

**CITY OF PALM BAY, FLORIDA
MONTHLY FINANCIAL REPORT (UNAUDITED)
FEBRUARY 2017**



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 February 2017. February is the fifth month of the fiscal year and represents 42% of the annual budget.

Financial Report Summary

- Citywide revenues of \$72.6 million are at 42.0% of the annual budget. Citywide expenditures of \$60.7 million are at 35.1% 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 \$3.4 million, or 4.6%, in comparison to the prior year.
- In October 2015, the City refunded the 2006 Sales Tax Bonds. The 2015 Sales Tax Bond proceeds and its use in the defeasance of the 2006 Bonds are included in FY16 citywide revenues and expenditures in the chart below.

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Citywide - Cash & Investments		Citywide - Revenues		Citywide - Expenditures	
2/28/2017	\$ 77,740,296.18	2/28/2017	\$ 72,590,896.99	2/28/2017	\$ 60,720,955.42
2/29/2016	74,337,467.98	2/29/2016	79,855,951.05	2/29/2016	74,574,187.71
Increase	4.6% \$ 3,402,828.20	Decrease	-9.1% \$ (7,265,054.06)	Decrease	-18.6% \$ (13,853,232.29)

- General Fund revenues of \$33.3 million are at 49% of the annual budget. This is an increase of \$1.89 million, or 6.0%, in comparison to the prior year.
- General Fund expenditures of \$26.3 million are at 42% of the annual budget. This is an increase of \$1.16 million, or 4.6%, in comparison to the prior year.
- General Fund cash and investments increased by \$2.27 million, or 15.0%, in comparison to the prior year. Of this increased General Fund cash, \$800,000 is reserved.

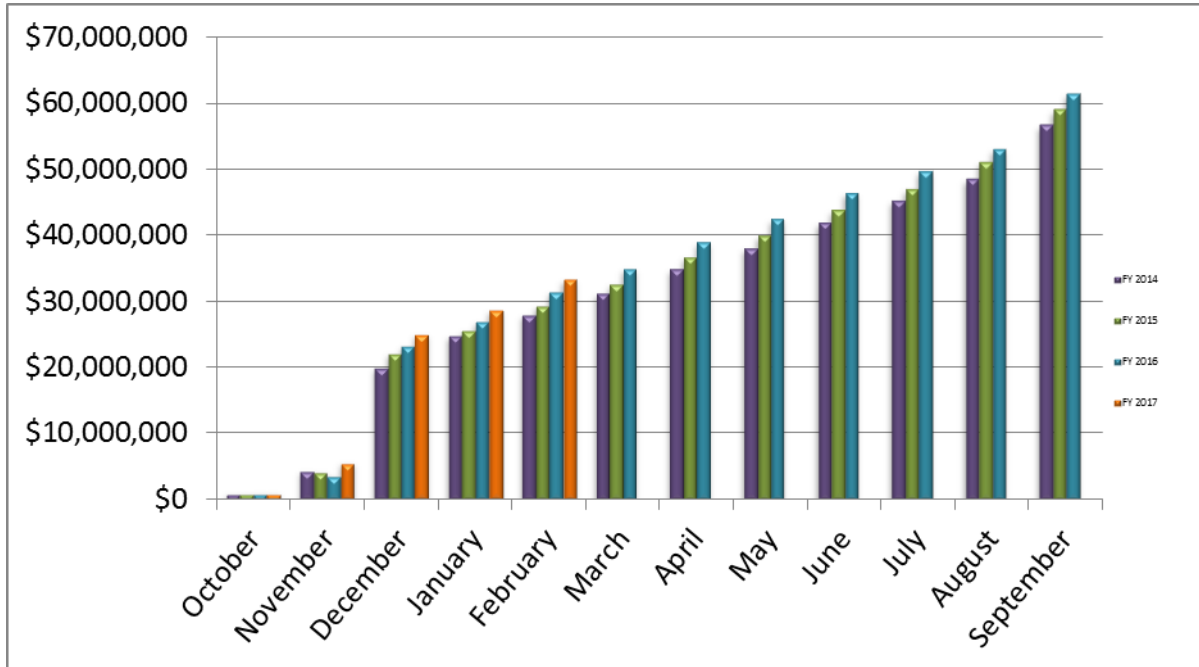
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
2/28/2017	\$ 17,427,903.89	2/28/2017	\$ 33,338,236.04	2/28/2017	\$ 26,322,222.95
2/29/2016	15,157,816.11	2/29/2016	31,450,634.60	2/29/2016	25,157,519.90
Increase	15.0% \$ 2,270,087.78	Increase	6.0% \$ 1,887,601.44	Increase	4.6% \$ 1,164,703.05

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 2014 to 2017.

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 Revenues – At a Glance February 2017

General Fund Revenues-YTD



FY2017 YTD Change in GF Revenues as Compared to Prior Year

	Prior YTD	Current YTD	Percent Change	Annual Budget
Ad Valorem Taxes	\$ 20,963,618	\$ 22,937,279	9.4%	\$ 26,426,410
Local Option Fuel Tax (1)	819,177	939,335	14.7%	3,822,462
Utility Service Taxes	2,197,979	2,213,982	0.7%	8,305,000
Communication Service Tax (2)	736,898	653,103	-11.4%	2,683,536
Franchise Fees	1,294,131	1,171,526	-9.5%	5,399,000
State Shared Revenues	952,411	971,462	2.0%	4,327,372
Half Cent Sales Tax	1,481,699	1,603,710	8.2%	6,107,351
Licenses and Permits	522,044	516,040	-1.2%	607,500
Grants and Other Entitlements (3)	142,316	58,324	-59.0%	1,007,796
Charges for Services	1,043,488	1,130,419	8.3%	3,159,561
Fines and Forfeitures (4)	163,352	126,275	-22.7%	414,500
Interest, Rents & Other Revenues	250,583	253,538	1.2%	541,534
Interfund Transfers & Capital Leases (5)	882,938	763,245	-13.6%	1,835,914
Fund Balance	-	-	0.0%	2,942,034
	\$ 31,450,635	\$ 33,338,236	6.0%	\$ 67,579,970

(1) Increase primarily due to higher year-to-date collection of Local Option Fuel Tax in FY17.

