

Financial Report

City of Pensacola

3rd Quarter Financial Statement

Nine Months Ending June 30, 2020

FY 2020 Issues

- Slower growth in the Economy Continues
- Half-Cent Sales Tax & Local Option Sales Tax
 - Decrease in Revenue
- 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 Property Tax, Local Business Tax Revenues & Transfer from Pensacola Energy
 - Franchise Fees & Public Service Tax – **+\$136,000** or **1.29%**
 - Half-Cent Sales Tax – **- \$246,800** or **7.26%**
 - Communication Services Tax – **+\$76,800** or **3.78%**
 - Municipal Revenue Sharing – **+\$7,800** or **.45%**

General Fund

- In Total, Revenues Exceeded Budget
 - Until End of 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 delayed
 - Due to COVID-19, Not Anticipated to Meet Budget at FYE
- Revenues for Escambia School Board for the School Resources Officer's program will not meet Budget
- General Fund Transfer to Stormwater Capital Projects are Projected to be Within Budget at FYE
- Third Quarter Expenditures, In Total, Within Budget

Tree Planting Trust Fund

- Revenue and Expenditures Recorded in General Fund
 - Total Contributions Plus Interest Income - \$33,500
 - Expenditures/Encumbrances - \$0
 - Resolution was Adopted by City Council to Move \$100,000 for Implementation of the Tree Planting and Management Plan on November 14, 2019.
 - End of Third Quarter Unencumbered Balance - \$528,974.

Park Purchases Trust Fund

- Revenue and Expenditures Recorded in General Fund
 - Total Contributions Plus Interest Income - \$1,300
 - Expenditures/Encumbrances - \$0
 - End of Third Quarter Unencumbered Balance - \$110,479

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 - \$5,300
 - “Inner City Housing Initiatives Fund” Expenditures/Encumbrances - \$0
 - End of Third Quarter Unencumbered Balance for ““Inner City Housing Initiatives Fund” - \$454,590

Housing Initiatives Fund/Inner City Housing Initiatives Fund

- Third Quarter “Housing Initiatives Fund” Total Contributions - \$600
- “Housing Initiatives Fund” Expenditures/Encumbrances - \$9,300
- End of Third Quarter Unencumbered Balance for “Housing Initiatives Fund” - \$43,070

Special Revenue Funds

- Local Option Gasoline Tax Fund
 - Revenue was **\$10,100** or **1.17%** Below Budget for 3rd Quarter
 - Local Option Gasoline Tax Revenues May Not Meet Budget by FYE
 - Fund Expenditures Will Not Exceed Revenues for the Fiscal Year

Special Revenue Funds

- Stormwater Utility Fund
 - Revenue of \$2,731,500 Represents 99.77% of Budget
 - Expenditures are Consistent with Budget for 3rd Quarter

Special Revenue Funds

- Municipal Golf Course Fund
 - Expenditures Exceeded Revenue by **\$128,400** Before General Fund Subsidy (\$187,500)
 - **\$52,800** Above FY 2019 3rd Quarter Revenues
 - Increase in Revenue Due to Good Weather and Essential Services Provided by Osceola

Special Revenue Funds

- Municipal Golf Course Fund
 - 16,101 Rounds Played in 3rd Quarter of FY 2020 – an Increase of **1,012** Rounds From FY 2019
 - 4,771 of Driving Range Usage in 3rd Quarter of FY 2020 – an Increase of **771** Driving Range Usage from FY 2019
 - Concession Payments are Current Through the 3rd quarter of FY 2020
 - Expenditures Consistent with Budget

Special Revenue Funds

- Inspection Services Fund
 - In Total, Revenues Exceeded Expenditures By **\$32,700**
 - Revenues **\$35,300** Less than Prior Year
 - COVID-19 Pandemic has Resulted in a Slight Downturn in Revenue and Less Overall Commercial Construction
 - Expenditures Were Consistent With Budget

Special Revenue Funds

■ Roger Scott Tennis Center

- Revenues Exceeded Expenditures by **\$32,300**
- 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
- 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
 - Expenditures Exceeded revenues by **\$230,400**
 - Expenditures Will Continue to Exceed Revenues Until Fourth Quarter
 - Revenues **\$112,000** Less than Prior Year
 - Also Impacted by COVID-19 Pandemic
 - Limited Activities at Park and Baseball is Cancelled for the Remainder of the Season
 - Expenses Consistent with Budget

