

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



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 2018. February is the fifth month of the fiscal year and represents 42% of the annual budget.

Financial Report Summary

- Citywide revenues of \$93.0 million are at 46.1% of the annual budget. Citywide expenditures of \$63.4 million are at 31.4% 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 \$20.9 million, or 26.9%, in comparison to the prior year.
- Most of the increased citywide revenues are a result of the new Stormwater Assessment and note proceeds for the I-95 connector road. Most of the increased citywide expenditures are due to needs in Stormwater, Utility renewal & replacement, and disaster preparedness.

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Citywide - Cash & Investments		Citywide - Revenues		Citywide - Expenditures	
2/28/2018	\$ 98,688,503.99	2/28/2018	\$ 93,034,245.72	2/28/2018	\$ 63,436,599.30
2/28/2017	77,740,296.18	2/28/2017	72,590,896.99	2/28/2017	60,720,955.42
Increase	26.9% \$ 20,948,207.81	Increase	28.2% \$ 20,443,348.73	Increase	4.5% \$ 2,715,643.88

- General Fund revenues of \$37.3 million are at 52% of the annual budget. This is an increase of \$3.94 million, or 11.8%, in comparison to the prior year.
- General Fund expenditures of \$29.2 million are at 41% of the annual budget. This is an increase of \$2.84 million, or 10.8%, in comparison to the prior year.
- General Fund cash and investments increased by \$2.12 million, or 12.2%, in comparison to the prior year. Of this increased General Fund cash, \$800,000 is reserved.

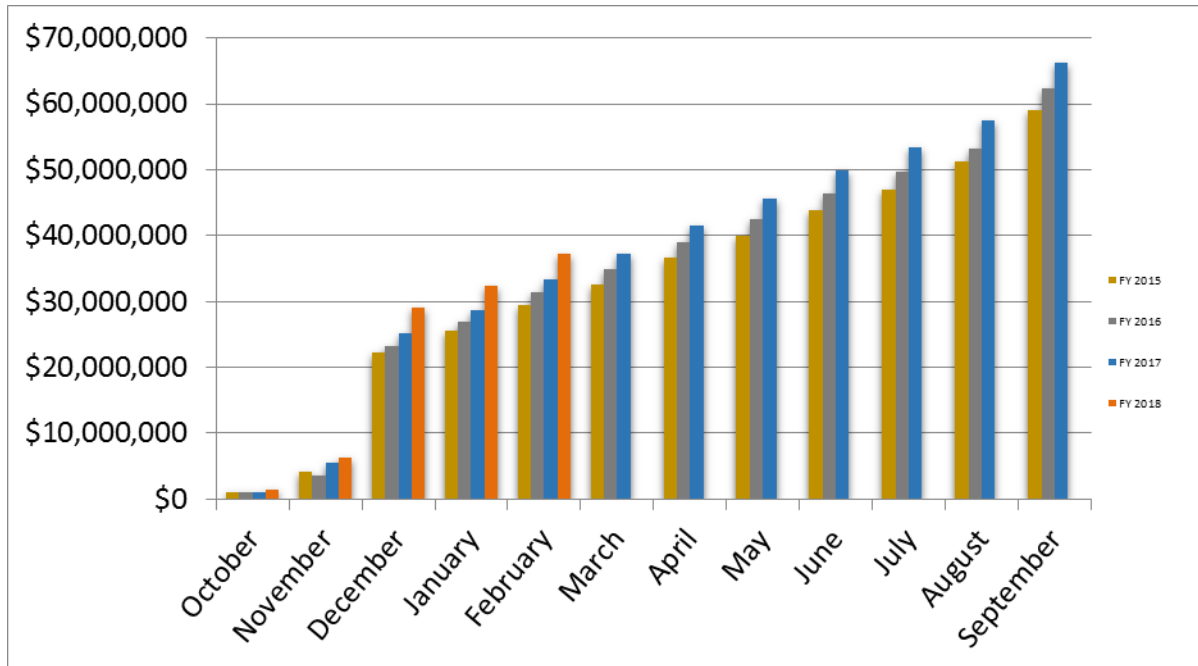
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
2/28/2018	\$ 19,545,543.57	2/28/2018	\$ 37,278,867.67	2/28/2018	\$ 29,162,318.06
2/28/2017	17,427,903.89	2/28/2017	33,338,236.04	2/28/2017	26,322,222.95
Increase	12.2% \$ 2,117,639.68	Increase	11.8% \$ 3,940,631.63	Increase	10.8% \$ 2,840,095.11