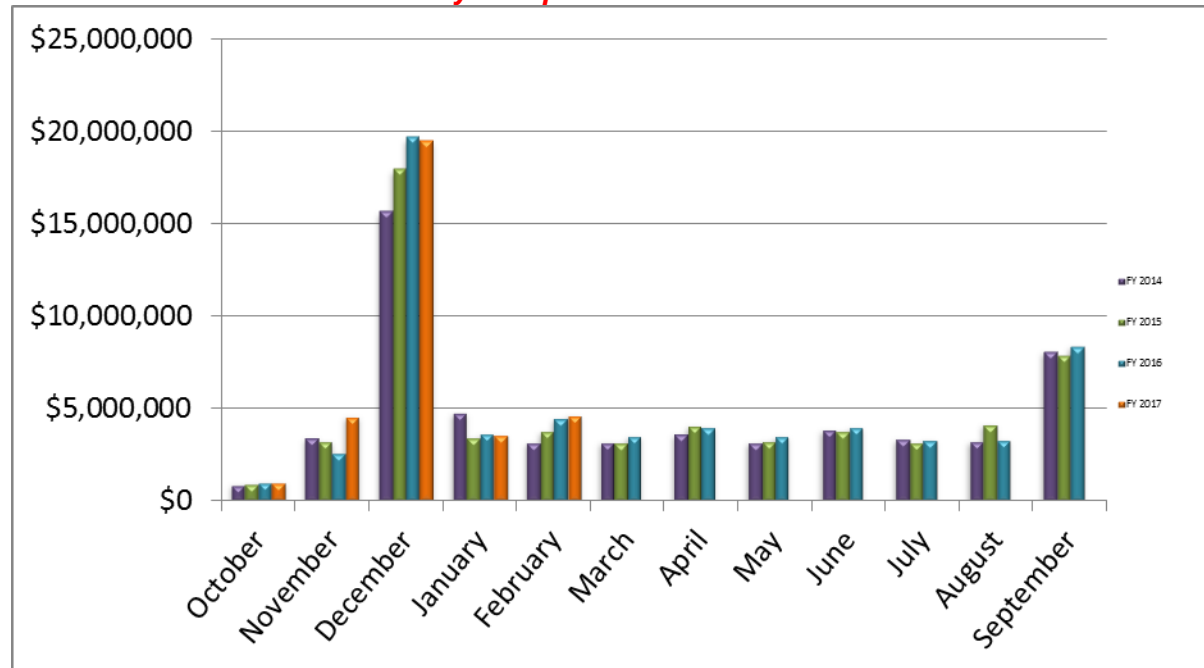
(2) Decrease primarily due to lower year-to-date collection of Communications Service Tax in FY17.

(3) Decrease primarily due to lower year-to-date collections of Dept. of Justice grants and School Resource Officer reimbursement in FY17.

(4) Decrease primarily due to lower year-to-date collection of Code Compliance Fines in FY17.

(5) Decrease primarily due to no budgeted transfer from Employee Benefits Fund in FY17.

General Fund Revenues-Monthly Comparison



Monthly GF Revenues as Compared to Prior Years

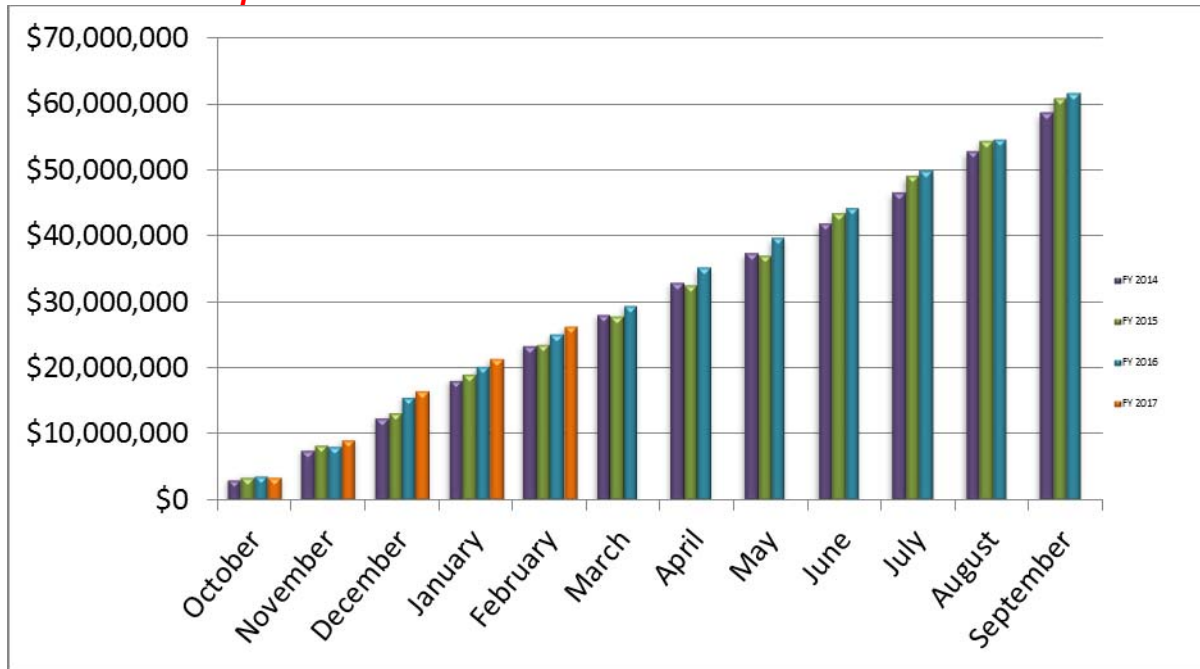
	FY 2014	FY 2015	FY 2016	FY 2017
October	\$ 911,630	\$ 953,761	\$ 1,012,271	\$ 1,005,090
November	3,425,400	3,246,502	2,619,131	4,580,252
December	15,683,359	17,977,402	19,689,226	19,511,218
January	4,802,728	3,458,799	3,639,261	3,585,305
February	3,200,574	3,782,243	4,490,812	4,656,371
March	3,208,482	3,203,645	3,522,695	-
April	3,651,785	4,103,728	4,009,369	-
May	3,198,408	3,278,699	3,511,664	-
June	3,880,153	3,830,369	3,976,789	-
July	3,363,584	3,170,380	3,323,512	-
August	3,262,185	4,168,296	3,323,716	-
September	8,115,309	7,881,278	9,167,028	-
	\$ 56,703,597	\$ 59,055,101	\$ 62,285,475	\$ 33,338,236

