

# Financial Report

City of Pensacola

2nd Quarter Financial Statement

Three Months Ending March 31, 2021

# FY 2021 Issues

- Slow growth in the Economy Continues
- Half-Cent Sales Tax & Local Option Sales Tax
  - Growth from FYE 2019 to FYE 2020
    - Half-Cent Sales Tax decreased by **2.84%**
    - Local Option Sales Tax decreased by **2.28%**
- Ad Valorem Taxable Valuations
  - Positive Growth
- COVID-19 – Certain Revenues Continue to Trend Lower
- American Rescue Plan Act - \$19.1M
- 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 – **-\$290,700 or 3.84%**
  - Half-Cent Sales Tax – **+ \$45,400 or 2.06%**
  - Communication Services Tax – **-\$30,100 or -2.29%**
  - Municipal Revenue Sharing – **-\$14,300 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
- Revenues for Escambia School Board for the School Resources Officer's program are under Budget
- General Fund Transfer to Stormwater Capital Projects is Projected to be Within Budget at FYE
- 2nd Quarter Expenditures, In Total, Within Budget

# Tree Planting Trust Fund

- Revenue and Expenditures Recorded in General Fund
  - Total Contributions Plus Interest Income - \$10,300
  - Expenditures/Encumbrances - \$9,000
  - End of 2nd Quarter Balance - \$529,300.

# Park Purchases Trust Fund

- Revenue and Expenditures Recorded in General Fund
  - Total Contributions Plus Interest Income - \$8,400
  - Expenditures/Encumbrances - \$0
  - End of 2nd Quarter Unencumbered Balance - \$119,100
  - Council approved Expansion of Magee Field - \$110,000

# Housing Initiatives Fund

- Revenue and Expenditures Recorded in General Fund
  - 2nd Quarter “Housing Initiatives Fund” Total Contributions - \$6,100
  - “Housing Initiatives Fund” Expenditures/Encumbrances - \$7,300
  - End of 2nd Quarter Balance for “Housing Initiatives Fund” - \$514,700

# Special Revenue Funds

- Local Option Gasoline Tax Fund
  - Revenue was **\$2,000 or .34%** Below Budget for the 2nd 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 \$2,122,600 Represents 77.61% of Budget
  - Expenditures are Consistent with Budget for 2nd Quarter
  - Council allocated \$250,000 from LOST for Street Sweeper replacement in December 2020
  - Stormwater Utility Fee Adjustment or a Change in how Capital Project Funds are allocated should be addressed in the FY 2022 Budget

# Special Revenue Funds

- Parking Management Fund
  - Revenues Exceeded Expenses by **\$400**
    - No FY 2021 2nd 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. Through the 2<sup>nd</sup> Quarter \$900 has been collected.

# Special Revenue Funds

- Municipal Golf Course Fund
  - Expenditures Exceeded Revenue by **\$118,200** Before General Fund Subsidy (\$125,000)
    - **\$36,000** Above FY 2020 2nd Quarter Revenues
      - Increase in Revenue Due to Good Weather and Essential Services Provided by Osceola

# Special Revenue Funds

- Municipal Golf Course Fund
  - 11,238 Rounds Played in 2nd Quarter of FY 2021 – an Increase of **1,652** Rounds From FY 2020
  - 4,103 of Driving Range Usage in 2nd Quarter of FY 2021 – an Increase of **1,532** Driving Range Usage from FY 2020
  - Concession Payments are Current Through the 2nd quarter of FY 2021
  - Expenditures Consistent with Budget

# Special Revenue Funds

- Inspection Services Fund
  - In Total, Revenues Exceeded Expenses By **\$191,000**
  - Revenues were **\$395,200** 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 **\$36,400**
- 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 **\$18,900**
    - Expenditures normally Exceed Revenues Until Fourth Quarter when the Majority of Revenues are Accounted For
  - Revenues **\$307,400** higher than the Prior Year
  - Also Impacted by COVID-19 Pandemic
    - Limited Activities at Park continue and Baseball Season will resume on May 4, 2021
  - Expenses Consistent with Budget

# Capital Projects Funds

- Local Option Sales Tax Fund
  - Revenues exceeded Budget by **+\$133,500** or **3.34%**
  - 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 - \$2,122,600
  - Expenditures Within Budget