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 Revenues – At a Glance February 2018

General Fund Revenues-YTD



FY2018 YTD Change in GF Revenues as Compared to Prior Year

	Prior YTD	Current YTD	Percent Change	Annual Budget
Ad Valorem Taxes	\$ 22,937,279	\$ 25,086,634	9.4%	\$ 28,467,595
Local Option Fuel Tax (1)	939,335	713,457	-24.0%	4,208,406
Utility Service Taxes	2,213,982	2,422,136	9.4%	8,402,000
Communication Service Tax	653,103	659,295	0.9%	2,779,457
Franchise Fees (2)	1,171,526	1,357,117	15.8%	5,240,000
State Shared Revenues (3)	971,462	1,076,164	10.8%	4,515,736
Half Cent Sales Tax	1,603,710	1,736,485	8.3%	6,686,792
Licenses and Permits	516,040	533,607	3.4%	602,000
Grants and Other Entitlements (4)	58,324	312,784	436.3%	1,283,468
Charges for Services (5)	1,130,419	1,510,912	33.7%	3,431,469
Fines and Forfeitures	126,275	137,919	9.2%	346,300
Interest, Rents & Other Revenues (6)	253,538	604,359	138.4%	496,900
Interfund Transfers & Capital Leases (7)	763,245	1,128,000	47.8%	2,426,766
Fund Balance	-	-	0.0%	2,143,942
	\$ 33,338,236	\$ 37,278,868	11.8%	\$ 71,030,831

(1) Decrease primarily due to decreased year-to-date collections of Local Option Fuel Tax in FY18.

(2) Increase primarily due to increased year-to-date collections of Electric Franchise Fees in FY18.

(3) Increase primarily due to increased year-to-date collections of State Shared Revenues in FY18.

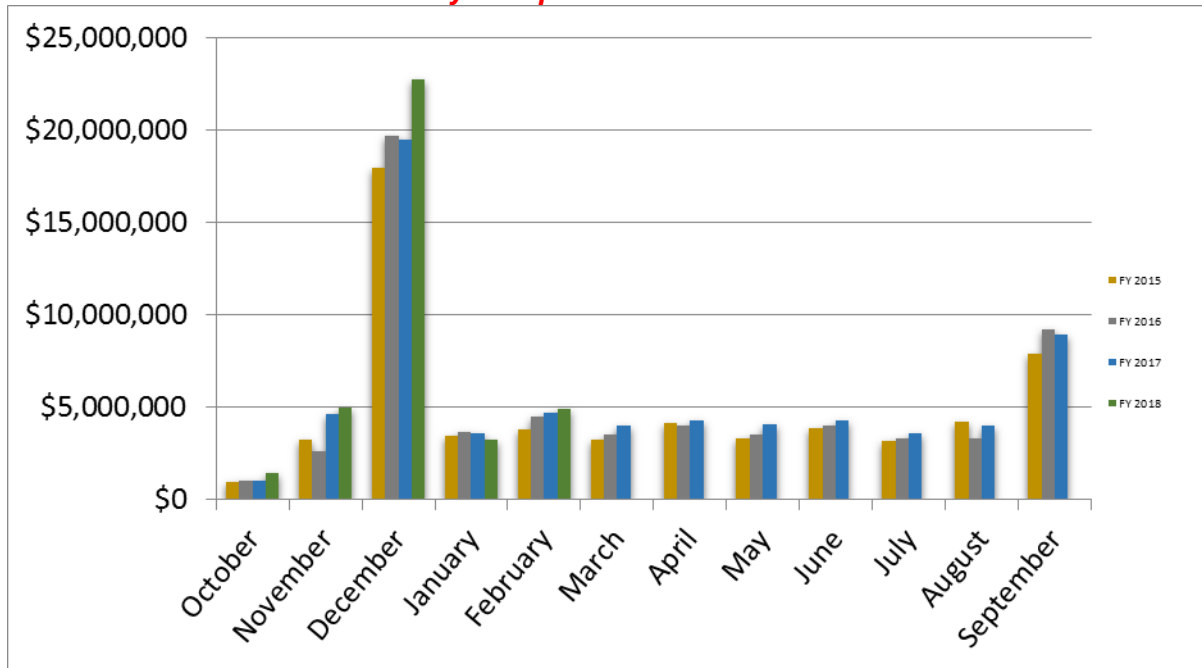
(4) Increase primarily due to increased year-to-date collections from Brevard County for partial reimbursement of Parks expenses in FY18.