Overall General Fund revenues for the month of February 2017 have increased \$165,559 (3.69%) when compared to February 2016.

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 Expenditures – At a Glance February 2017

General Fund Expenditures-YTD



2017 YTD Change in GF Expenditures as Compared to Prior Year

	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative (1)	\$ 306,976	\$ 273,360	-11.0%	\$ 678,030
City Manager	288,102	292,006	1.4%	731,727
City Attorney (2)	594,069	234,736	-60.5%	613,919
Procurement (3)	-	153,707	0.0%	402,536
Finance (4)	660,040	522,995	-20.8%	1,359,967
Information Technology (5)	1,104,558	960,856	-13.0%	2,583,474
Human Resources	206,094	188,879	-8.4%	643,258
Growth Management (6)	208,336	480,294	130.5%	1,366,051
Economic Development (7)	247,085	358,010	44.9%	777,070
Parks and Recreation	1,094,163	1,131,824	3.4%	4,560,266
Facilities (8)	789,900	909,707	15.2%	2,468,081
Police	7,378,241	7,368,206	-0.1%	19,601,350
Fire	5,453,926	5,539,712	1.6%	14,059,856
Public Works (9)	1,854,312	2,624,424	41.5%	6,381,933
Non-Departmental	1,535,763	1,608,894	4.8%	3,787,546
Transfers	3,435,956	3,674,612	6.9%	7,564,906
	\$ 25,157,520	\$ 26,322,223	4.6%	\$ 67,579,970

(1) Decrease primarily due to FY16 purchase of audio visual equipment and computers.

(2) Decrease primarily due to decreased year-to-date costs for Other Attorneys.

(3) Increase due to Procurement Department's first year of existence in FY17. Previously was in Finance Department.

(4) Decrease primarily due to Purchasing Division transferred to Procurement Department in FY17.

(5) Decrease primarily due to capital network equipment purchased in FY16.

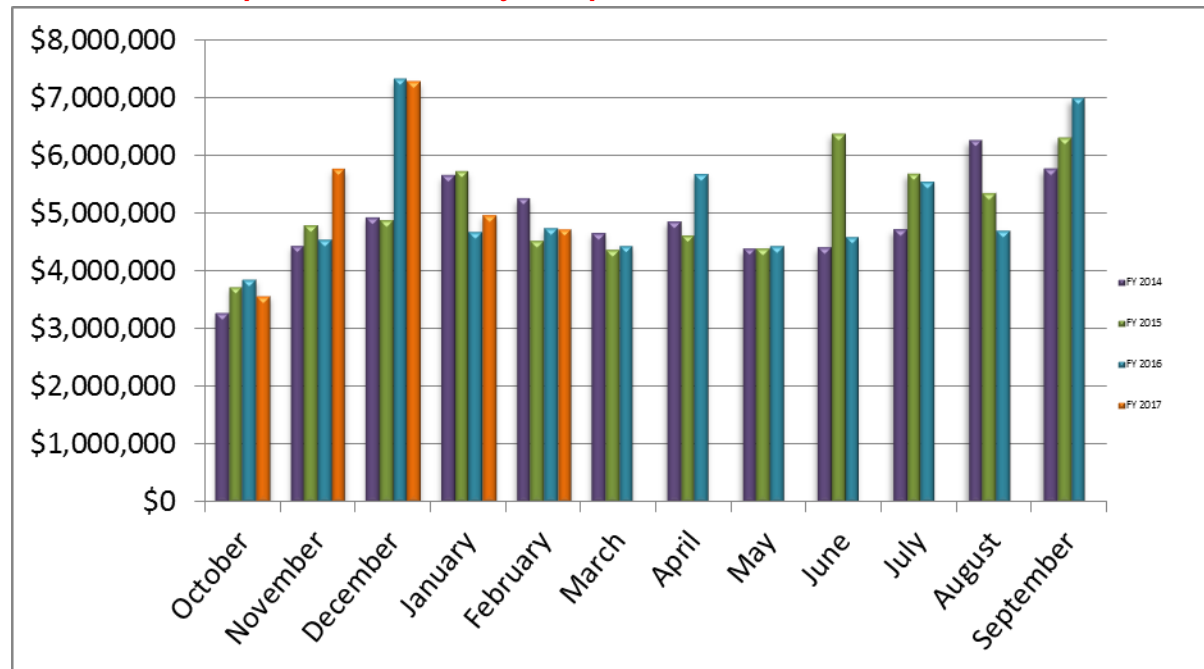
(6) Increase primarily due to FY17 budget of Code Compliance Division in Growth Management instead of in Police Department.