# Enterprise Funds

## ■ Gas Utility Fund

- Fund Balance and Revenue exceeded Expenses and Encumbrances by **\$3,200,000**
- 2nd Quarter FY21 Revenues were Above FY20 Revenues
  - Increase Due to less COVID-19 restriction on Restaurants & Businesses
- Additional \$0.10 per Ccf - \$1,103,400
- Infrastructure Cost Recovery Fee - \$2,338,700
- No CPI increase anticipated 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 **\$1,099,100**

- Fund Revenues were **\$209,100** Above FY 20 Revenues

No Federal CNG Rebates Received during the 2nd Quarter FY21

- Rebates Used to Offset the Cost of Capital Equipment

A CPI increase of 4.1% is contemplated for the FY 2022

Budget to Maintain operations and Capital Equipment Replacement

- Expenses Consistent with Budget

# Enterprise Funds

## ■ Port of Pensacola

- Fund Balance and Revenues exceeded Expenses and Encumbrances by **\$368,100**
- Revenues Exceeded FY 20 Revenues By **\$214,900**
  - Increase in Dockage, Storage, and Property Rental
    - 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 **\$191,900** more than FY 2020 for Same Time Period

# Enterprise Funds

## ■ Airport Fund

- Fund Balance and Revenue Exceeded Expenses and Encumbrances by **\$1,694,500**
- 2<sup>nd</sup> Quarter FY2021 Passenger Traffic Decreased by **30.23%** Compared to 2<sup>nd</sup> Quarter FY 2020
- Airport Revenues were **\$3,934,600** Below FY 2020
  - Airline Revenues were **\$1,929,700** Below Prior Fiscal Year
  - Non-Airline Revenues Decreased from Prior Fiscal Year by **\$2,004,900**
  - Airline Rentals, Baggage Handler System, Loading Bridge Fees, Apron Area Rentals, and Air Carrier Landing Fees, were Below Prior Fiscal Year by **\$1,904,600**
  - Parking Lot Revenue was **\$1,285,400** Below prior year
- Expenses Consistent with Budget
- Transportation Industry is Experiencing the Effects of COVID-19 Pandemic
  - March FY 2021 Passenger Traffic increased by 55% over March 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  
March 31, 2021  
(Unaudited)

ATTORNEY NAME OR FIRM	AMOUNT PAID	NATURE OF SERVICES PROVIDED
<b>RISK MANAGEMENT:</b>		
COLLEEN CLEARY ORTIZ PA	\$ 7,819.24	Workers Compensation Claims
CLARK PARTINGTON HART LARRY	33,006.00	Claims and Litigation
QUINTAIROS PRIETO WOOD & BOYER PA	6,100.82	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	25,284.44	Police Liability Claims
WILSON HARRELL & FARRINGTON PA	19,415.29	Claims and Litigation
<b>SUBTOTAL:</b>	<b><u>120,623.80</u></b>	
<b>ST AEROSPACE:</b>		
BEGGS & LANE	67,525.50	Airport VT Mobile Aerospace Engineering Project
<b>SUBTOTAL:</b>	<b><u>67,525.50</u></b>	
<b>ALL OTHER LEGAL COSTS:</b>		
ALLEN NORTON & BLUE P A	16,969.29	Administrative, Collective Bargaining and Employee Matters
BEGGS & LANE	10,472.50	Contract and Real Estate Law
BRYANT MILLER OLIVE PA	13,605.50	Bond Counsel and CRA Matters
CARLTON FIELDS JORDEN BURT	24,015.00	Superfund and Other Environmental Matters
GALLOWAY, JOHNSON, TOMPKINS, BURR AND SMITH	1,198.50	Skanska Barge Matters
GRAY ROBINSON PA	39,377.00	Fee, Tax and Pension Plan Compliance
GUNSTER YOAKLEY & STEWART PA	7,507.20	Natural Gas Matters
MCCARTER & ENGLISH LLP	8,631.29	Natural Gas Industry
RAY, JR LOUIS F	20,847.00	Code Enforcement Special Magistrate
<b>SUBTOTAL:</b>	<b><u>142,623.28</u></b>	
<b>REPORT TOTAL:</b>	<b>\$ <u>330,772.58</u></b>	

# Financial Report

City of Pensacola

2nd Quarter Financial Statement

Six Months Ending March 31, 2021