



MONTHLY FINANCIAL REPORT (UNAUDITED)

DECEMBER 2018

City of Palm Bay, Florida



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MONTHLY FINANCIAL REPORT (UNAUDITED)
DECEMBER 2018
 CITY OF PALM BAY, FLORIDA



The City of Palm Bay, Florida's (the "City") monthly financial report presents an overview and analysis of the City's financial activities during the month of December 2018. December is the third month of the fiscal year and represents 25% of the annual budget.

Financial Report Summary

- Citywide revenues of \$64.3 million are at 29.4% of the annual budget. Citywide expenditures of \$46.5 million are at 21.2% of the annual budget. Traditionally revenue collections are two months in arrears. For this reason, certain revenues for grants and other governmental resources are accrued at year end to reflect the period in which it represents.
- Citywide cash and investments increased by \$26.3 million, or 29.4%, in comparison to the prior year.
- Most of the increased citywide revenues are due to increased year-to-date collections of Ad Valorem Taxes, transfers to the Sinking Fund for the new Connector Road, and higher allocation to the Utility Renewal and Replacement Fund. Most of the increased citywide expenditures are a result of spending on the Energy Savings Contract requirements, increased year-to-date personnel costs, and increased year-to-date interfund transfers to the Sinking Fund from the Transportation Impact Fee Fund.

Citywide - Cash & Investments		Citywide - Revenues		Citywide - Expenditures	
12/31/2018	\$ 115,787,755.70	12/31/2018	\$ 64,345,290.81	12/31/2018	\$ 46,462,214.38
12/31/2017	89,461,237.82	12/31/2017	59,703,207.43	12/31/2017	38,694,427.30
Increase	29.4% \$ 26,326,517.88	Increase	7.8% \$ 4,642,083.38	Increase	20.1% \$ 7,767,787.08

- General Fund revenues of \$31.2 million are at 40.8% of the annual budget. This is an increase of \$2.0 million, or 7.0%, in comparison to the prior year.
- General Fund expenditures of \$20.1 million are at 26.2% of the annual budget. This is an increase of \$1.8 million, or 10.0%, in comparison to the prior year.
- General Fund cash and investments increased by \$3.7 million, or 16.1%, in comparison to the prior year. Of this increased General Fund cash, \$800,000 is reserved.

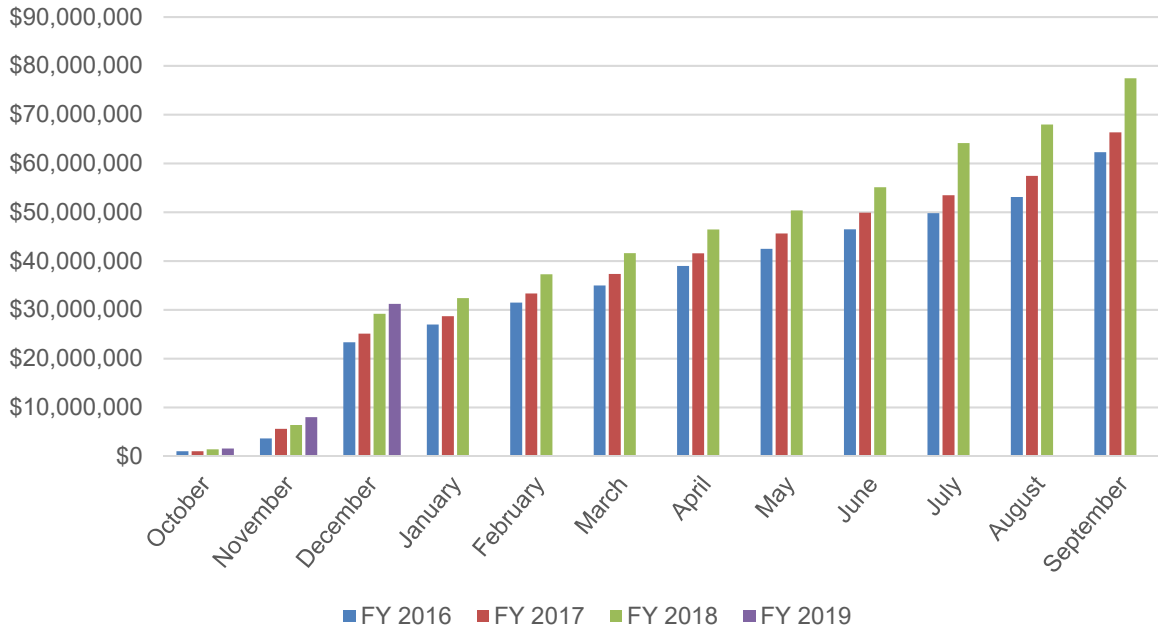
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
12/31/2018	\$ 26,378,407.89	12/31/2018	\$ 31,206,853.49	12/31/2018	\$ 20,085,301.53
12/31/2017	22,720,278.42	12/31/2017	29,159,781.48	12/31/2017	18,254,098.58
Increase	16.1% \$ 3,658,129.47	Increase	7.0% \$ 2,047,072.01	Increase	10.0% \$ 1,831,202.95

The General Fund is the City's primary operating fund and is used to account for all resources except those that are required to be accounted for in another fund. The following information depicts the history of the revenues and expenditures for the General Fund from fiscal years 2015 to 2018.

This report contains unaudited information. If you have any questions or comments on the financial reports, please contact Yvonne McDonald, Finance Director or Ruth Chapman, Assistant Finance Director.

General Fund (GF) Revenues - Summary

➤ Year-to-Date (YTD) Revenue Comparisons



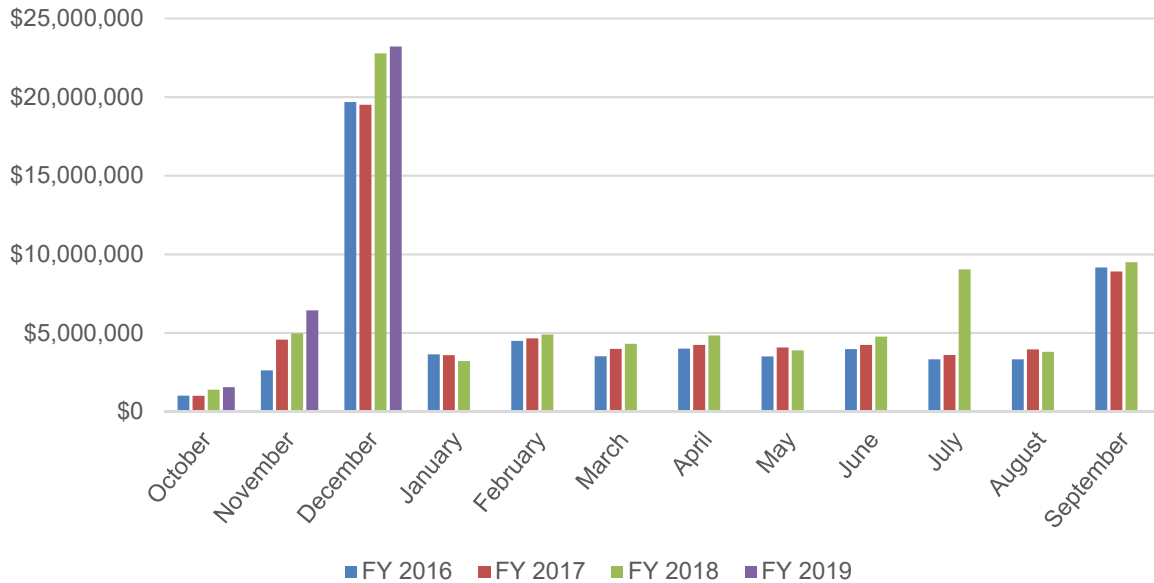
➤ FY 2019 YTD Revenue Variance
 As Compared to Prior Year