(7) Increase primarily due to expansion of Economic Development Department compared to same time last year.

(8) Increase primarily due to higher year-to-date costs for personnel and operating supplies.

(9) Increase primarily due to increased year-to-date costs for disaster preparedness.

General Fund Expenditures-Monthly Comparison



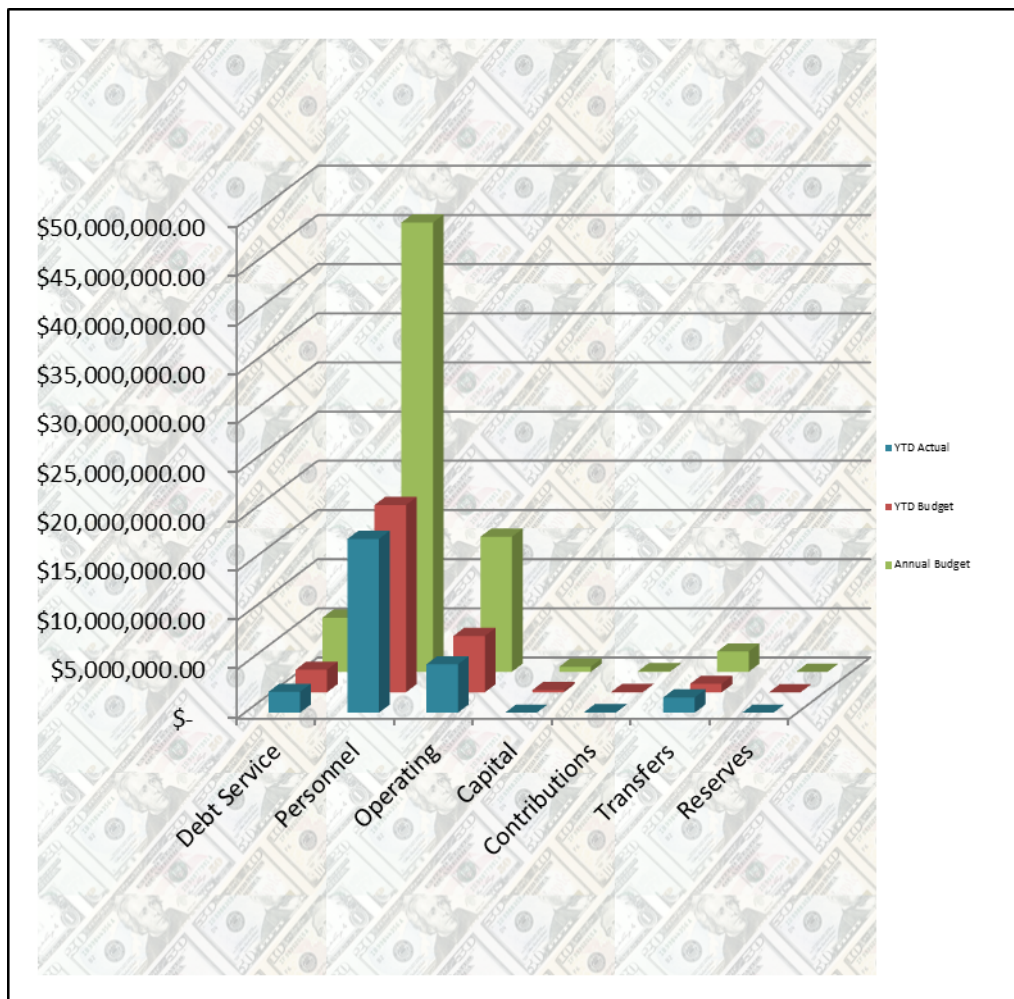
Monthly GF Expenditures as Compared to Prior Years

	FY 2014	FY 2015	FY 2016	FY 2017
October	\$ 3,279,274	\$ 3,726,416	\$ 3,859,572	\$ 3,572,123
November	4,445,312	4,799,117	4,542,401	5,766,532
December	4,931,871	4,886,462	7,323,753	7,290,910
January	5,653,811	5,729,780	4,685,466	4,972,873
February	5,259,394	4,526,492	4,746,328	4,719,784
March	4,666,428	4,375,170	4,443,296	-
April	4,859,644	4,630,094	5,693,822	-
May	4,386,401	4,397,032	4,450,696	-
June	4,412,580	6,385,679	4,592,489	-
July	4,721,680	5,689,908	5,551,214	-
August	6,272,362	5,346,802	4,712,630	-
September	5,780,329	6,310,426	6,791,578	-
	\$ 58,669,085	\$ 60,803,379	\$ 61,393,243	\$ 26,322,223

February General Fund expenditures were \$26,544 (0.56%) less when comparing February 2017 to February 2016. Year-to-date expenditures are \$1,164,703 more.