Capital Projects Funds

- Local Option Sales Tax Fund
 - Revenues were Below Budget by **-\$467,100** or **7.63%** Down
 - Mainly Due to COVID-19 Pandemic
 - 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 - \$2,728,700
 - Expenditures Within Budget

Enterprise Funds

■ Gas Utility Fund

- Fund Balance and Revenue were Below Expenses and Encumbrances by **\$637,400**
 - Capital Outlay, Debt Service & Transfer Expenditures
- Third Quarter FY20 Revenues were Below FY19 Revenues
 - Decrease Due to Warmer Weather and the Reduction in Gas Costs
- Additional \$0.10 per Ccf - \$1,306,964
- Infrastructure Cost Recovery Fee - \$2,617,100
- In Total, Expenses Consistent with Budget

Enterprise Funds

■ Sanitation Fund

- Fund Balance and Operating Revenue were Below Operating Expenses and Encumbrances by **\$225,500**
 - Fund Revenues were **\$116,400** Above FY 19 Revenues
- Federal CNG Rebates of \$1,181,082 has been Received
 - Will be Used to Offset the Cost of Capital Equipment
- Expenses Consistent with Budget

Enterprise Funds

■ Port of Pensacola

- Fund Balance and Revenues Exceeded Expenses and Encumbrances by **\$546,300**
- Revenues Exceeded FY 19 Revenues By **\$43,400**
 - Increase in Wharfage, Dockage, Storage, Security Fees 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 **\$380,500** Less than FY 2019 for Same Time Period

Enterprise Funds

■ Airport Fund

- Fund Balance and Revenue Exceeded Expenses and Encumbrances by **\$7.1 Million**
- Passenger Traffic Decreased by 64.11% Compared to Third Quarter of FY 2019
- Airport Revenues were **\$7,404,300** Below FY 2019
 - Airline Revenues were **\$448,400** Above Prior Fiscal Year
 - Non-Arline Revenues Decreased from Prior Fiscal Year by **\$2,836,500**
 - Combined Revenue from Rental Cars and Rental Car Facility Charge were Below Prior Fiscal Year by **\$1,077,394**
 - Parking Lot Revenue was **\$1,615,400** 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
June 30, 2020
(Unaudited)

ATTORNEY NAME OR FIRM	AMOUNT PAID	NATURE OF SERVICES PROVIDED
RISK MANAGEMENT:		
QUINTAIROS PRIETO WOOD & BOYER PA	7,295.00	Workers Compensation and Liability Claims
RODERIC G. MAGIE, PA	47,806.10	Workers Compensation Claims
SNIFFEN & SPELLMAN PA	50,759.15	Police Liability Claims
WILSON HARRELL & FARRINGTON PA	53,458.17	Claims and Litigation
	<u>159,318.42</u>	TOTAL:
ST AEROSPACE:		
BEGGS & LANE	200,004.37	Airport VT Mobile Aerospace Engineering Project
CLARK PARTINGTON HART LARRY	0.00	Aviation Real Estate Closing
	<u>200,004.37</u>	TOTAL:
ALL OTHER LEGAL COSTS:		
ALLEN NORTON & BLUE P A	\$20,336.95	Administrative, Collective Bargaining and Employee Matters
BEGGS & LANE	9,204.00	Contract and Real Estate Law
BONDURANT MIXON & ELMORE LLP	0.00	Civil Rights Litigation
		Housing plans
BOZEMAN, JAMES C DBA TODAYS HOMES	0.00	
BRYANT MILLER OLIVE PA	5,617.53	Bond Counsel
CARLTON FIELDS JORDEN BURT	40,871.94	Environmental and Real Estate
GRAY ROBINSON PA	20,358.70	Fee, Tax and Pension Plan Compliance
GUNSTER YOAKLEY & STEWART PA	5,550.45	Natural Gas Matters
LOCKE LORD LLP	2,500.00	Bond Disclosure Counsel
MCCARTER & ENGLISH LLP	9,229.32	Natural Gas Industry
NABORS GIBLIN & NICKERSON P A	3,925.75	Annual Stormwater Assessment Program
PLAUCHE MASELLI PARKERSON LLP	380.00	Utility Litigation
RAY, JR LOUIS F	17,226.00	Code Enforcement Special Magistrate
RAYMOND, MARK E	0.00	CFC Note Restructure
SPERO, DONALD J	0.00	Arbitration
STEINMEYER FIVEASH LLP	1,320.00	Environmental and Property Matters
	<u>136,520.64</u>	TOTAL:
REPORT TOTAL	<u><u>\$495,843.43</u></u>	

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