

Financial Report

City of Pensacola

3rd Quarter Financial Statement

Nine Months Ending June 30, 2019

FY 2019 Issues

- Growth in the Economy Continues
- Half-Cent Sales Tax & Local Option Sales Tax
 - Growth from FYE 2018 to FYE 2019
 - Half-Cent Sales Tax increased by **5.99%**
 - Local Option Sales Tax increased by **4.50%**
- 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 – **-\$156,600** or **1.45%**
 - Half-Cent Sales Tax – **+\$76,600** or **2.40%**
 - Communication Services Tax – **+\$30,500** or **1.53%**
 - Municipal Revenue Sharing – **+\$32,200** or **1.88%**

General Fund

- In Total, Revenues Projected to Meet or Exceed budget
- General Fund Transfer to Stormwater Capital Projects are Below Budget
 - An adjustment has been included in a supplemental budget resolution.
- Expenditures in Total Within Budget Through Third Quarter

Tree Planting Trust Fund

- Revenue and Expenditures Recorded in General Fund
 - Total Contributions Plus Interest Income - \$101,200
 - Expenditures/Encumbrances - \$0
 - City Council Voted to move \$300,000 to a reserved account on September 13, 2017.
 - Review of Tree Planting Trust Fund expenditures
 - End of Third Quarter Unencumbered Balance - \$492,603.

Park Purchases Trust Fund

- Revenue and Expenditures Recorded in General Fund
 - Total Contributions Plus Interest Income - \$5,200
 - Expenditures/Encumbrances - \$0
 - End of Third Quarter Unencumbered Balance - \$108,720

Housing Initiatives Fund/Inner City Housing Initiatives Fund

- Revenue and Expenditures Recorded in General Fund
 - Pensacola Inner City Community Redevelopment Area
 - City Council Allocated funds August 10, 2017 - \$440,000
 - Third Quarter “Inner City Housing Initiatives Fund” Total Contributions and Interest - \$6,800
 - “Inner City Housing Initiatives Fund” Expenditures/Encumbrances - \$0
 - End of Third Quarter Unencumbered Balance for “Inner City Housing Initiatives Fund” - \$447,286

Housing Initiatives Fund/Inner City Housing Initiatives Fund

- Third Quarter “Housing Initiatives Fund” Total Contributions and Interest - \$46,100
- “Housing Initiatives Fund” Expenditures/Encumbrances - \$130,700
- End of Third Quarter Unencumbered Balance for “Housing Initiatives Fund” - \$62,028

Special Revenue Funds

- Local Option Gasoline Tax Fund

- Revenue was \$29,900 or 3.35% below Budget for 3rd Quarter
 - June remittance lower than anticipated due to late filing from a supplier.
- Expenditures will not Exceed Budget for the fiscal year

Special Revenue Funds

- Stormwater Utility Fund
 - Revenue of \$2,712,100 Represents 97.75% of Budget
 - Revenue is Projected to be less than Budget by FYE
 - Parcels on the Airport property determined to be exempt
 - Expenditures are Consistent with Budget for 3rd Quarter

Special Revenue Funds

- Municipal Golf Course Fund
 - Expenditures Exceeded Revenue by **\$175,200** Before General Fund Subsidy (\$165,000)
 - **\$200** above FY 2018 3rd Quarter Revenues
 - Anticipate an increase in the transfer from General Fund over the currently budgeted amount of \$220,000

Special Revenue Funds

- **Municipal Golf Course Fund**
 - 15,174 Rounds played in 3rd Quarter of FY 2019 - a decrease of **85** Rounds from FY 2018
 - 4,829 of Driving Range usage in 3rd Quarter of FY 2019 - a decrease of **769** Driving Range usage from FY 2018
 - Concession payments are current through the 3rd Quarter of FY 2019
 - Expenditures Consistent with Budget

- **Inspection Services Fund**
 - In total, Revenues Exceeded Expenditures By **\$190,200**
 - Revenues **\$146,000** more than Prior Year
 - Expenditures Were Consistent With Budget

Special Revenue Funds

■ Roger Scott Tennis Center

- Revenues exceeded expenditures by **\$47,100**
- Revenues are **\$11,700** Below Prior Year 3rd Quarter Revenues
- Expenditures Not Anticipated to Exceed Budget
- Three-year contract with Gulf Coast Tennis Group, LLC for the Operation & Management of Roger Scott Tennis Center
- 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
 - Community Maritime Park
 - CMPA dissolved June 2017
 - FY 2018 First Full Year Of Operations By The City
 - March, 14,2019, City Council approved the Fourth Amendment to the Multi- Use Facility Non- Exclusive Use Agreement between the City and the Northwest Florida Professional Baseball, LLC (NFPB)
 - Change of Variable Attendance Surcharge to Attendance Surcharge
 - Change to a flat fee of \$1.50 per ticket instead of sliding scale
 - Expenditures Exceeded revenues by **\$171,400**
 - Expenditures will continue to exceed revenues until fourth quarter
 - Revenues **\$18,100** more than Prior Year
 - Expenses Consistent with Budget

Capital Projects Funds

- Local Option Sales Tax Fund
 - Revenues Exceeded Budget by **\$546,800** or **10.41%** Up
 - 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.