General Fund Expenditures-Budgetary Comparison by Category

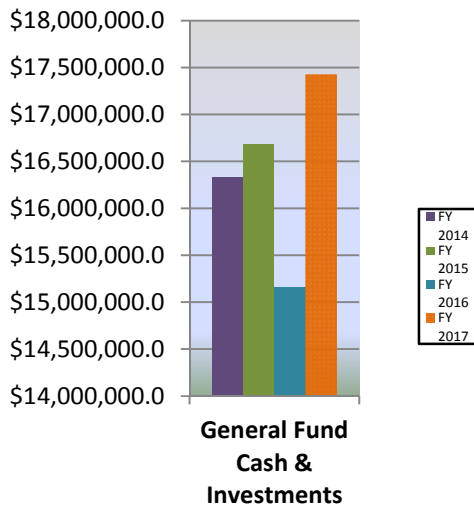
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 2,123,532.91	\$ 2,292,757	\$ 5,502,617	38.59%
Personnel	17,667,212.44	19,036,934	45,688,641	38.67%
Operating	4,914,315.23	5,722,287	13,733,488	35.78%
Capital	7,539.00	217,056	520,935	1.45%
Contributions	58,544.21	30,000	72,000	81.31%
Transfers	1,551,079.16	859,287	2,062,289	75.21%
Reserves	-	-	-	0.00%
Total	\$ 26,322,222.95	\$ 28,158,321	\$ 67,579,970	38.95%



The total budgeted expenditures for 2017 are \$67,579,970 (includes encumbrances from prior year and 2017 budget amendments). Of this amount, \$45,688,641, or 67.6%, is related to personnel costs.

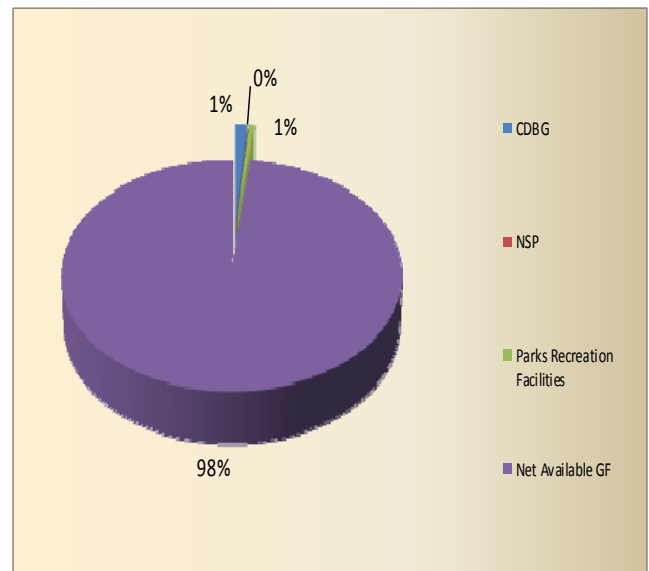
General Fund Cash & Investments – At a Glance February 2017

General Fund Cash & Investments-YTD



General Fund Cash & Investments	
Prior Month Ending Balance	\$ 17,486,854.74
Cash Increase (Decrease)	<u>(58,950.85)</u>
Ending Balance 2/28/17	<u><u>\$ 17,427,903.89</u></u>

General Fund Cash & Investments	
February 2017 Ending Balance	\$ 17,427,903.89
Cash Advanced to Other Funds:	
CDBG	(225,650.44)
NSP	(1,508.80)
Parks Recreation Facilities	<u>\$ (99,405.39)</u>
Total Available Cash & Investments	<u><u>\$ 17,101,339.26</u></u>



General Fund Balance – At a Glance February 2017

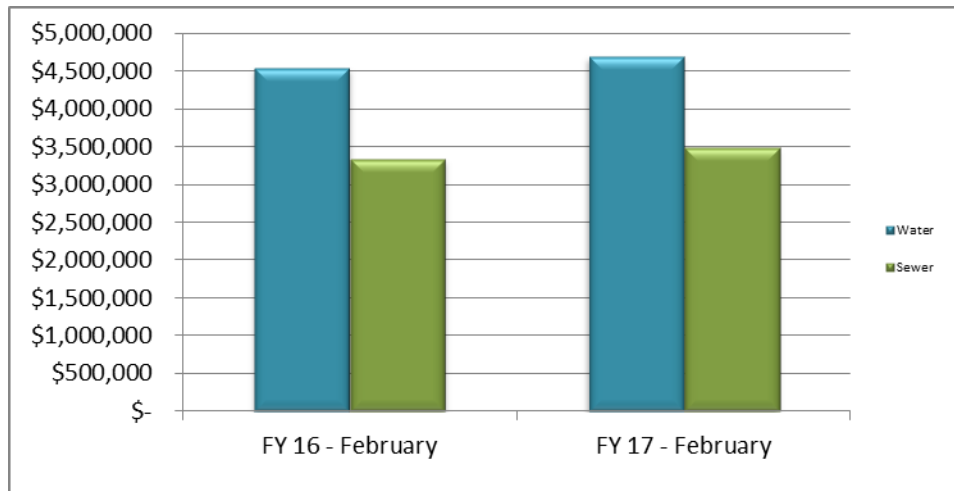
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ 20,963,618	\$ 22,937,279
Local Option Fuel Tax	819,177	939,335
Utility Service Taxes	2,197,979	2,213,982
Communication Service Tax	736,898	653,103
Franchise Fees	1,294,131	1,171,526
State Shared Revenues	952,411	971,462
Half Cent Sales Tax	1,481,699	1,603,710
Licenses and Permits	522,044	516,040
Grants and Other Entitlements	142,316	58,324
Charges for Services	1,043,488	1,130,419
Fines and Forfeitures	163,352	126,275
Interest, Rents and Other Revenues	250,583	253,538
Interfund Transfers and Other Sources	882,938	763,245
Total Revenues	31,450,635	33,338,236
EXPENDITURES		
Legislative	306,976	273,360
City Manager	288,102	292,006
City Attorney	594,069	234,736
Procurement	-	153,707
Finance	660,040	522,995
Information Technology	1,104,558	960,856
Human Resources	206,094	188,879
Growth Management	208,336	480,294
Economic Development	247,085	358,010
Parks and Recreation	1,094,163	1,131,824
Facilities	789,900	909,707
Police	7,378,241	7,368,206
Fire	5,453,926	5,539,712
Public Works	1,854,312	2,624,424
Non-Departmental	1,535,763	1,608,894
Transfers	3,435,956	3,674,612
Total Expenditures	25,157,520	26,322,223
Excess (Deficiency) of Revenues Over Expenditures	6,293,115	7,016,013
Fund Balance - Beginning	8,282,350	8,136,697
Prior Period Adjustment	-	-
Fund Balance - Beginning as Restated	8,282,350	8,136,697
Fund Balance - Ending	\$ 14,575,464	15,152,710