(5) Increase primarily due to increased year-to-date collections for Engineering Plans, Recreation Programs, and Utilities Allocation in FY18.

(6) Increase primarily due to higher year-to-date collections from property sales and interest in FY18.

(7) Increase primarily due to higher budgeted transfer from Utility Operating Fund and higher year-to-date transfer from Stormwater in FY18.

General Fund Revenues-Monthly Comparison



Monthly GF Revenues as Compared to Prior Years

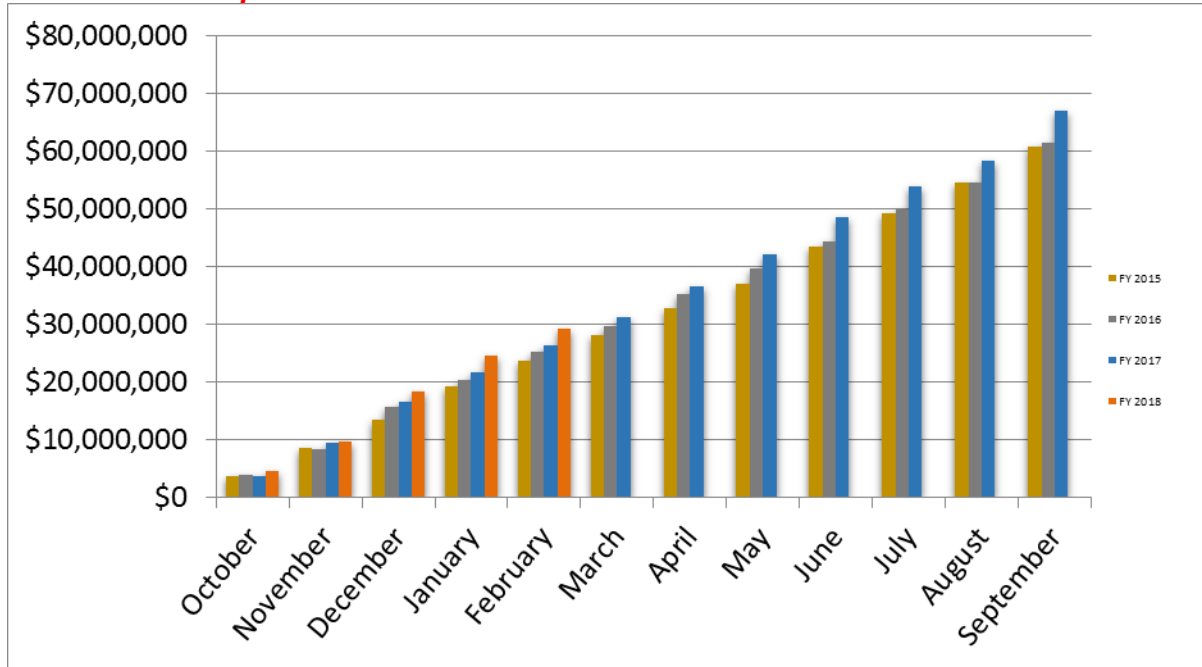
	FY 2015	FY 2016	FY 2017	FY 2018
October	\$ 953,761	\$ 1,012,271	\$ 1,005,090	\$ 1,416,001
November	3,246,502	2,619,131	4,580,252	4,969,155
December	17,977,402	19,689,226	19,511,218	22,774,626
January	3,458,799	3,639,261	3,585,305	3,212,134
February	3,782,243	4,490,812	4,656,371	4,906,952
March	3,203,645	3,522,695	3,990,468	
April	4,103,728	4,009,369	4,245,071	
May	3,278,699	3,511,664	4,073,453	
June	3,830,369	3,976,789	4,237,693	
July	3,170,380	3,323,512	3,597,870	
August	4,168,296	3,323,716	3,960,272	
September	7,881,278	9,167,028	8,913,454	
	\$ 59,055,101	\$ 62,285,475	\$ 66,356,517	\$ 37,278,868

