

Financial Report

City of Pensacola

2nd Quarter Financial Statement

Six Months Ending March 31, 2014



FY 2014 Issues

- Downturn in Economy
- Half-Cent Sales Tax & Local Option Sales Tax
 - Continue to show growth from FY 2013
- Public Service Tax & Communication Services Tax
 - Estimated revenue levels reduced
- Expenditures in line with Budgeted Projections
- Annual Pension Payment Contributions
- Supplemental Budget Resolution
 - Gas Utility Fund
- Interest Rates



General Fund

- Revenues Exceeded Budget – In Total
 - Attributed to Property Tax & Local Business Tax Revenues
 - Franchise Fees & Public Service Tax - +\$837,200 or 14.64% Up
 - Half-Cent Sales Tax – +\$40,100 or 2.63% Up
 - Municipal Revenue Sharing – +\$7,800 or 0.70% Up
 - Communication Services Tax – -\$148,600 or 10.21% Down
 - In total, revenues are projected to meet or exceed budget by fiscal year end.



General Fund

- Expenditures, In total, Within Budget
- Selective Hiring Process Continues
- Departments/Divisions Required to Live Within their Operating Budgets Without Depending on Savings in their Personal Services Budgets
- All General Fund Capital Equipment funded in Penny For Progress



Tree Planting Trust Fund

- Revenue and Expenditures are recorded in the General Fund
- Contributions plus Interest Income - \$1,850
- Expenditures/Encumbrances - \$0
- Unencumbered Balance - \$659,827



Park Purchases Fund

- Revenue and Expenditures are recorded in the General Fund
- Interest Income - \$33
- Expenditures/Encumbrances - \$37,775
- Unencumbered Balance - \$475



Economic Development Incentives Fund

- Revenue and Expenditures are recorded in the General Fund
- Contributions plus Interest Income - \$73,328
- Expenditures/Encumbrances - \$0
- Unencumbered Balance - \$1,073,611



Special Revenue Funds

- Local Option Gasoline Tax Fund
 - Revenue Below Budget by **\$3,400** or **0.552%**
 - Expenditures will not exceed budget for the fiscal year
- Stormwater Utility Fund
 - Utility Fee Revenue - \$2,125,043 or 83.94% of Budget
 - Expenditures Consistent with budget



Special Revenue Funds

- Municipal Golf Course
 - Expenditures Exceeded Revenues By **\$165,600** Before General Fund Subsidy (\$45,000)
 - **\$49,600** below Prior Year Second Quarter Revenues
 - Decrease in Usage when Compared to Last Fiscal Year
 - Rounds played: FY14 – 7,843/FY13 - 10,659
 - » Down **2,816**
 - Driving Range Usage: FY14 – 2,011/FY13 – 3,493
 - » Down **1,482**
 - Various Marketing Strategies Implemented to Increase Rounds of Play
 - Expenditures are Consistent with Budget



Special Revenue Funds

- Municipal Golf Course (Continued)
 - General Fund Subsidy anticipated to Increase from Budget of \$90,000
 - A \$50,000 transfer to the Local Option Sales Tax Fund is Budgeted to repay loan to renovate golf course
 - Transfer will not occur due to decline in Revenues
 - Concession Contract with Daggs Enterprises Terminated, effective March 31, 2014
 - Behind a net **\$14,099.50** in unpaid lease fees and interest
 - Three-year agreement executed between the City and Fusion Grill, Inc. on March 28, 2014



Special Revenue Funds

- Inspection Services Fund

- Revenues Exceeded Expenditures by **\$4,700**
- Revenues are **\$58,200** above prior year second quarter revenues
 - Larger construction projects previously permitted are continuing while plumbing and electrical jobs are being permitted to complete the jobs under construction
- Several new projects promised in the next few months
- Expenditures were Consistent with budget

- Roger Scott Tennis Center

- Total Revenue Consistent With Budget
 - Annual Memberships Renewed were **\$11,500** greater than the Previous Fiscal Year
- Expenditures Not Anticipated To Exceed Budget By Fiscal Year End