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 General Fund balance.

General Fund Balance - History			
	Minimum	Actual	Fund Balance
	<u>Required</u>	<u>Fund Balance</u>	<u>Percentage</u>
FY 2016	\$ 5,594,175	\$ 8,136,697	14.54%
FY 2015	5,311,438	8,282,350	15.59%
FY 2014	5,321,416	10,040,314	18.87%
FY 2013	5,059,293	12,005,802	23.73%
FY 2012	4,941,647	9,534,785	19.29%
FY 2011	5,046,518	6,077,849	12.04%

Utilities Revenues – At a Glance February 2017

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in February 2017 has increased \$148,781 (3.28%) when compared to February 2016.

Overall year-to-date Sewer revenue in February 2017 has increased \$150,724 (4.52%) when compared to February 2016.

Fire Protection for FY17 was billed at 101% of the budgeted amount. The majority of the Fire Protection Service Charges were billed in October 2016 (annual billing).

Meter Installation Fees are recorded at 57% of the budgeted amount. The Utility Lien Costs are recorded at 120% of the budgeted amount.

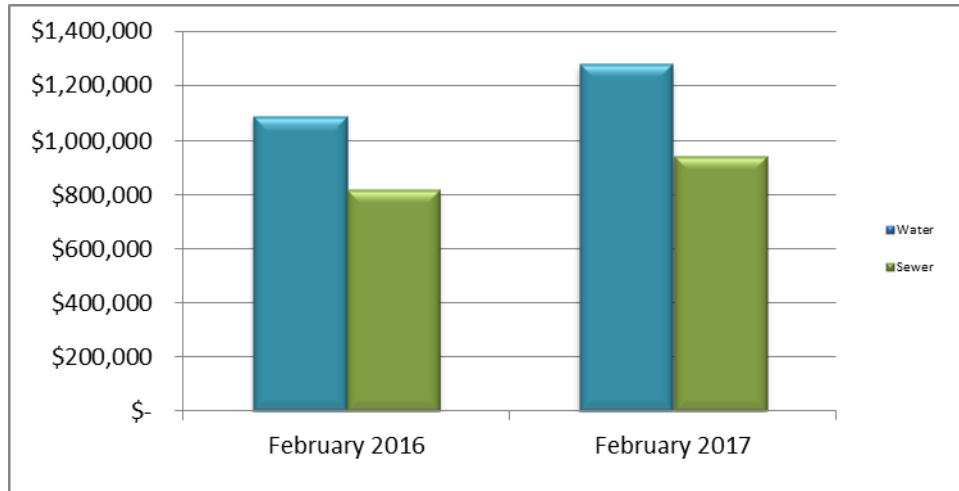
Operating Interest Income is recorded at 13% at this time. The interest for the Palm Bay Estates Loan (\$21,067) will be recorded in June, and the interest on the Fleet Services Loan will be recorded in March (\$25,866.14) and September (\$14,785.53).

Excluding Fund Balance, the total FY17 Operating Revenue is recorded at 34.51% of the budgeted amount compared to FY16 which was at 34.82%.

Water Connection Fees are recorded at 52% of the budgeted amount, and Sewer Connection Fees are recorded at 37% of the budgeted amount.

Water MLEs are recorded at 65% of the budgeted amount, and Sewer MLEs are recorded at 94% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of February 2017 has increased by \$191,184 (17.60%) when compared to February 2016.