Overall General Fund revenues for the month of February 2018 have increased \$250,581 (5.38%) when compared to February 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 Expenditures – At a Glance February 2018

General Fund Expenditures-YTD



2018 YTD Change in GF Expenditures as Compared to Prior Year

	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative	\$ 273,360	\$ 289,905	6.1%	\$ 712,660
City Manager	292,006	297,187	1.8%	835,123
City Attorney (1)	234,736	261,541	11.4%	581,105
Procurement	153,707	145,628	-5.3%	452,024
Finance	522,995	538,641	3.0%	1,404,782
Information Technology (2)	960,856	1,116,824	16.2%	3,439,730
Human Resources (3)	188,879	209,892	11.1%	703,807
Growth Management	480,294	522,360	8.8%	1,425,300
Economic Development (4)	358,010	264,204	-26.2%	688,632
Parks and Recreation (5)	1,131,824	1,575,377	39.2%	4,329,390
Facilities	909,707	937,692	3.1%	2,674,264
Police	7,368,206	7,510,331	1.9%	19,775,307
Fire	5,539,712	5,846,082	5.5%	14,449,818
Public Works (6)	2,624,424	3,734,328	42.3%	6,817,225
Non-Departmental	1,608,894	1,716,089	6.7%	5,594,168
Transfers (7)	3,674,612	4,196,239	14.2%	7,147,496
Total	\$ 26,322,223	\$ 29,162,318	10.8%	\$ 71,030,831

(1) Increase primarily due to increased year-to-date costs for Other Attorneys in FY18. Most in-house Attorney cost is charged to Risk Fund.

(2) Increase primarily due to higher year-to-date costs for Network Equipment in FY18.

(3) Increase primarily due to Payroll staff was moved to Human Resources last year and increased year-to-date hardware/software support.

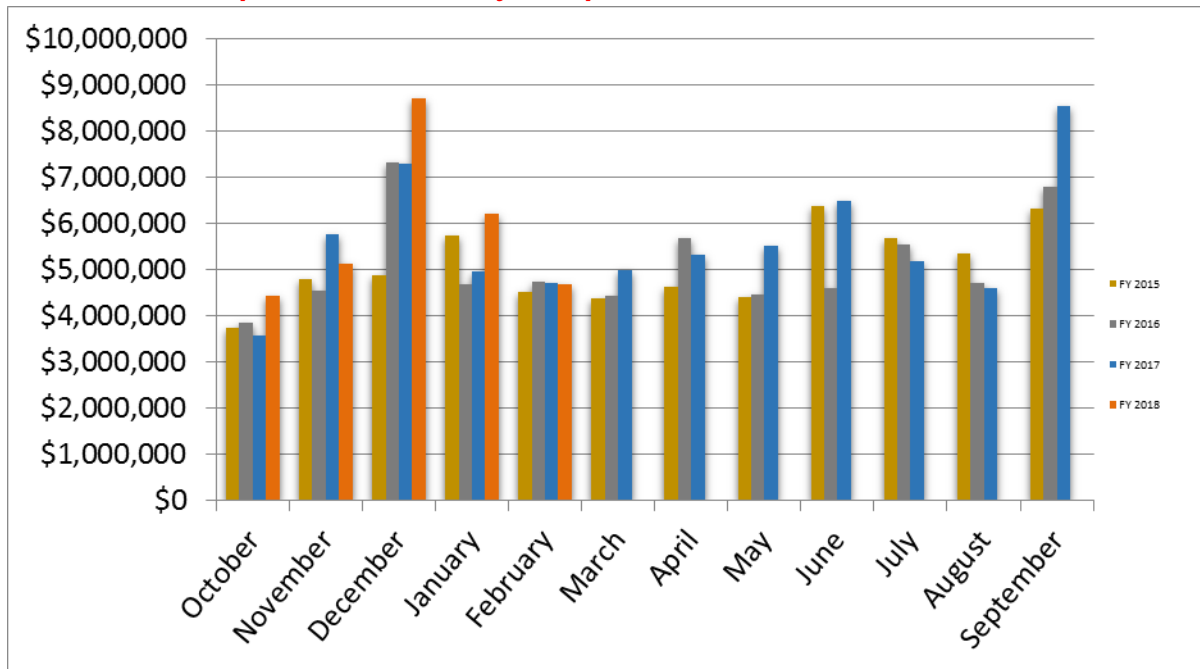
(4) Decrease primarily due to lower year-to-date costs for Professional Services and Promotional Activities.