	Prior YTD	Current YTD	% Variance	Annual Budget
Ad Valorem Taxes	\$ 23,406,104	\$ 25,377,357	8.4%	\$ 31,445,752
Local Option Fuel Tax (1)	249,596	182,089	-27.0%	3,848,419
Utility Service Taxes	1,049,284	1,078,276	2.8%	8,923,000
Communication Service Tax	228,797	231,737	0.0%	2,600,449
Franchise Fees	541,657	590,526	9.0%	5,645,000
State Shared Revenues (2)	358,721	-	-100.0%	4,827,781
Half Cent Sales Tax	547,337	532,079	-2.8%	6,934,085
Licenses and Permits	495,929	495,040	-0.2%	614,800
Grants and Other Entitlements (3)	247,763	325,014	31.2%	716,004
Charges for Services	923,585	987,687	6.9%	4,103,312
Fines and Forfeitures (4)	81,086	98,609	21.6%	391,500
Interest, Rents & Other Revenues (5)	271,269	204,232	-24.7%	380,200
Interfund Transfers & Other Sources (6)	758,653	1,104,206	45.5%	2,175,334
Fund Balance	-	-	0.0%	3,919,318
	\$ 29,159,781	\$ 31,206,853	7.0%	\$ 76,524,954

(1) Decrease primarily due to decreased year-to-date collections of Local Option Gas Tax in FY19.
 (2) Decrease primarily due to decreased year-to-date collections of State Shared Revenues in FY19.
 (3) Increase primarily due to increased year-to-date collections for Department of Justice Grant in FY19
 (4) Increase primarily due to increased year-to-date collections of Code Compliance Fines in FY19.
 (5) Decrease primarily due to decreased year-to-date collections from Property Sales in FY19.
 (6) Increase primarily due to increased year-to-date sales proceeds from General Capital Assets in FY19.

General Fund (GF) Revenues - Summary

➤ Monthly Revenue Comparisons



➤ FY 2019 Monthly Revenue Variance
 As Compared to Prior Years

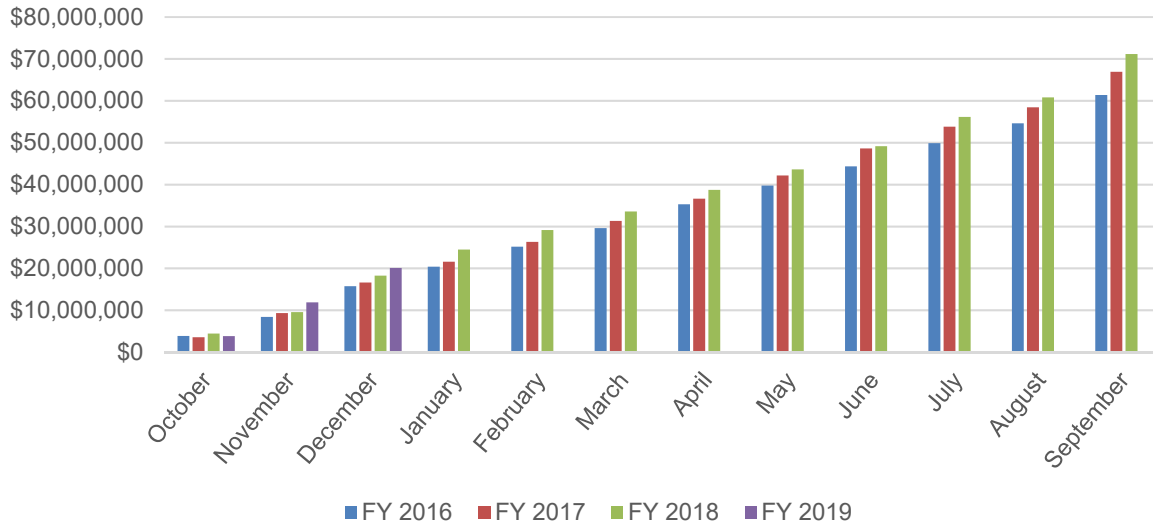
	FY 2016	FY 2017	FY 2018	FY 2019
October	\$ 1,012,271	\$ 1,005,090	\$ 1,394,672	\$ 1,552,445
November	2,619,131	4,580,252	4,969,155	6,436,715
December	19,689,226	19,511,218	22,774,626	23,217,694
January	3,639,261	3,585,305	3,212,134	-
February	4,490,812	4,656,371	4,906,952	-
March	3,522,695	3,990,468	4,316,341	-
April	4,009,369	4,245,071	4,844,708	-
May	3,511,664	4,073,453	3,897,277	-
June	3,976,789	4,237,693	4,767,673	-
July	3,323,512	3,597,870	9,045,183	-
August	3,323,716	3,960,272	3,799,864	-
September	9,167,028	8,913,453	9,510,993	-
Total	\$ 62,285,475	\$ 66,356,516	\$ 77,439,579	\$ 31,206,853

Overall General Fund revenues for the month of December 2018 have increased \$443,068, or 1.9%, when compared to December 2017. The major sources of revenues for the General Fund are taxes, franchise fees, intergovernmental revenues, licenses, permits, fines, forfeitures and charges for services. With a recovering economy and most of the City's revenues derived from ad valorem taxes, the revenue budget is essential for existing and critical City services. The City is conservative in budgeting revenues to account for the current economic condition.



General Fund (GF) Expenditures - Summary

➤ Year-to-Date (YTD) Expenditure Comparisons



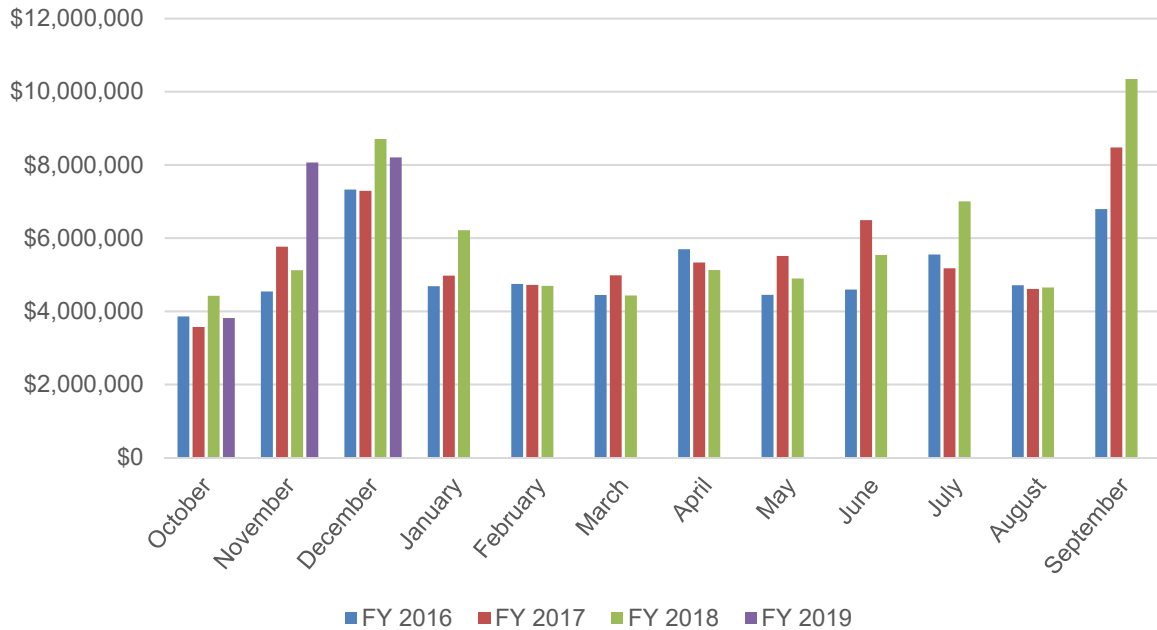
➤ FY 2019 YTD Expenditure Variance
 As Compared to Prior Year

