

Financial Report

City of Pensacola

1st Quarter Financial Statement

Three Months Ending December 31, 2018



FY 2019 Issues

- Growth in the Economy Continues
- Half-Cent Sales Tax & Local Option Sales Tax (PFP)
 - Growth from FYE 2017 to FYE 2018
 - Half-Cent Sales Tax increased by **7.39%**
 - Local Option Sales Tax increased by **8.15%**
- 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 – **+\$84,900** or **2.96%**
 - Half-Cent Sales Tax – **At budgeted levels**
 - Communication Services Tax – **+\$20,800** or **4.18%**
 - Municipal Revenue Sharing – **+\$10,700** or **1.88%**



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 - \$16,800
 - 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 First Quarter Unencumbered Balance - \$406,488



Park Purchases Trust Fund

- Revenue and Expenditures Recorded in General Fund
 - Total Contributions Plus Interest Income - \$4,000
 - Expenditures/Encumbrances - \$0
 - End of First Quarter Unencumbered Balance - \$107,590



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
 - First Quarter “Inner City Housing Initiatives Fund” Total Contributions - \$2000
 - “Inner City Housing Initiatives Fund” Expenditures/Encumbrances - \$0
 - End of First Quarter Unencumbered Balance for ““Inner City Housing Initiatives Fund” - \$440,500



Housing Initiatives Fund/Inner City Housing Initiatives Fund

- First Quarter “Housing Initiatives Fund” Total Contributions - \$700
- “Housing Initiatives Fund” Expenditures/Encumbrances - \$13,800
- End of First Quarter Unencumbered Balance for “Housing Initiatives Fund” - \$132,700



Special Revenue Funds

- Local Option Gasoline Tax Fund
 - Revenue was \$25,000 or 10.72% below Budget for 1st Quarter
 - Due to the effects from Hurricane Michael, unable to receive true data
 - Payment in January included a true-up that may continue through March 2019
 - Based on true-up receipt, revenues exceeded budget by \$8,200 or 2.358%
 - Expenditures will not Exceed Budget for the fiscal year



Special Revenue Funds

- Stormwater Utility Fund
 - Revenue of \$1,712,800 Represents 61.72% of Budget
 - State Right of Way Maintenance
 - Includes accrual reversals from previous year
 - Will be reflected in second quarter financial report
 - Expenditures are Consistent with Budget for 1st Quarter



Special Revenue Funds

- Municipal Golf Course Fund
 - Expenditures Exceeded Revenue by **\$141,200**
Before General Fund Subsidy (\$55,000)
 - **\$11,800** below FY 2018 1st Quarter Revenues
 - Decrease in Revenue Due to significant amount of rainfall
 - Anticipate an increase in the transfer from General Fund over the currently budgeted amount of \$220,000



Special Revenue Funds

- **Municipal Golf Course Fund**

- 3,928 Rounds played in 1st Quarter of FY 2019 - a decrease of **678** Rounds from FY 2018
- 980 of Driving Range usage in 1st Quarter of FY 2019 - a decrease of **352** Driving Range usage from FY 2018
- Concession payments are current through the 1st quarter of FY 2019
- Expenditures Consistent with Budget

- **Inspection Services Fund**

- In total, Expenditures Exceeded Revenues By **\$129,500**
- Revenues **\$7,400** less than Prior Year
- Expenditures Were Consistent With Budget



Special Revenue Funds

■ Roger Scott Tennis Center

- Revenues exceeded expenditures by **\$25,600**
- 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
 - Expenditures Exceeded revenues by **\$113,900**
 - Expenditures will continue to exceed revenues until fourth quarter
 - Revenues **\$8,300** more than Prior Year
 - Expenses Consistent with Budget



Capital Projects Funds

- Local Option Sales Tax Fund
 - Revenues Exceeded Budget by **\$115,300** or **8.75%** Up
 - Expenditures in Total, Consistent with Budget
 - Extension of Local Option Sales Tax (Through 12/31/2028)



Capital Projects Funds

- Stormwater Capital Projects Fund
 - General Fund Transfer Equaled Collection - \$1,712,700
 - Expenditures Within Budget