(5) Increase primarily due to inclusion of expenses of the Regional Park, Aquatic Center, and Whitlock Center in General Fund and increased year-to-date costs of Recreation Programs.

(6) Increase primarily due to higher year-to-date costs for Disaster Preparedness, Railroad Crossing Maintenance, and School Flashers.

(7) Increase primarily due to higher year-to-date transfers to Fleet Fund to cover Fire Pumper and Police Cars, and due to a quarterly (rather than monthly) interfund transfer made in January 2018.

General Fund Expenditures-Monthly Comparison



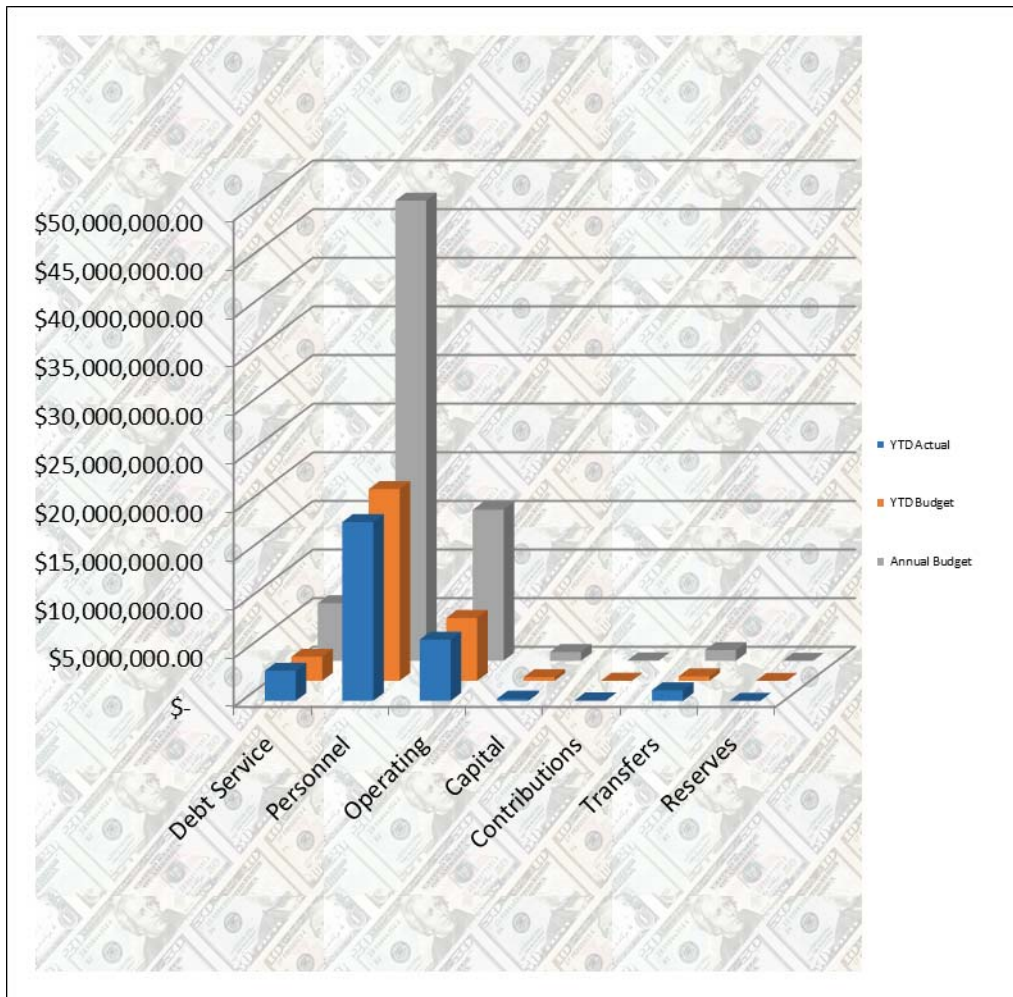
Monthly GF Expenditures as Compared to Prior Years