	Prior YTD	Current YTD	% Variance	Annual Budget
Legislative	\$ 176,945	\$ 163,849	-7.4%	\$ 770,089
City Manager (1)	161,064	225,722	40.1%	827,548
City Attorney (2)	151,659	68,026	-55.1%	575,522
Procurement (3)	86,478	129,602	49.9%	557,818
Finance	322,759	327,721	1.5%	1,456,781
Information Technology (4)	454,160	1,370,072	201.7%	4,341,795
Human Resources (5)	126,314	189,793	50.3%	913,103
Growth Management (6)	304,952	348,697	14.3%	2,034,299
Economic Development (7)	173,108	318,263	83.9%	924,382
Parks and Recreation	894,811	948,834	6.0%	4,407,278
Facilities (8)	590,645	1,902,762	222.2%	5,636,905
Police	4,506,658	4,877,082	8.2%	21,346,562
Fire	3,555,579	3,802,707	7.0%	15,226,483
Public Works (9)	2,919,350	1,168,813	-60.0%	5,482,995
Non-Departmental (10)	1,029,932	1,134,645	10.2%	4,670,204
Transfers (11)	2,799,686	3,108,715	11.0%	7,353,190
	\$ 18,254,099	\$ 20,085,302	10.0%	\$ 76,524,954

- (1) Increase primarily due to City Manager contract termination payout in FY19.
- (2) Decrease primarily due to decreased year-to-date costs for Attorney Emeritus and outside Counsel in General Fund so far in FY19. Most attorney cost is in the Risk Fund.
- (3) Increase primarily due to increased staffing level in Procurement since last year.
- (4) Increase primarily due to increased year-to-date costs for Computer Software and Network Equipment in FY19.
- (5) Increase primarily due to H.R. Director's salary now charged to H.R and additional position filled since same time last year.
- (6) Increase primarily due to higher year-to-date costs for Personnel Services in Land Development and Code Compliance in FY19.
- (7) Increase primarily due to higher year-to-date costs for Aid to Private Organizations in FY 19 (\$200,000 Florida Institute of Technology Grant).
- (8) Increase primarily due to higher year-to-date costs for Capital Outlay re Energy Savings Project and new Special Projects Manager position.
- (9) Decrease primarily due to lower year-to-date costs for Disaster Preparedness in FY19.
- (10) Increase primarily due to higher budgeted allocation to Fleet Operating Charges in FY19.
- (11) Increase primarily due to higher budgeted transfers to Stormwater, Road Maintenance CIP, and Debt Service Funds in FY19.

General Fund (GF) Expenditures - Summary

➤ Monthly Expenditure Comparisons



➤ FY 2019 Monthly Expenditure Variance
 As Compared to Prior Years

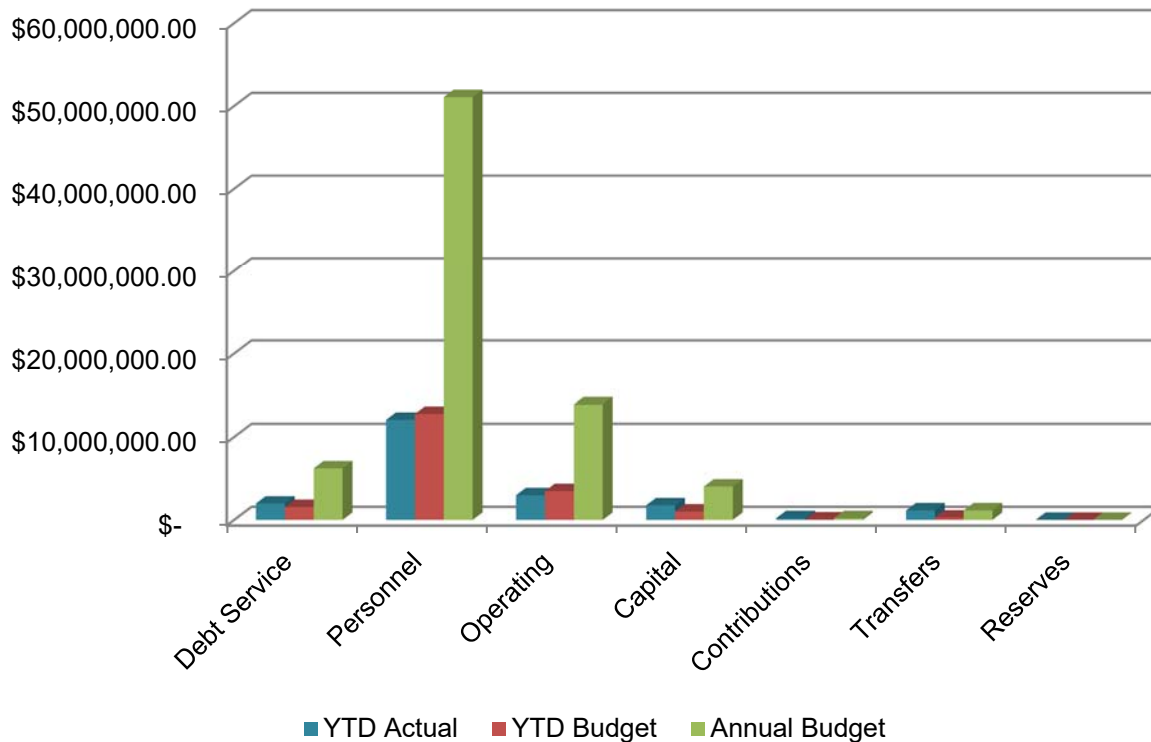
	FY 2016	FY 2017	FY 2018	FY 2019
October	\$ 3,859,572	\$ 3,572,123	\$ 4,424,711	\$ 3,816,324
November	4,542,401	5,766,532	5,122,997	8,063,218
December	7,323,753	7,290,910	8,706,391	8,205,759
January	4,685,466	4,972,873	6,214,289	
February	4,746,328	4,719,784	4,693,931	
March	4,443,296	4,983,695	4,429,733	
April	5,693,822	5,332,488	5,125,639	
May	4,450,696	5,512,146	4,895,568	
June	4,592,489	6,488,834	5,539,088	
July	5,551,214	5,175,411	7,001,868	
August	4,712,630	4,609,040	4,650,216	
September	6,791,578	8,475,273	10,347,877	
	\$ 61,393,243	\$ 66,899,111	\$ 71,152,306	\$ 20,085,302

General Fund expenditures were \$500,632 or 5.8%, less when comparing December 2018 to December 2017. Year-to-date expenditures are \$1,831,203, or 10.0%, more.