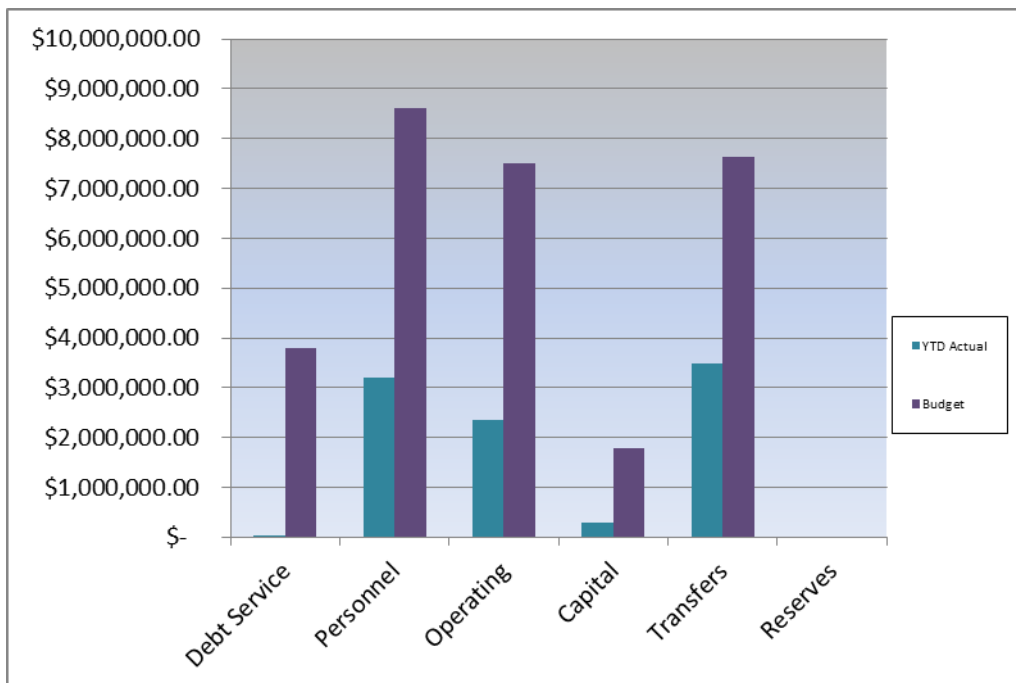
Overall Sewer revenue for the month of February 2017 has increased by \$122,260 (14.90%) when compared to February 2016.

Utilities Expenses – At a Glance February 2017

Water & Sewer Expenditures-YTD

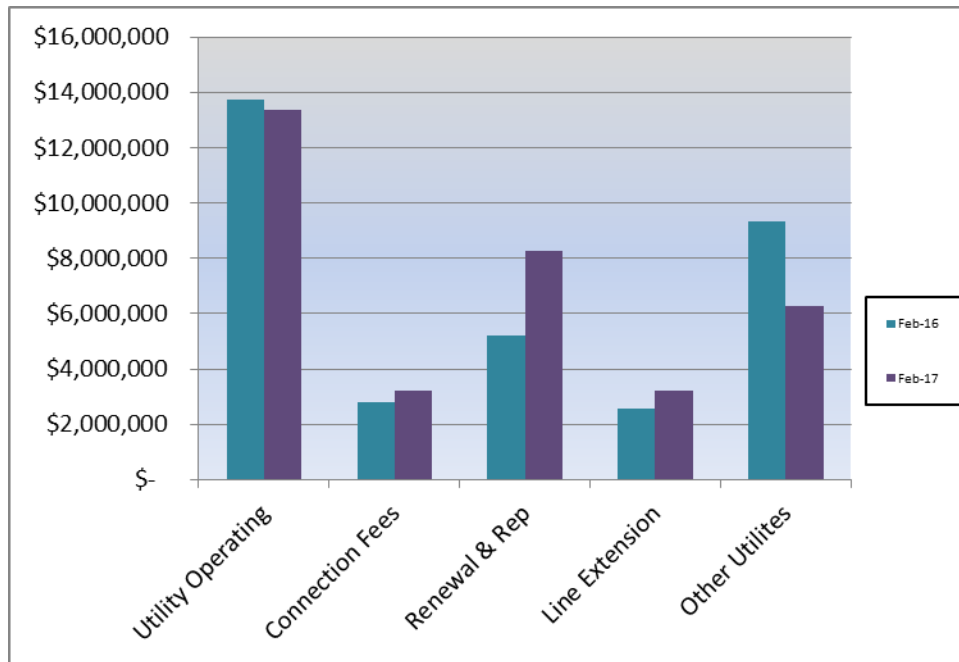
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ 464.67	\$ 3,798,162	0.01%
Personnel	3,195,281.19	8,618,660	37.07%
Operating	2,347,932.17	7,510,469	31.26%
Capital	291,292.50	1,791,046	16.26%
Transfers	3,496,229.75	7,624,971	45.85%
Reserves	-	-	-
Total	\$ 9,331,200.28	\$ 29,343,308	31.80%



Utilities Cash & Investments – At a Glance February 2017

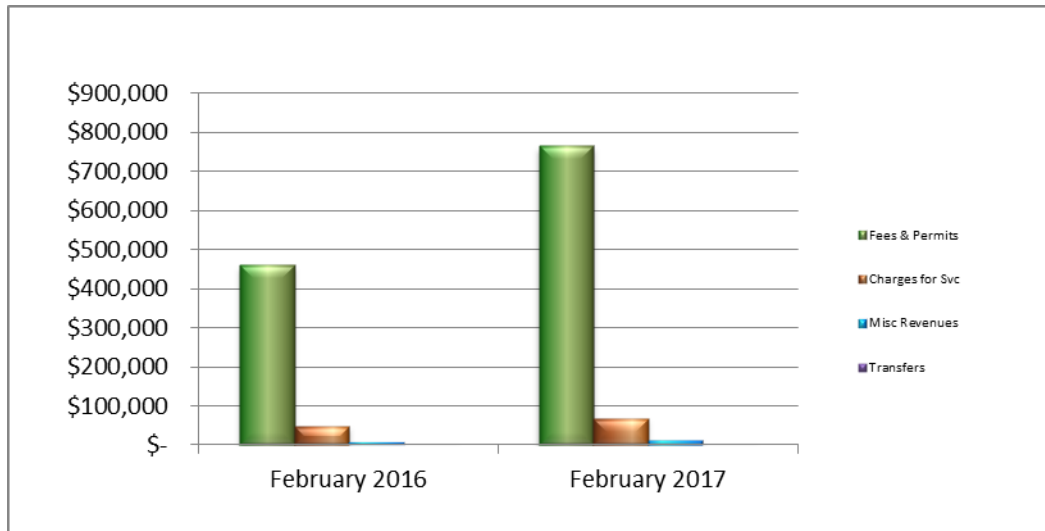
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$0.72 million (2.1%) more as of February 2017 as compared to February 2016.