	FY 2015	FY 2016	FY 2017	FY 2018
October	\$ 3,726,416	\$ 3,859,572	\$ 3,572,123	\$ 4,424,711
November	4,799,117	4,542,401	5,766,532	5,122,997
December	4,886,462	7,323,753	7,290,910	8,706,391
January	5,729,780	4,685,466	4,972,873	6,214,289
February	4,526,492	4,746,328	4,719,784	4,693,931
March	4,375,170	4,443,296	4,983,695	
April	4,630,094	5,693,822	5,332,488	
May	4,397,032	4,450,696	5,512,146	
June	6,385,679	4,592,489	6,488,834	
July	5,689,908	5,551,214	5,175,411	
August	5,346,802	4,712,630	4,609,040	
September	6,310,426	6,791,578	8,539,660	
	\$ 60,803,379	\$ 61,393,243	\$ 66,963,498	\$ 29,162,318

February General Fund expenditures were \$25,853 (0.55%) less when comparing February 2018 to February 2017. Year-to-date expenditures are \$2,840,095 more.

General Fund Expenditures-Budgetary Comparison by Category

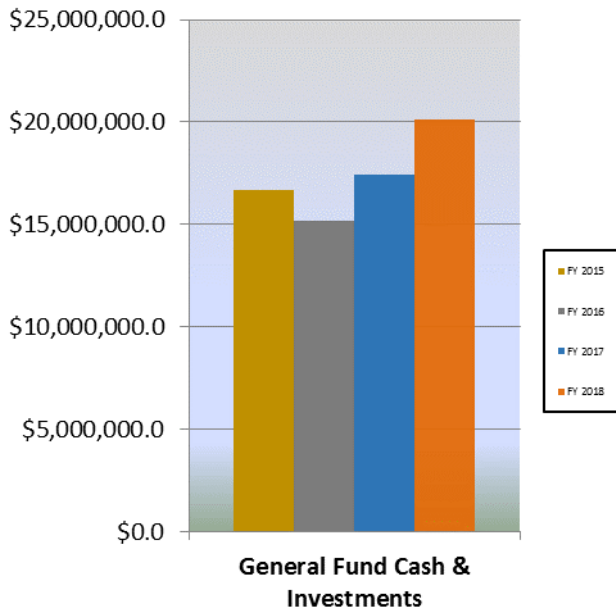
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 3,101,087.71	\$ 2,469,016	\$ 5,925,638	52.33%
Personnel	18,387,498.31	19,720,780	47,329,873	38.85%
Operating	6,294,398.95	6,487,450	15,569,881	40.43%
Capital	229,357.09	388,992	933,581	24.57%
Contributions	54,825.00	20,833	50,000	109.65%
Transfers	1,095,151.00	509,108	1,221,858	89.63%
Reserves	-	-	-	0.00%
Total	\$ 29,162,318.06	\$ 29,596,180	\$ 71,030,831	41.06%



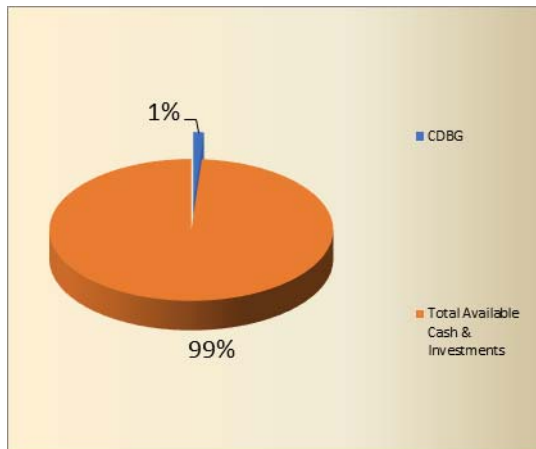
The total budgeted expenditures for 2018 are \$71,030,831 (includes encumbrances from prior year and 2018 budget amendments). Of this amount, \$47,329,873, or 66.6%, is related to personnel costs.