General Fund (GF) Expenditures - Summary

➤ Expenditures – Budgetary Comparison by Category

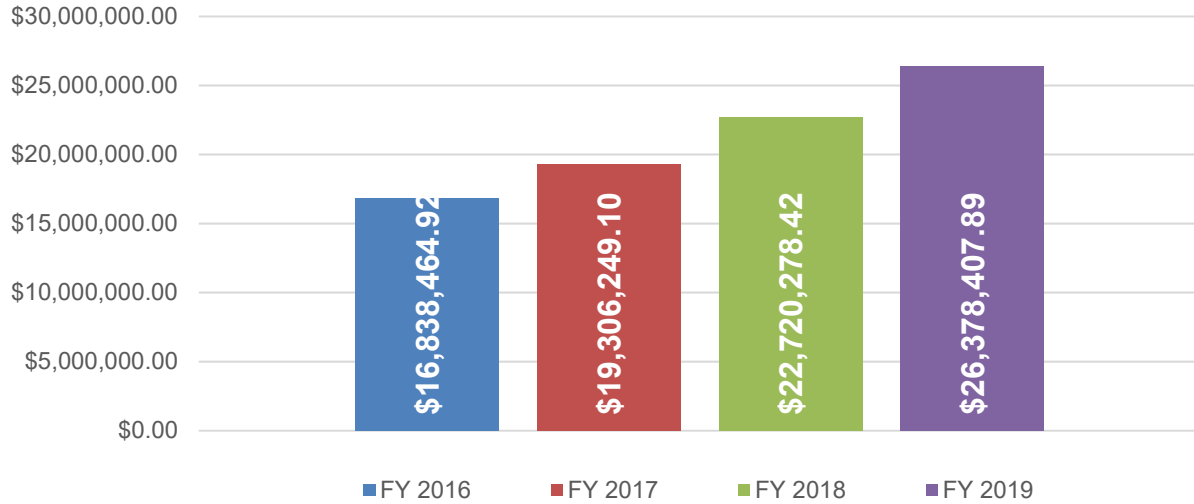
	YTD Actual	YTD Budget	Annual Budget	% Spent
Debt Service	\$ 1,967,914.25	\$ 1,553,097	\$ 6,212,389	31.7%
Personnel	12,050,698.63	12,767,084	51,068,337	23.6%
Operating	2,970,864.69	3,469,895	13,879,581	21.4%
Capital	1,753,672.96	1,005,587	4,022,346	43.6%
Contributions	201,350.00	50,375	201,500	99.9%
Transfers	1,140,801.00	285,200	1,140,801	100.0%
Reserves	-	-	-	0.0%
	\$ 20,085,301.53	\$ 19,131,239	\$ 76,524,954	26.2%



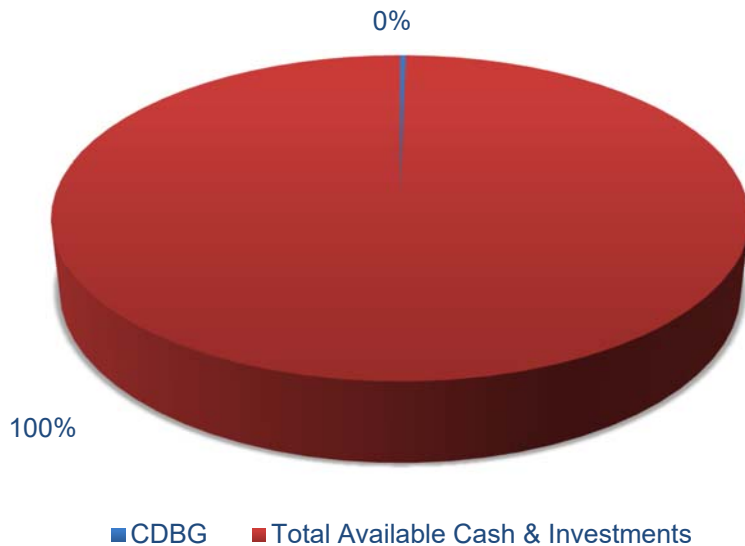
The total budgeted expenditures for 2019 are \$76,524,954 (including encumbrances from prior year and 2019 budget amendments). Of this amount, \$51,068,337, or 66.7%, is related to personnel costs.

General Fund (GF) Cash & Investments - Summary

➤ Year-to-Date (YTD) Cash & Investments Comparisons



General Fund Cash & Investments		General Fund Cash & Investments	
Prior Month Ending Balance	\$ 10,528,464.93	December 2018 Ending Balance	\$ 26,378,407.89
Cash Increase (Decrease)	15,849,942.96	Cash Advanced to Other Funds:	
Ending Balance 12/31/2018	\$ 26,378,407.89	CDBG	(80,015.21)
		Total Available Cash & Investments	\$ 26,298,392.68





General Fund (GF) Balance - Summary

CITY OF PALM BAY, FLORIDA
 OPERATING STATEMENT AND CHANGES IN FUND BALANCES
 GENERAL FUND
 For the Month Ended December 31, 2018

	Prior YTD	Current YTD
<u>REVENUES</u>		
Ad Valorem Taxes	\$ 23,406,104	\$ 25,377,357
Local Option Fuel Tax	249,596	182,089
Utility Service Taxes	1,049,284	1,078,276
Communication Service Tax	228,797	231,737
Franchise Fees	541,657	590,526
State Shared Revenues	358,721	-
Half Cent Sales Tax	547,337	532,079
Licenses and Permits	495,929	495,040
Grants and Other Entitlements	247,763	325,014
Charges for Services	923,585	987,687
Fines and Forfeitures	81,086	98,609
Interest, Rents and Other Revenues	271,269	204,232
Interfund Transfers and Other Sources	758,653	1,104,206
Total Revenues	29,159,781	31,206,853
<u>EXPENDITURES</u>		
Legislative	176,945	163,849
City Manager	161,064	225,722
City Attorney	151,659	68,026
Procurement	86,478	129,602
Finance	322,759	327,721
Information Technology	454,160	1,370,072
Human Resources	126,314	189,793
Growth Management	304,952	348,697
Economic Development	173,108	318,263
Parks and Recreation	894,811	948,834
Facilities	590,645	1,902,762
Police	4,506,658	4,877,082
Fire	3,555,579	3,802,707
Public Works	2,919,350	1,168,813
Non-Departmental	1,029,932	1,134,645
Transfers	2,799,686	3,108,715
Total Expenditures	18,254,099	20,085,302
Excess (Deficiency) of Revenues Over Expenditures	10,905,683	11,121,552
Fund Balance - Beginning	8,631,987	14,912,355
Fund Balance - Ending	\$ 19,537,671	26,033,907