Capital Projects Funds

- Stormwater Capital Projects Fund
 - General Fund Transfer Equaled Collection - \$2,712,100
 - Expenditures Within Budget
 - Transfer Projected to be less than Budget at FYE

Enterprise Funds

■ Gas Utility Fund

- Fund Balance and Revenue Exceed Expenses and Encumbrances by **\$2,727,700**
- Third Quarter FY19 Revenues exceed FY18 Revenues by **\$181,400**
- Increase in base load sales & higher gas costs
- FYE 2018 Reserve Shortfall - \$3.94 Million
Additional \$0.10 per Ccf - \$1,401,258
- Infrastructure Cost Recovery Fee - \$2,973,200
- In total, Expenses Consistent with Budget

Enterprise Funds

■ Sanitation Fund

- Fund Balance and Operating Revenue were Below Operating Expenses and Encumbrances by **\$153,400**
- Fund Revenues were **\$113,300** above FY 18 Revenues
- Expenses Consistent with Budget

Enterprise Funds

■ Port of Pensacola

- Revenues were below Expenses and Encumbrances by **\$65,000**
- Revenues exceeded FY 18 Revenues By **\$1,075,500**
 - Increase in Property Rental, Dockage, Interior Lighting, and Storage Revenue
 - Increase in Property Rental Revenue
 - New port customer - Pensacola Bay Oyster Company
 - Result of more vessel dockage days
 - Attributable to the increased business at Offshore Inland Marine's marine maintenance, repair & overhaul facility
 - Increase in Interior Lighting Revenue
 - Increase in power utilization at Berth 1 & New Tariff
 - Increase in Storage Revenue
 - Expanded Use of the Port

Enterprise Funds

■ Port of Pensacola

- Financial Position Update
 - FYE 2018
 - Port Reserves Balance a negative **\$10,200**
 - Supplemental Budget Resolution
 - Adopted April 11,2019
 - Eliminating the Appropriated Fund Balance
 - Increased Estimated Revenues and Appropriations

Enterprise Funds

■ Port of Pensacola

- Expenses, In Total, (excluding Berth 6) were at or below Budget
 - Expenses **\$667,200** more than FY 2018 for same time period
- All Port Lease Payments are Current
 - April 11, 2019 City Council Authorized Write off of Offshore Inland Marine & Oilfield Services abated payables

Enterprise Funds

■ Airport Fund

- Fund Balance and Revenue Exceeded Expenses and Encumbrances by **\$8.2 Million**
- Passenger Traffic Increased by 16.53% Compared to Third Quarter of FY 2018
- Airport Revenues were **\$1,956,800** above FY 2018
 - Airline Revenues **\$1,800** below prior fiscal year
 - Non-Airline Revenues Exceeded prior fiscal year by **\$1,958,700**
 - Parking Lot Revenue was **\$732,100** over prior year
 - Combined Revenue from Rental Cars and Rental Car Facility Charge Exceeded prior year fiscal year by **\$763,300**
- 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, 2019
(Unaudited)

<u>ATTORNEY NAME OR FIRM</u>	<u>AMOUNT PAID</u>	<u>NATURE OF SERVICES PROVIDED</u>
ALLEN NORTON & BLUE P A	\$59,490.67	Administrative, Collective Bargaining and Employee Matters
BEGGS & LANE	204,785.13	Contract and Real Estate Law
BRYANT MILLER OLIVE PA	6,498.84	Bond Counsel
CARLTON FIELDS JORDEN BURT	5,332.80	Environmental and Real Estate
COLLEEN CLEARY ORTIZ PA	6,670.00	Police Forfeiture Claim
GUNSTER YOAKLEY & STEWART PA	3,567.56	Natural Gas Matters
LOCKE LORD LLP	2,500.00	Bond Disclosure Counsel and New Market Tax Credits
MCCARTER & ENGLISH LLP	13,155.26	Natural Gas Industry
PLAUCHE MASELLI PARKERSON LLP	1,194.50	Utility Litigation
QUINTAIROS PRIETO WOOD & BOYER PA	27,387.92	Workers Compensation and Liability Claims
RAY, JR LOUIS F	25,839.00	Code Enforcement Special Magistrate
RODERIC G. MAGIE, PA	33,208.28	Workers Compensation Claims
RUMBERGER KIRK & CALDWELL PA	18,768.45	Police Liability Claims
SNIFFEN & SPELLMAN PA	49,719.26	Police Liability Claims
STEINMEYER FIVEASH LLP	3,515.01	Environmental and Property Matters
WILSON HARRELL & FARRINGTON PA	<u>98,394.74</u>	Claims and Litigation
REPORT TOTAL	<u><u>\$560,027.42</u></u>	

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