Special Revenue Funds

- Roger Scott Tennis Center (Continued)
 - Concessionaire
 - Contract Terminated in FY 2012
 - On February 6, 2014, a one-year agreement was executed between the City and Coastal Concessions, LLC
 - One flat rate monthly rental payment received - \$500
 - In process of receiving their food service license



Special Revenue Funds

- Community Maritime Park Management Services Fund
 - Park Management Service Agreement with the Community Maritime Park Associates (CMPA)
 - Community Maritime Park Insurance
 - Reimbursed at 100% by CMPA
 - Expenditures - \$68,800
 - Public Works Department provides Park Maintenance and Landscaping Services (effective end of April 2013 Neighborhood Services)
 - CMPA pays City actual costs incurred up to a maximum of \$248,945
 - Public Works has incurred \$83,500 in expenditures for services for 1st 6 months of FY 2014
 - Neighborhood Services provides event scheduling and planning, management of sales, rentals, food services, parking management, and other vendor services.
 - Revenues Above Expenditures by **\$2,400**



Special Revenue Funds

- Community Maritime Park Management Services Fund (Continued)
 - All Related Construction Funds disbursed to CMPA
 - Maritime Park Construction Fund Closed as on October 1, 2013



Capital Projects Funds

- Local Option Sales Tax Fund
 - Revenues Exceeded Budget by **\$101,900** or 3.8215%
 - Expenditures Consistent With Budget
 - Pooled Cash
 - Fund Balance – negative
 - Current LOST issue expires December 31, 2017
 - Anticipated that referendum will occur in August 2014
- Stormwater Capital Projects Fund
 - \$2,126,471 Transfer Equalized Revenue Fee Collection
 - Expenditures Within Budget



Enterprise Funds

■ Gas Utility Fund

- Expenses and Encumbrances Below Revenue and Fund Balance by **\$1,742,400**
 - Extremely Cold Weather
- Supplemental Budget Resolution
- PGA Calculation
 - FY 2013 Operating Reserve – Down by **\$5,300,000**
 - Additional \$0.10 per Ccf - \$1,371,270
- Infrastructure Cost Recovery Fee - \$1,377,509



Enterprise Funds

■ Sanitation Fund

- Revenue and Fund Balance Below Expenses and Encumbrances by **\$242,200**
- Fund Revenues Consistent With Budget and Exceeded Prior Year
- April 14, 2014 – Last day Recycling Materials sent to West Florida Recycling
- Future Items for Recycling will be redirected to Escambia County Landfill – Additional \$125,000
- Expenses Consistent with Budget



Enterprise Funds

■ Port of Pensacola

- Revenue and fund balance were Below Expenses and Encumbrances by **\$276,000**
- Revenues Below FY 2013 by **\$243,300**
 - Decrease due to decline in Rent Revenue
 - New lease with Offshore Inland Marine will restore \$173,000 in rent annually
- Marketing contract with CBRE will bring additional rent opportunities
- Expenses, In Total, At or Below Budget
- \$327,800 less than FY 2013 Expenses
- Port Lease Payments
- Offshore Inland Marine – balance of \$61,515 (\$28,334 – more than 60 days past due)



Enterprise Funds

■ Airport Fund

- Expenses and Encumbrances exceeds Revenue and fund balance by **\$578,900**
 - Due to a \$2 million principal payment
- Revenues are Projected to meet Expenses
- Decreased Passenger Traffic by **4%**
 - Due to modification of airline schedules and types of aircraft
- Revenues were **\$433,000** below FY 2013 Revenues
 - Attributed to Airline Revenues
- Southwest Airlines
 - Two-Year Incentive plan
- Expenses are Consistent with Budget



Internal Service Funds

- Insurance Retention Fund/Central Services Fund
 - Provide Services To 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



Financial Report

City of Pensacola

2nd Quarter Financial Statement

Six Months Ending March 31, 2014