Building Revenues – At a Glance February 2017

Building Revenues-YTD



Fees and Permits revenue in February 2017 is up \$304,407 (66.11%) from February 2016.

Charges for Services revenue in February 2017 is up \$20,382 (42.40%) from February 2016.

Overall, Building revenues in FY 17 (at February) have increased by \$331,148 (64.31%) when compared to FY 16 (at February).

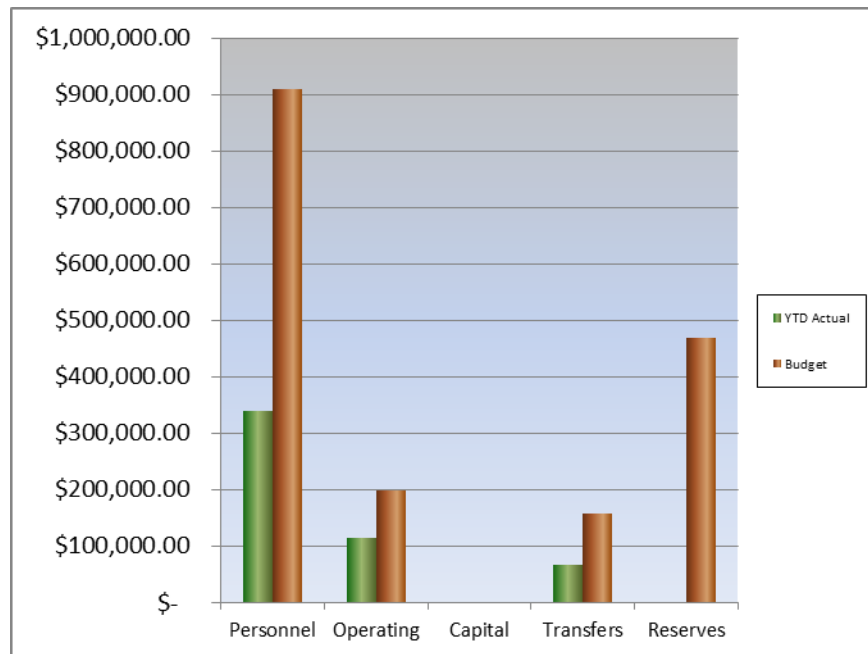
The total FY 17 Building revenues are recorded at 48.76% of the budgeted amount compared to FY 16 which was 45.63%.

Building Expenses – At a Glance February 2017

Building Expenditures-YTD

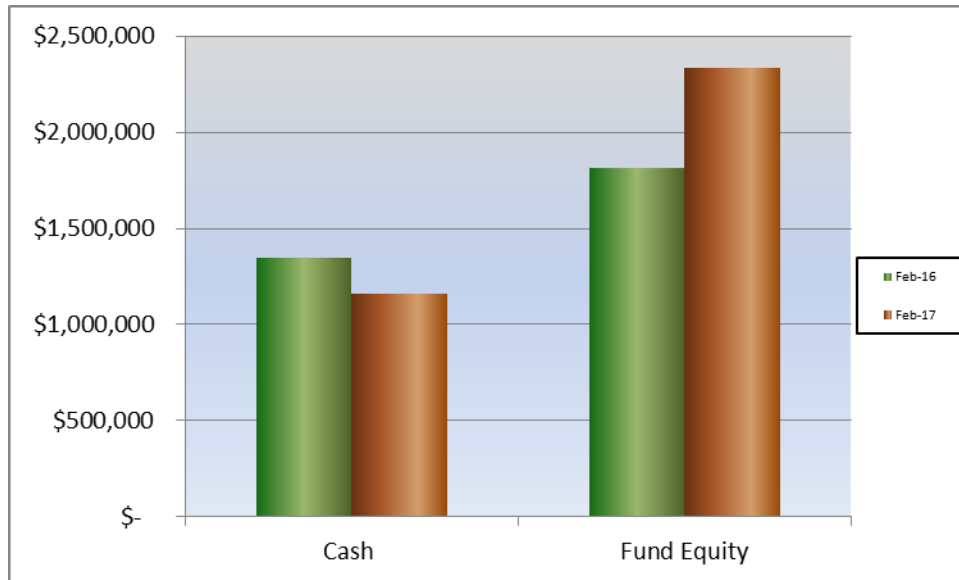
Overall expenditures (excluding encumbrances) are as follows:

	<u>Actual</u>	<u>Budget</u>	<u>% Spent</u>
Personnel	\$ 339,589.63	\$ 908,574	37.38%
Operating	113,988.66	199,234	57.21%
Capital	-	-	0.00%
Transfers	65,950.85	158,282	41.67%
Reserves	-	469,020	0.00%
Total	\$ 519,529.14	\$ 1,735,110	29.94%



Building Cash & Fund Equity – At a Glance February 2017

Building Cash & Fund Equity-YTD



Overall the Building cash and investments were \$185,017 (13.8%) less as of February 2017 as compared to February 2016.

Overall the Building fund equity was \$518,912 (28.6%) more as of February 2017 as compared to February 2016.