

Financial Report

City of Pensacola

1st Quarter Financial Statement

Three Months Ending December 31, 2020

FY 2021 Issues

- Slower growth in the Economy Continues
- Half-Cent Sales Tax & Local Option Sales Tax
 - Growth from FYE 2020 to FYE 2021
 - Half-Cent Sales Tax increased by **11.48%**
 - Local Option Sales Tax increased by **11.96%**
- Ad Valorem Taxable Valuations
 - Positive Growth
- COVID-19 - Revenues Trending Lower
- 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 State Revenue Sharing, Half-Cent Sales Tax, and the Transfer from Pensacola Energy
 - Franchise Fees & Public Service Tax – **-\$382,000** or **11.55%**
 - Half-Cent Sales Tax – **+\$246,800** or **11.48%**
 - Communication Services Tax – **-\$31,600** or **-5.76%**
 - Municipal Revenue Sharing – **-\$7,100** or **1.19%**

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
- Parks and Recreation Boat Launch Fees now under City Parking Management
 - Delayed Due to COVID-19 and Hurricane Sally, Anticipated to Meet Budget at FYE
- Revenues for Escambia School Board for the School Resources Officer's program are under Budget
- General Fund Transfer to Stormwater Capital Projects are Projected to be Within Budget at FYE
- 1st Quarter Expenditures, In Total, Within Budget

Tree Planting Trust Fund

- Revenue and Expenditures Recorded in General Fund
 - Total Contributions Plus Interest Income - \$7,100
 - Expenditures/Encumbrances - \$0
 - End of 1st Quarter Unencumbered Balance - \$535,100.

Park Purchases Trust Fund

- Revenue and Expenditures Recorded in General Fund
 - Total Contributions Plus Interest Income - \$0
 - Expenditures/Encumbrances - \$0
 - End of Third Quarter Unencumbered Balance - \$110,900

Housing Initiatives Fund

- Revenue and Expenditures Recorded in General Fund
 - 1st Quarter “Inner City Housing Initiatives Fund” Total Contributions - \$1,100
 - “Housing Initiatives Fund” Expenditures/Encumbrances - \$2,500
 - End of 1st Quarter Unencumbered Balance for “Housing Initiatives Fund” - \$514,500

Special Revenue Funds

- Local Option Gasoline Tax Fund
 - Revenue was **\$10,900 or 4.65%** Above Budget for 1st 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 \$1,996,200 Represents 72.29% of Budget
 - Expenditures are Consistent with Budget for 1st Quarter
 - Council approved \$250,000 toward Street Sweeper replacement at the end of FY2020
 - Stormwater Utility Fee Adjustment may be necessary to fund ongoing capital replacement

Special Revenue Funds

- Parking Management Fund
 - Expenditures Exceeded Revenue by **\$5,200**
 - No FY 2021 1st 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
 - Boat Launch Fees are now under Parking Management, Fees are expected to meet budget by year end.

Special Revenue Funds

- Municipal Golf Course Fund
 - Expenditures Exceeded Revenue by **\$88,000** Before General Fund Subsidy (\$62,500)
 - **\$46,600** Above FY 2020 1st Quarter Revenues
 - Increase in Revenue Due to Good Weather and Essential Services Provided by Osceola

Special Revenue Funds

- Municipal Golf Course Fund
 - 4,348 Rounds Played in 1st Quarter of FY 2021 – an Increase of **1,888** Rounds From FY 2020
 - **1,155** of Driving Range Usage in 1st Quarter of FY 2021 – an Increase of **823** Driving Range Usage from FY 2020
 - Concession Payments are Current Through the 1st quarter of FY 2021
 - Expenditures Consistent with Budget

Special Revenue Funds

- Inspection Services Fund
 - In Total, Expenditures Exceeded Revenues By **\$127,800**
 - Revenues were **\$197,600** more than the Prior Year
 - Construction and Housing demand continue to be high during the COVID-19 Pandemic with increases in Revenue over the prior year
 - Expenditures Were Consistent With Budget

Special Revenue Funds

■ Roger Scott Tennis Center

- Revenues Exceeded Expenditures by **\$20,600**
- 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 extended through March 31, 2021
- 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 **\$83,900**
 - Expenditures Will Continue to Exceed Revenues Until Fourth Quarter
 - Revenues **\$300,000** higher than the Prior Year
 - Also Impacted by COVID-19 Pandemic
 - Limited Activities at Park continue and College Baseball resumed with the first Game of the Season Played on January 30, 2021
 - Expenses Consistent with Budget

Capital Projects Funds

- Local Option Sales Tax Fund
 - Revenues exceeded Budget by **+\$47,500** or **2.88%**
 - 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 Equaled Collection - \$1,996,200
 - Expenditures Within Budget

