Initiatives Fund” Total Contributions - \$6,400
 - “Housing Initiatives Fund” Expenditures/Encumbrances - \$17,500
 - End of 3rd Quarter Balance for “Housing Initiatives Fund” - \$504,500

Special Revenue Funds

- Local Option Gasoline Tax Fund
 - Revenue of \$926,300 was **\$26,300 or 2.92%** Above Budget for the 3rd Quarter
 - Local Option Gasoline Tax Revenues are Expected to Meet Budget by FYE
 - Fund Expenditures Will Not Exceed Revenues for the Fiscal Year

Special Revenue Funds

- Stormwater Utility Fund
 - Revenue of \$2,801,100 Represents 102.42% of Budget
 - Expenditures are Consistent with Budget for 3rd Quarter
 - Council allocated \$250,000 from LOST for Street Sweeper replacement in December 2020
 - Stormwater Utility Fee Adjustment is proposed in the FY 2022 Budget
 - Rate increasing from \$72.24 per ESU to \$76.12 for FY22 and an increase to the maximum approved by Council of \$80 per ESU for FY23

Special Revenue Funds

- Parking Management Fund
 - Revenues Exceeded Expenses by **\$51,600**
 - No FY 2021 3rd Quarter Comparative Data, this is the First Year under City Management
 - Parking Revenues impacted due to COVID-19 and the General Daniel "Chappie" James Jr. Bridge closure due to Hurricane Sally Damage
 - Parking Activities increasing through Third Quarter
 - Boat Launch Fees are now under Parking Management, Fees are expected to meet budget by year end. Through the 3rd Quarter \$9,800 has been collected.

Special Revenue Funds

- Municipal Golf Course Fund
 - Expenditures Exceeded Revenue by **\$124,100** Before General Fund Subsidy (\$187,500)
 - **\$40,000** Above FY 2020 3rd Quarter Revenues
 - Increase in Revenue Due to Good Weather and Essential Services Provided by Osceola

Special Revenue Funds

- Municipal Golf Course Fund
 - 16,503 Rounds Played in 3rd Quarter of FY 2021 – an Increase of **402** Rounds From FY 2020
 - 4,980 of Driving Range Usage in 3rd Quarter of FY 2021 – an Increase of **209** Driving Range Usage from FY 2020
 - Concession Payments are Current Through the 3rd quarter of FY 2021
 - Expenditures Consistent with Budget

Special Revenue Funds

- Inspection Services Fund
 - In Total, Revenues Exceeded Expenses By **\$786,200**
 - Revenues were **\$976,000** more than the Prior Year
 - Construction and Housing demand continue to be high during the COVID-19 Pandemic along with Hurricane Sally Repair Permits contributing to increases in Revenue over the prior year
 - Expenditures Were Consistent With Budget

Special Revenue Funds

■ Roger Scott Tennis Center

- Revenues Exceeded Expenditures by **\$61,200**
- Revenues Declined Due to COVID-19 Pandemic
- Expenditures Not Anticipated to Exceed Budget
- Three-year Contract with Gulf Coast Tennis Group, LLC for the Operation & Management of Roger Scott Tennis Center is Month to Month until a Final Contract is Approved.
- Effective January 1, 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
 - Revenues Exceeded Expenditures by **\$75,600**
 - Expenditures normally Exceed Revenues Until Fourth Quarter when the Majority of Revenues are Accounted For
 - Revenues **\$399,800** higher than the Prior Year
 - Also Impacted by COVID-19 Pandemic
 - Limited Activities at Park continue and Baseball Season resumed on May 4, 2021
 - Expenses Consistent with Budget

Capital Projects Funds

- Local Option Sales Tax Fund
 - Revenues exceeded Budget by **\$611,000** or **9.92%**
 - FY 2020 Revenues under Budget by **\$612,500**
 - If Revenues continue to exceed Budget, Future Year Revenues may be adjusted back to Pre-COVID levels
 - Expenditures in Total, Consistent with Budget
 - Extension of Local Option Sales Tax (Through 12/31/2028)
 - Anticipated that a Draw Upon City's Pooled Cash Will Occur Through the Life of the LOST IV Series.

Capital Projects Funds

- Stormwater Capital Projects Fund
 - General Fund Transfer no longer Equals Collection from Stormwater Utility Fund - \$2,735,000
 - Expenditures Within Budget
 - May 2021 the City Council adopted Resolution No. 2021-32 allowing Stormwater Capital Purchases to be paid outside the Stormwater Capital Fund and setting the General Fund Transfer at \$2,735,000 for future years.