General Fund (GF) Balance - Summary

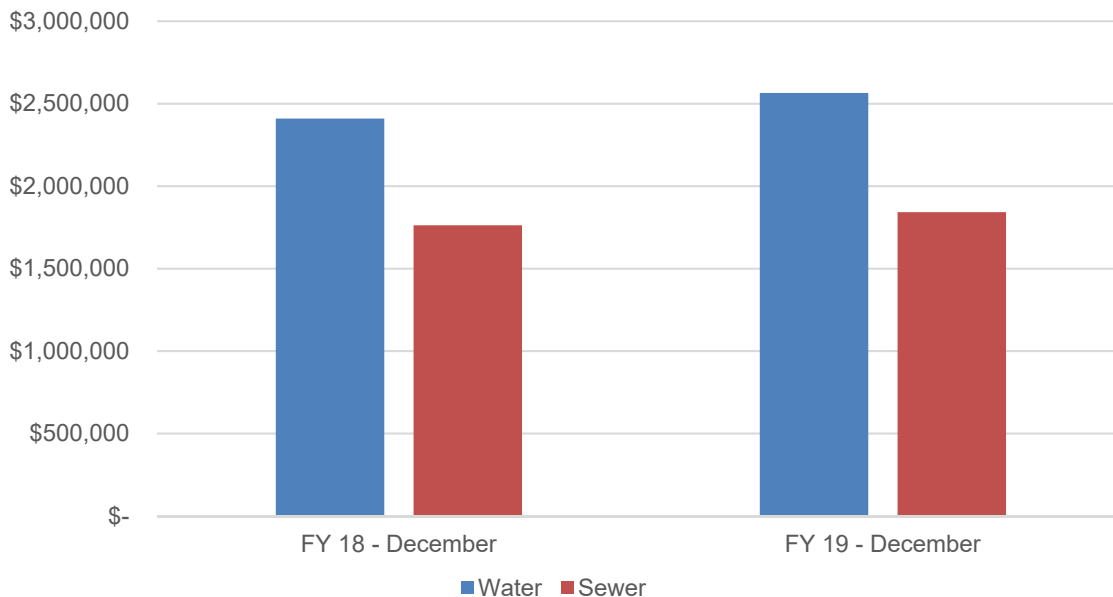
The minimum General Fund balance, as established by Resolution 2011-34, is ten percent (10%) of the subsequent fiscal year's budgeted expenditures less capital outlay and transfers out as originally adopted by ordinance in September. The following is a history of the City's total General Fund balance.

General Fund Balance - History			
	Minimum Required	Actual Fund Balance	Fund Balance Percentage
FY 2018	\$ 6,478,266	\$ 14,912,355	23.0% *
FY 2017	6,107,113	8,631,987	14.1%
FY 2016	5,594,175	9,174,581	16.4%
FY 2015	5,311,438	8,282,350	15.6%
FY 2014	5,321,416	10,040,314	18.9%
FY 2013	5,059,293	12,005,802	23.7%

*Unaudited as of publication date

Utilities Fund Revenues - Summary

➤ Year-to-Date (YTD) Comparison: Water & Sewer



Overall fiscal year-to-date Water revenue through December 2018 has increased \$155,464, or 6.45%, when compared to FY18 at December 2017.

Overall fiscal year-to-date Sewer revenue through December 2018 has increased \$79,336, or 4.50% when compared to FY18 at December 2017.

Fire Protection for FY 19 is billed at 95% of the budgeted amount. The majority of the Fire Protection Service Charges were billed in November 2018 (annual billing).



Utilities Fund Revenues - Summary

Of the budgeted amount, Meter Installation Fees are recorded at 25%, Plan Review & Inspection Fees are recorded at 10%, and Utility Lien Costs are recorded at 2%.

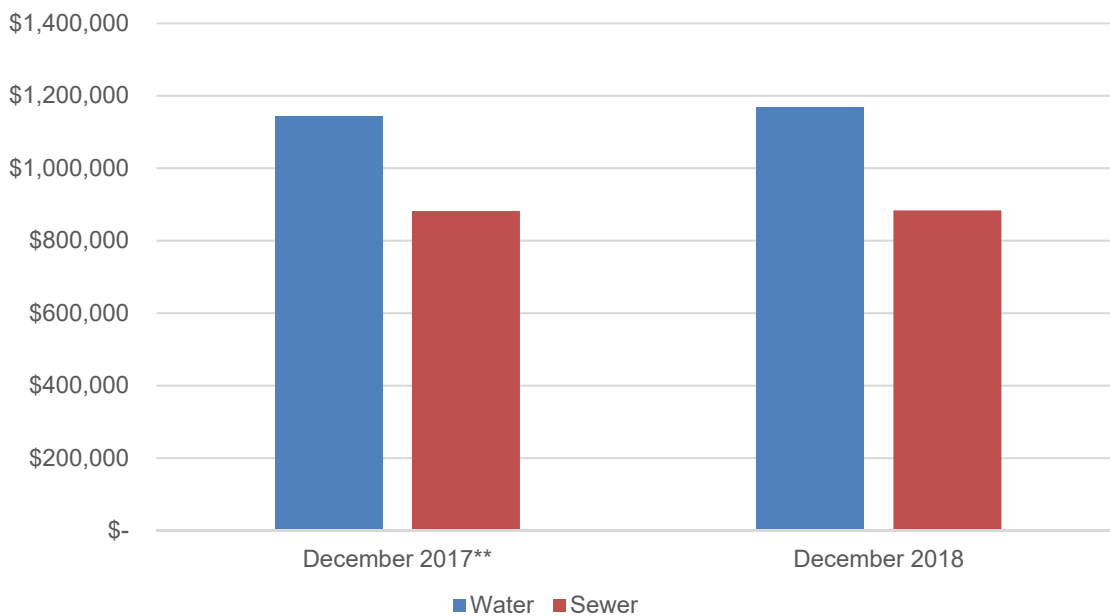
Operating Interest Income is recorded at 56% which is directly related to the entry for the increase in fair value regarding investments.

Excluding Fund Balance, the total FY 19 Operating Revenue is recorded at 17.84% of the budgeted amount compared to FY 18 which was at 16.65%.

Water Connection Fees are recorded at 24% of the budgeted amount, and Sewer Connection Fees are recorded at 21% of the budgeted amount.

Water MLEs are recorded at 25% of the budgeted amount, and Sewer MLEs are recorded at 21% of the budgeted amount.

➤ **Monthly Comparison: Water & Sewer**



**Amount excludes the unbilled revenue entry.

Overall Water revenue for the month of December 2018 has increased by \$24,424, or 2.13%, when compared to December 2017.

Overall Sewer revenue for the month of December 2018 has increased by \$1,759, or 0.20%, when compared to December 2017.