Enterprise Funds

■ Gas Utility Fund

- Fund Balance and Revenue were Below Expenses and Encumbrances by **\$5,800,000**
 - Capital Outlay, Debt Service & Transfer Expenditures
- 1st Quarter FY21 Revenues were Below FY20 Revenues
 - Decrease Due to Warmer Weather and the impacts of COVID-19
- Additional \$0.10 per Ccf - \$366,700
- Infrastructure Cost Recovery Fee - \$745,900
- In Total, Expenses Consistent with Budget

Enterprise Funds

■ Sanitation Fund

- Fund Balance and Operating Revenue were Below Operating Expenses and Encumbrances by **\$1,215,500**

- Fund Revenues were **\$144,700** Above FY 20 Revenues

No Federal CNG Rebates Received during the 1st Quarter FY21

- Rebates Used to Offset the Cost of Capital Equipment

- Expenses Consistent with Budget

Enterprise Funds

■ Port of Pensacola

- Fund Balance and Revenues were less than Expenses and Encumbrances by **\$97,900**
- Revenues Exceeded FY 20 Revenues By **\$90,500**
 - Increase in Wharfage, Storage, and Interior Lighting
 - Increase in Port Tariff Rate
 - GE Doubled Utilization of the Port
- Expenses, In Total, were at Budget
 - Due to Increased Activity at the Port
 - Expenses **\$34,600** more than FY 2020 for Same Time Period

Enterprise Funds

■ Airport Fund

- Fund Balance and Revenue Exceeded Expenses and Encumbrances by **\$7.2 Million**
- Passenger Traffic Decreased by 40.21% Compared to 1st Quarter of FY 2020
- Airport Revenues were **\$2,126,500** Below FY 2020
 - Airline Revenues were **\$983,500** Below Prior Fiscal Year
 - Non-Airline Revenues Decreased from Prior Fiscal Year by **\$1,142,900**
 - Combined Revenue from Rental Cars and Rental Car Facility Charge were Below Prior Fiscal Year by **\$1,100,000**
 - Parking Lot Revenue was **\$955,300** Below prior year
- Expenses Consistent with Budget
- Transportation Industry is Experiencing the Effects of COVID-19 Pandemic
 - Passenger Traffic Dropping

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, 2020
 (Unaudited)

| <u>ATTORNEY NAME OR FIRM</u> | <u>AMOUNT PAID</u> | <u>NATURE OF SERVICES PROVIDED</u> |
|---|-----------------------------|--|
| RISK MANAGEMENT: | | |
| COLLEEN CLEARY ORTIZ PA | \$ 165.00 | Workers Compensation Claims |
| CLARK PARTINGTON HART LARRY | 33,006.00 | Claims and Litigation |
| QUINTAIROS PRIETO WOOD & BOYER PA | 2,522.32 | 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 | 9,354.73 | Police Liability Claims |
| WILSON HARRELL & FARRINGTON PA | 16,994.72 | Claims and Litigation |
| SUBTOTAL: | <u>91,040.78</u> | |
| ST AEROSPACE: | | |
| BEGGS & LANE | 37,701.00 | Airport VT Mobile Aerospace Engineering Project |
| SUBTOTAL: | <u>37,701.00</u> | |
| ALL OTHER LEGAL COSTS: | | |
| ALLEN NORTON & BLUE P A | 15,914.29 | Administrative, Collective Bargaining and Employee Matters |
| BEGGS & LANE | 0.00 | Contract and Real Estate Law |
| BRYANT MILLER OLIVE PA | 10,797.00 | Bond Counsel and CRA Matters |
| CARLTON FIELDS JORDEN BURT | 3,510.00 | Superfund and Other Environmental Matters |
| COASTAL ASSOCIATION LAW GROUP | 0.00 | Contract and Real Estate Law |
| DAVIDSON & HIERS P A | 0.00 | Mediation |
| EDWARDS WILDMAN PALMER LLP | 0.00 | Bond Disclosure Counsel and New Market Tax Credits |
| GALLOWAY, JOHNSON, TOMPKINS, BURR AND SMITH | 1,198.50 | Skanska Barge Matters |
| GRAY ROBINSON PA | 25,332.00 | Fee, Tax and Pension Plan Compliance |
| GUNSTER YOAKLEY & STEWART PA | 7,507.20 | Natural Gas Matters |
| MCCARTER & ENGLISH LLP | 5,891.66 | Natural Gas Industry |
| MICHAEL J STEBINS PL | 0.00 | Pension Attorney |
| PLAUCHE MASELLI PARKERSON LLP | 0.00 | Utility Litigation |
| RAY, JR LOUIS F | 8,863.00 | Code Enforcement Special Magistrate |
| SUBTOTAL: | <u>79,013.65</u> | |
| REPORT TOTAL: | \$ <u>207,755.43</u> | |

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