Enterprise Funds

■ Gas Utility Fund

- Expenses and Encumbrances Exceed Fund Balance and Revenue by **\$5.1 Million**
 - Capital Outlay, Debt Service & Transfer Expenditures
- First Quarter FY19 Revenues exceed FY18 Revenues
- FYE 2018 Reserve Shortfall - \$283,100
 - Additional \$0.10 per Ccf - \$417,100
- Infrastructure Cost Recovery Fee - \$877,000
- In total, Expenses Consistent with Budget



Enterprise Funds

■ Sanitation Fund

- Fund Balance and Operating Revenue were Below Operating Expenses and Encumbrances by **\$702,700**
 - Fund Revenues were **\$147,600** above FY 18 Revenues
- Expenses Consistent with Budget



Enterprise Funds

■ Airport Fund

- Fund Balance and Revenue Exceeded Expenses and Encumbrances by **\$4 million**
- Passenger Traffic Increased by 11.51% Compared to First Quarter of FY 2018
- Airport Revenues were **\$622,600** above FY 2018
 - Airline Revenues **\$79,500** below prior fiscal year
 - Decrease due to Air Carrier Landing Fees, Baggage Handling System and Airline Rentals compared to prior year
 - Non-Arline Revenues Exceeded prior fiscal year by **\$702,000**
 - Due to increase Parking revenue and Concessions
 - Rental Car Revenue Exceeded prior year fiscal year by **\$231,800**
 - Parking Lot Revenue was **\$296,600** over prior year
- Expenses Consistent with Budget



Enterprise Funds

■ Port of Pensacola

- Fund Balance and Revenues Below Expenses and Encumbrances by **\$88,400**
- Revenues exceeded FY 18 Revenues By **\$133,800**
 - Increase in Dockage
 - Result of more vessel dockage days
 - Attributable to the increased business at Offshore Inland Marine's marine maintenance, repair & overhaul facility
 - Increase in rental revenue
 - New port customer - Pensacola Bay Oyster Company



Enterprise Funds

■ Port of Pensacola

- Expenses, In Total, were at or below Budget
 - Expenses **\$78,000** less than FY 2018 for same time period
- All Port Lease Payments are Current
- Offshore Inland – Balance of **\$424,300**
 - \$51,269.66 – Current
 - \$0 – More than 30 days past due
 - \$373,000 – More than 120 days past due



Enterprise Funds

- Port of Pensacola

- Update Offshore Inland

- Over 120 Days

- December 31, 2018 - \$373,000.00

- 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**

■ FYE 2018

- Port Reserves Balance a negative **\$10,200**
- 1st Quarter revenues have increased over estimated revenue
 - Increase in Port's activity

■ Supplemental Budget Resolution

- Increase Estimated Revenues
- Adjust Appropriations & Fund Balance



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, 2018
(Unaudited)

<u>ATTORNEY NAME OR FIRM</u>	<u>AMOUNT PAID</u>	<u>NATURE OF SERVICES PROVIDED</u>
ALLEN NORTON & BLUE P A	\$44,024.01	Administrative, Collective Bargaining and Employee Matters
BEGGS & LANE	66,198.42	Contract and Real Estate Law
CARLTON FIELDS JORDEN BURT	855.00	Environmental and Real Estate
COLLEEN CLEARY ORTIZ PA	1,505.00	Police Forfeiture Claim
GUNSTER YOAKLEY & STEWART PA	93.15	Natural Gas Matters
MCCARTER & ENGLISH LLP	1,234.25	Natural Gas Industry
PLAUCHE MASELLI PARKERSON LLP	674.50	Utility Litigation
QUINTAIROS PRIETO WOOD & BOYER PA	10,208.92	Workers Compensation and Liability Claims
RAY, JR LOUIS F	2,871.00	Code Enforcement Special Magistrate
RODERIC G. MAGIE, PA	17,629.66	Workers Compensation Claims
SNIFFEN & SPELLMAN PA	12,269.84	Police Liability Claims
STEINMEYER FIVEASH LLP	3,515.01	Environmental and Property Matters
WILSON HARRELL & FARRINGTON PA	<u>30,945.96</u>	Claims and Litigation
REPORT TOTAL	<u>\$192,024.72</u>	



Financial Report

City of Pensacola

1st Quarter Financial Statement

Three Months Ending December 31, 2018