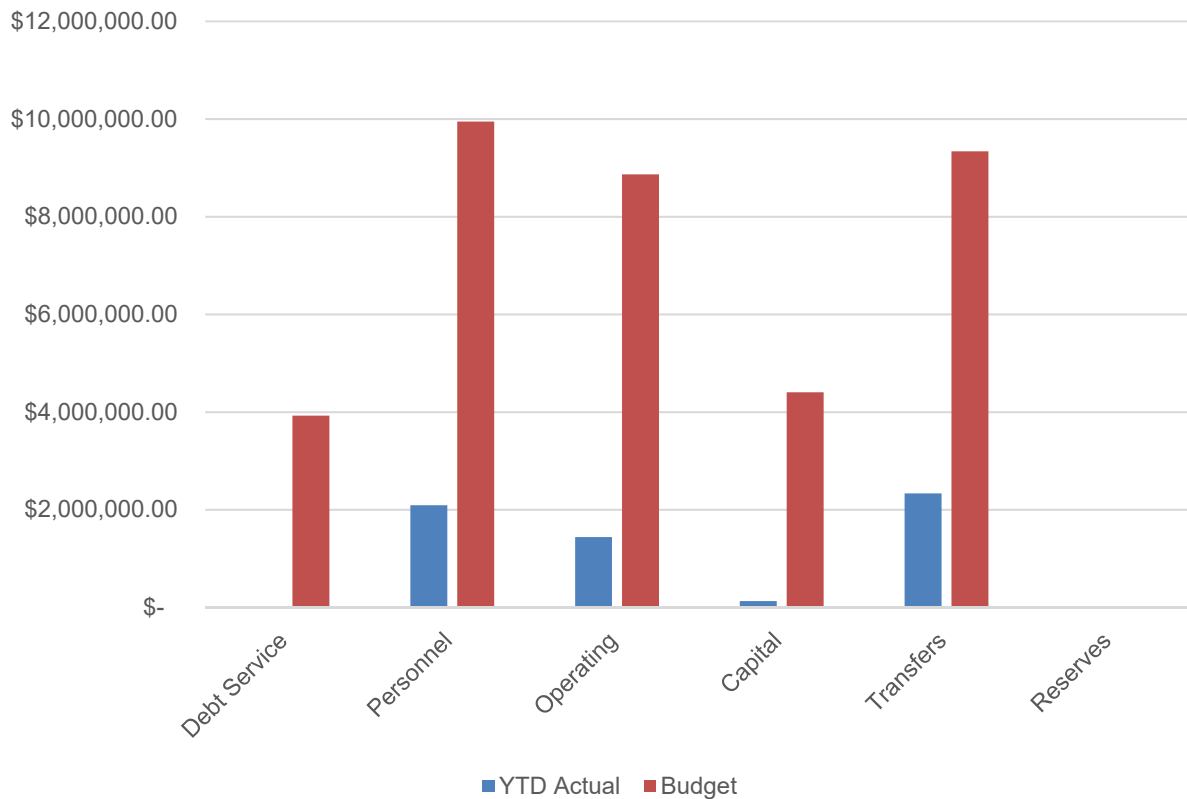


Utilities Fund Expenditures - Summary

➤ Year-to-Date (YTD) Comparison: Water & Sewer

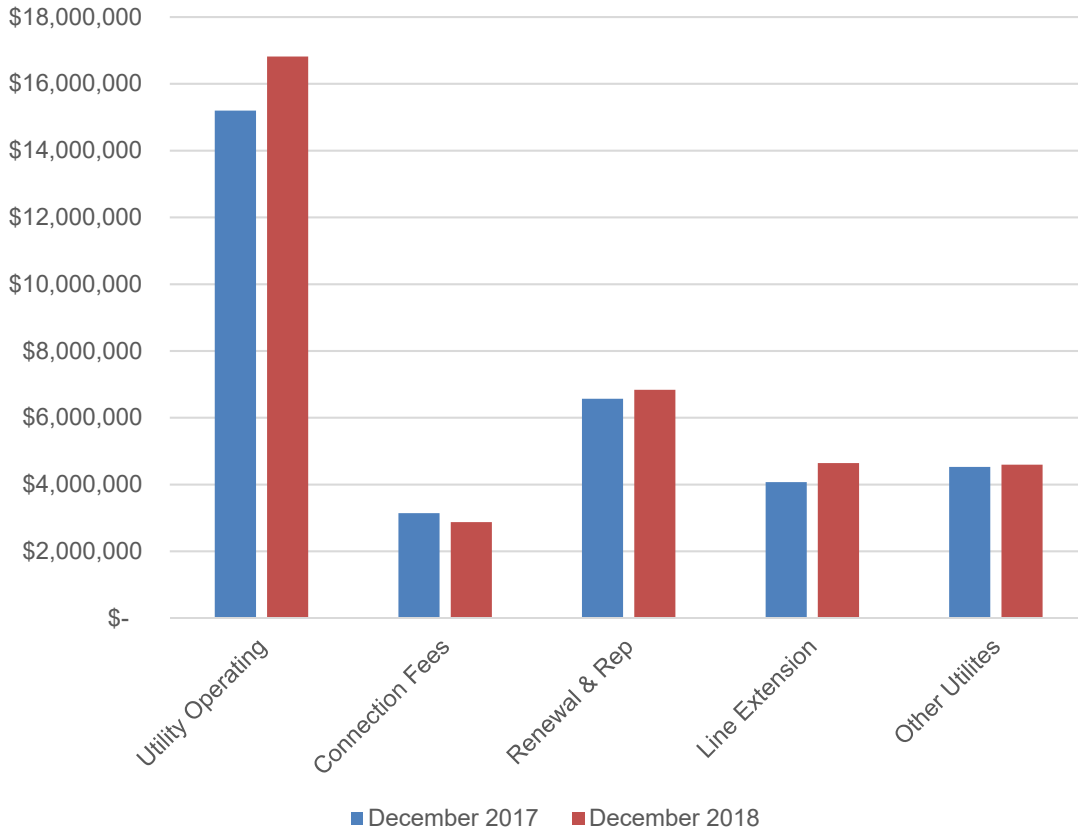
Overall expenditures (excluding encumbrances) are as follows:

	YTD Actual	Annual Budget	% Spent
Debt Service	\$ -	\$ 3,926,989	0.0%
Personnel	2,092,302.15	9,947,073	14.1%
Operating	1,442,112.77	8,867,624	9.2%
Capital	129,614.85	4,404,771	1.7%
Transfers	2,334,534.24	9,338,137	16.7%
Reserves	-	-	-
	\$ 5,998,564.01	\$ 36,484,594	16.4%



Utilities Fund Cash & Investments - Summary

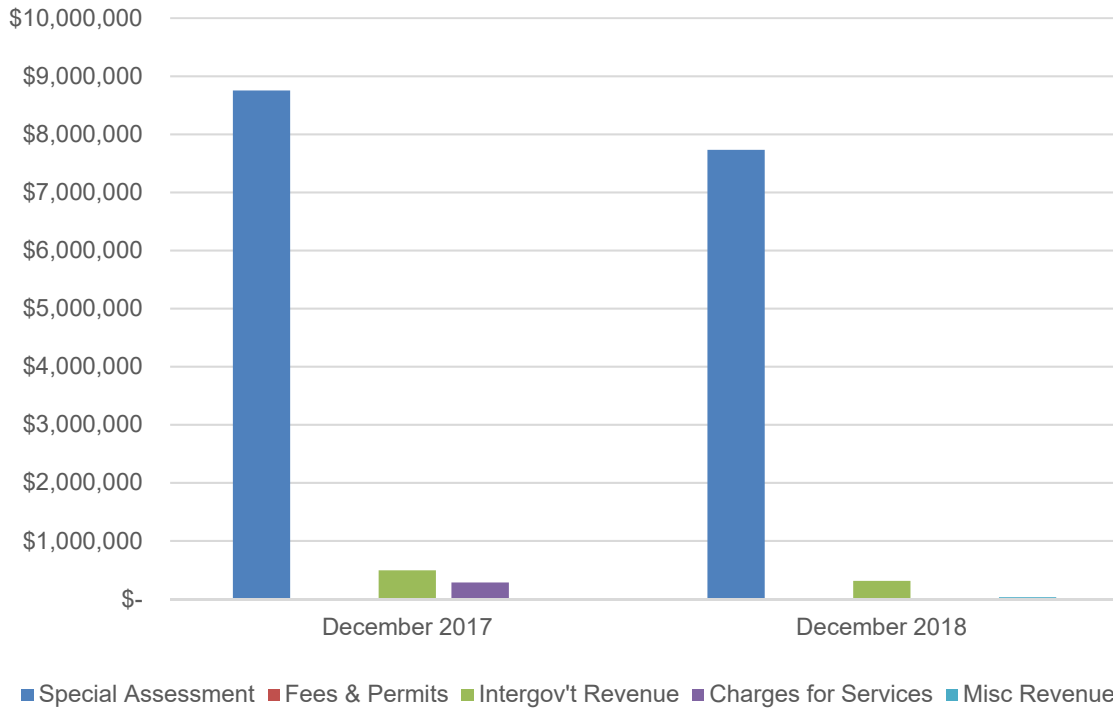
➤ Year-to-Date (YTD) Comparison: Water & Sewer