Enterprise Funds

■ Gas Utility Fund

- Fund Balance and Revenue exceeded Expenses and Encumbrances by **\$1,050,700**
- 3rd Quarter FY21 Revenues were Above FY20 Revenues
 - Increase Mainly due to increases in Gas Costs
- Additional \$0.10 per Ccf suspended for 3rd Quarter- \$1,103,400
- Infrastructure Cost Recovery Fee - \$3,007,900
- No CPI increase included in the FY 2022 Budget
- In Total, Expenses Consistent with Budget

Enterprise Funds

- Sanitation Fund
 - Fund Balance and Operating Revenue were Below Operating Expenses and Encumbrances by **\$901,500**
 - Fund Revenues were **\$820,200** Below FY 20 Revenues
 - No Federal CNG Rebates Received during the 3rd Quarter FY21
 - Rebates Used to Offset the Cost of Capital Equipment
 - A CPI increase of 4.1% is proposed in the FY 2022 Budget to Maintain operations and Capital Equipment Replacement
 - Fuel Surcharge Revenues below Expenses by **\$11,500** through July 2021, rate increased from \$1.30 to \$1.40 August 2021 to meet Budget by Fiscal Year end.
 - Expenses Consistent with Budget

Enterprise Funds

■ Port of Pensacola

- Fund Balance and Revenues exceeded Expenses and Encumbrances by **\$2,245,900**
- Revenues Exceeded FY 20 Revenues By **\$1,857,200**
 - Increase in Storage, Property Rental and Hurricane Sally Insurance Revenues
 - Increase in Port Tariff Rate
 - GE Doubled Utilization of the Port
- Expenses, In Total, were at Budget
 - Due to Increased Activity at the Port
 - FY 2021 Expenses **\$221,900** more than FY 2020 for 3rd Quarter

Enterprise Funds

■ Airport Fund

- Fund Balance and Revenue Exceeded Expenses and Encumbrances by **\$7,120,100**
- 3rd Quarter FY2021 Passenger Traffic Increased by **25.4%** Compared to 3rd Quarter FY 2020
- Airport Revenues were **\$1,457,500** Below FY 2020
 - Airline Revenues were **\$2,665,600** Below Prior Fiscal Year
 - Non-Airline Revenues Increased from Prior Fiscal Year by **\$1,208,200**
 - Airline Rentals, Baggage Handler System, Loading Bridge Fees, and Apron Area Rentals were Below Prior Fiscal Year by **\$2,645,600**
 - Gift Shop, Restaurant/Lounge, Rental Cars, and Rental Car CFC Revenue was **\$1,287,500** Above the prior year
- Expenses Consistent with Budget
- Transportation Industry is Experiencing the Effects of COVID-19 Pandemic
 - June FY 2021 Passenger Traffic increased by 253% over June FY2020.

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, 2021
 (Unaudited)

<u>ATTORNEY NAME OR FIRM</u>	<u>AMOUNT PAID</u>	<u>NATURE OF SERVICES PROVIDED</u>
RISK MANAGEMENT:		
COLLEEN CLEARY ORTIZ PA	\$ 21,474.43	Workers Compensation Claims
CLARK PARTINGTON HART LARRY	33,006.00	Claims and Litigation
QUINTAIROS PRIETO WOOD & BOYER PA	7,754.32	Workers Compensation and Liability Claims
RODERIC G. MAGIE, PA	24,482.51	Workers Compensation Claims
RUMBERGER KIRK & CALDWELL PA	4,515.50	Police Liability Claims
SNIFFEN & SPELLMAN PA	32,349.21	Police Liability Claims
WILSON HARRELL & FARRINGTON PA	81,627.47	Claims and Litigation
SUBTOTAL:	<u>205,209.44</u>	
ST AEROSPACE:		
BEGGS & LANE	132,223.50	Airport VT Mobile Aerospace Engineering Project
SUBTOTAL:	<u>132,223.50</u>	
ALL OTHER LEGAL COSTS:		
ALLEN NORTON & BLUE P A	39,990.58	Administrative, Collective Bargaining and Employee Matters
BEGGS & LANE	11,534.50	Contract and Real Estate Law
BRYANT MILLER OLIVE PA	22,927.50	Bond Counsel and CRA Matters
CARLTON FIELDS JORDEN BURT	37,040.00	Superfund and Other Environmental Matters
GALLOWAY, JOHNSON, TOMPKINS, BURR AND SMITH	4,666.00	Skanska Barge Matters
GRAY ROBINSON PA	55,126.00	Fee, Tax and Pension Plan Compliance
GUNSTER YOAKLEY & STEWART PA	7,507.20	Natural Gas Matters
LOCKE LORD LLP	2,500.00	Bond Disclosure Counsel
MCCARTER & ENGLISH LLP	20,627.21	Natural Gas Industry
NABORS GIBLIN & NICKERSON P A	1,416.85	Annual Stormwater Assessment Program
RAY, JR LOUIS F	30,710.00	Code Enforcement Special Magistrate
V. KEITH WELLS P.A.	3,500.00	Employee Personnel Board Attorney
SUBTOTAL:	<u>237,545.84</u>	
REPORT TOTAL:	\$ <u>574,978.78</u>	

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