Overall the Water & Sewer Funds cash and investments were \$2.25 million, or 6.7%, more as of December 2018 as compared to December 2017.

Stormwater Fund Revenues - Summary

➤ Year-to-Date (YTD) Revenue Comparisons



Stormwater Special Assessment revenue in FY 19 (at December) is \$7,731,675. This is \$1,021,139 less than it was in FY18 (at December), an 11.7% decrease.

Charges for Services revenue through December 2018 is down \$267,962, or 93.9%, from December 2017.

Overall, Stormwater revenues in FY 19 (at December) have decreased by \$1,447,299, or 15.2%, when compared to FY 18 (at December).

The total FY 19 Stormwater revenues are recorded at 59.2% of the budgeted amount compared to FY 18 which was 67.1%.

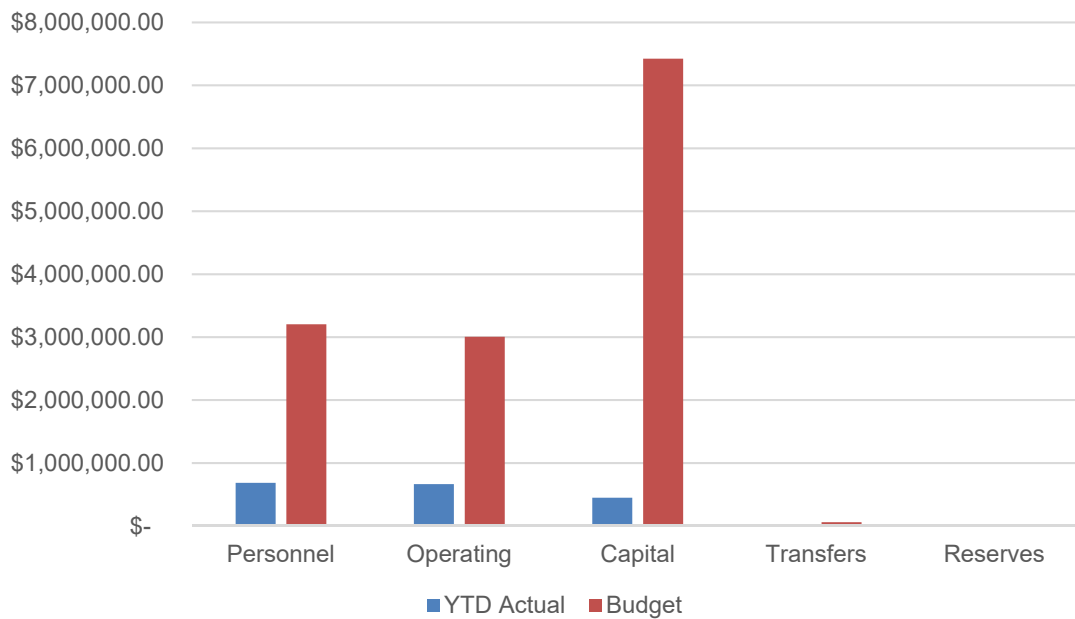


Stormwater Fund Expenditures - Summary

➤ Year-to-Date (YTD) Expenditure Comparisons

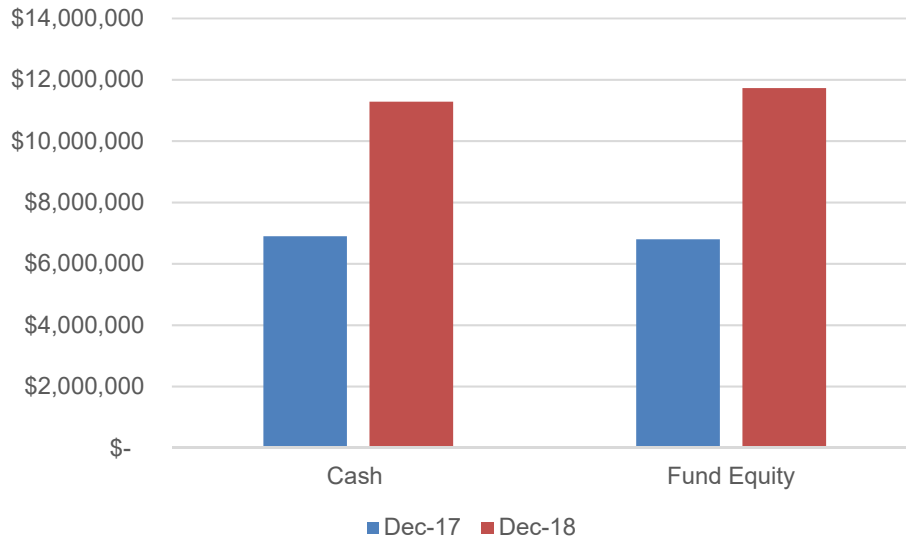
Overall expenditures (excluding encumbrances) are as follows:

	<i>YTD Actual</i>	<i>Annual Budget</i>	<i>% Spent</i>
Personnel	\$ 684,427.32	\$ 3,203,709	21.4%
Operating	663,811.05	3,004,140	22.1%
Capital	448,102.81	7,423,282	0.0%
Transfers	14,791.74	59,167	25.0%
Reserves	-	814	0.0%
	\$ 1,811,132.92	\$ 13,691,112	13.2%



Stormwater Fund Cash & Equity - Summary

Year-to-Date (YTD) Cash & Fund Equity

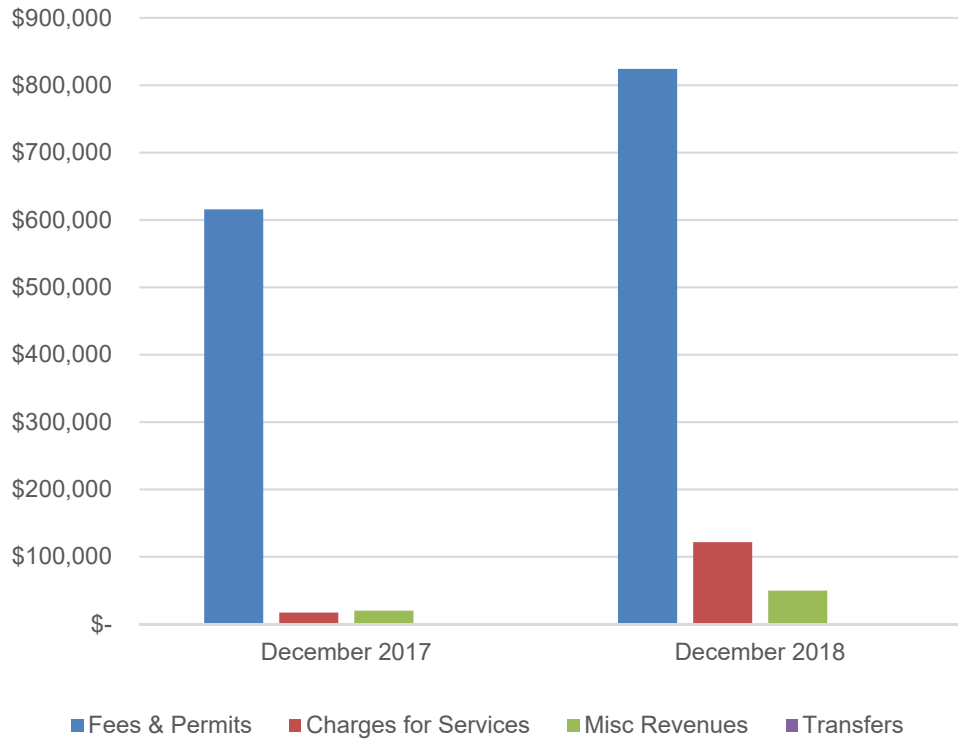


Overall the Stormwater cash and investments were \$4,384,070, or 63.5%, more as of December 2018 as compared to December 2017.

Overall the Stormwater fund equity was \$4,931,513, or 72.5%, more as of December 2018 as compared to December 2017.

Building Fund Revenues - Summary

➤ Year-to-Date (YTD) Revenue Comparisons



Fees and Permits revenue in December 2018 is up \$208,418, or 33.85%, from December 2017.

Charges for Services revenue in December 2018 is up \$29,766, or 149.49%, from December 2017.

Overall, Building revenues in FY 19 (at December) have increased by \$342,805, or 52.52%, when compared to FY 18 (at December).

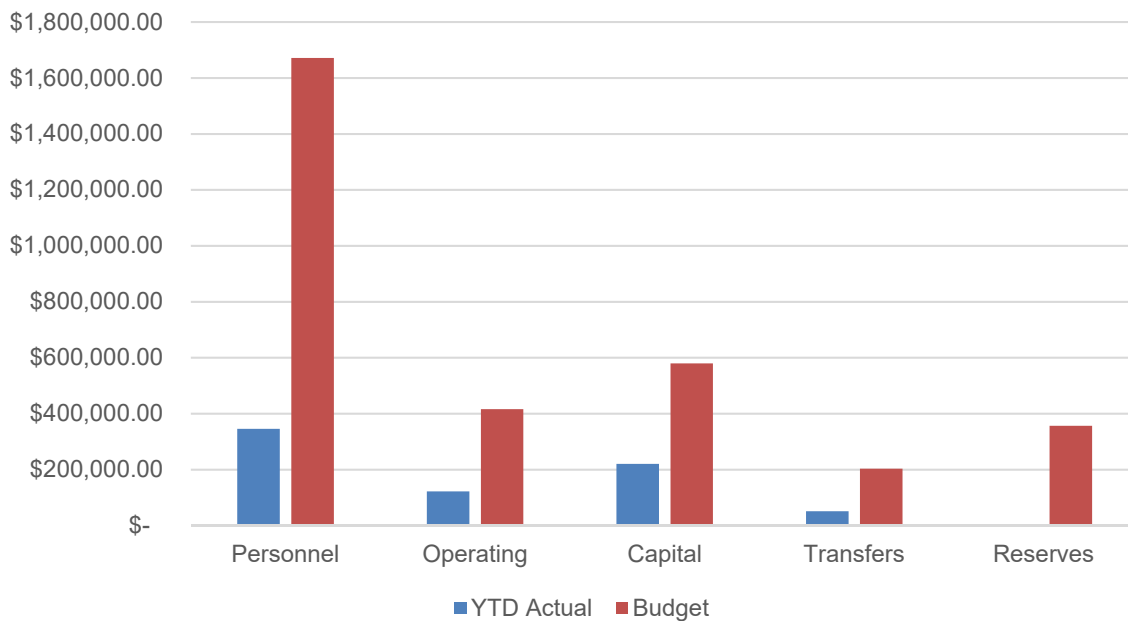
The total FY 19 Building revenues are recorded at 30.9% of the budgeted amount compared to FY 18 which was 36.3%.

Building Fund Expenditures - Summary

➤ Year-to-Date (YTD) Building Expenditures

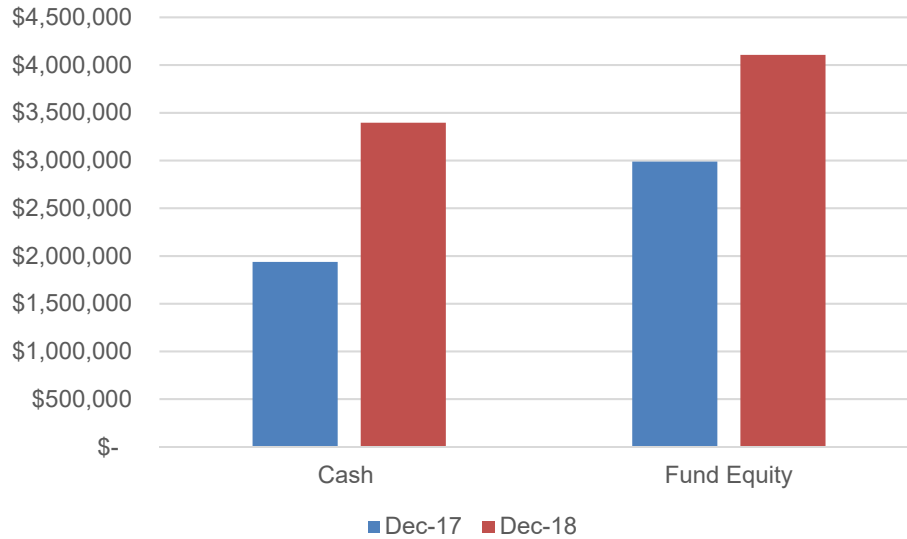
Overall expenditures (excluding encumbrances) are as follows:

	<i>YTD Actual</i>	<i>Annual Budget</i>	<i>% Spent</i>
Personnel	\$ 345,437.12	\$ 1,671,282	20.7%
Operating	122,014.70	416,084	29.3%
Capital	220,380.00	579,460	0.0%
Transfers	50,759.01	203,036	25.0%
Reserves	-	356,399	0.0%
	\$ 738,590.83	\$ 3,226,261	22.9%



Building Fund Cash & Equity - Summary

➤ Year-to-Date (YTD) Cash & Fund Equity



Overall the Building cash and investments were \$1,457,289, or 75.2%, more as of December 2018 as compared to December 2017.

Overall the Building fund equity was \$1,118,018, or 37.4%, more as of December 2018 as compared to December 2017.