General Fund Cash & Investments – At a Glance February 2018

General Fund Cash & Investments-YTD



General Fund Cash & Investments	
Prior Month Ending Balance	\$ 19,191,487.58
Cash Increase (Decrease)	354,055.99
Ending Balance 2/28/18	\$ 19,545,543.57



General Fund Cash & Investments	
February 2018 Ending Balance	\$ 19,545,543.57
Cash Advanced to Other Funds:	
CDBG	(239,912.09)
Total Available Cash & Investments	\$ 19,305,631.48

General Fund Balance – At a Glance February 2018

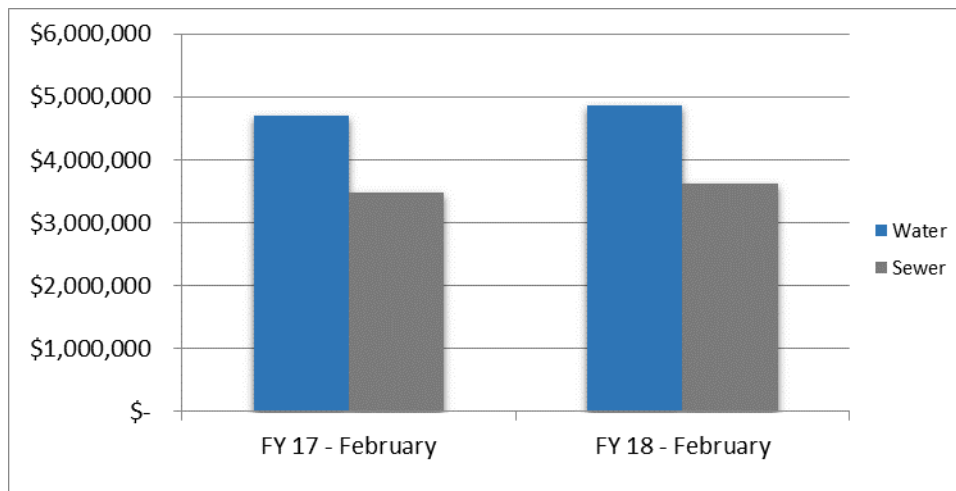
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ 22,937,279	\$ 25,086,634
Local Option Fuel Tax	939,335	713,457
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Communication Service Tax	653,103	659,295
Franchise Fees	1,171,526	1,357,117
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Licenses and Permits	516,040	533,607
Grants and Other Entitlements	58,324	312,784
Charges for Services	1,130,419	1,510,912
Fines and Forfeitures	126,275	137,919
Interest, Rents and Other Revenues	253,538	604,359
Interfund Transfers and Other Sources	763,245	1,128,000
Total Revenues	33,338,236	37,278,868
EXPENDITURES		
Legislative	273,360	289,905
City Manager	292,006	297,187
City Attorney	234,736	261,541
Procurement	153,707	145,628
Finance	522,995	538,641
Information Technology	960,856	1,116,824
Human Resources	188,879	209,892
Growth Management	480,294	522,360
Economic Development	358,010	264,204
Parks and Recreation	1,131,824	1,575,377
Facilities	909,707	937,692
Police	7,368,206	7,510,331
Fire	5,539,712	5,846,082
Public Works	2,624,424	3,734,328
Non-Departmental	1,608,894	1,716,089
Transfers	3,674,612	4,196,239
Total Expenditures	26,322,223	29,162,318
Excess (Deficiency) of Revenues Over Expenditures	7,016,013	8,116,550
Fund Balance - Beginning	9,174,582	8,389,436
Prior Period Adjustment	-	-
Fund Balance - Beginning as Restated	9,174,582	8,389,436
Fund Balance - Ending	\$ 16,190,595	16,505,986

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 Required	Actual Fund Balance	Fund Balance Percentage
FY 2017	\$ 6,107,113	\$ 8,389,436	13.74%
FY 2016	5,594,175	9,174,581	16.40%
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%

Utilities Revenues – At a Glance February 2018

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in February 2018 has increased \$169,166 (3.61%) when compared to February 2017.

Overall year-to-date Sewer revenue in February 2018 has increased \$136,732 (3.93%) when compared to February 2017.

Fire Protection for FY18 was billed at 101% of the budgeted amount. The Fire Protection Service Charges were billed in November (annual billing).

Meter Installation Fees are recorded at 49% of the budgeted amount. The Utility Lien Costs are recorded at 53% of the budgeted amount.

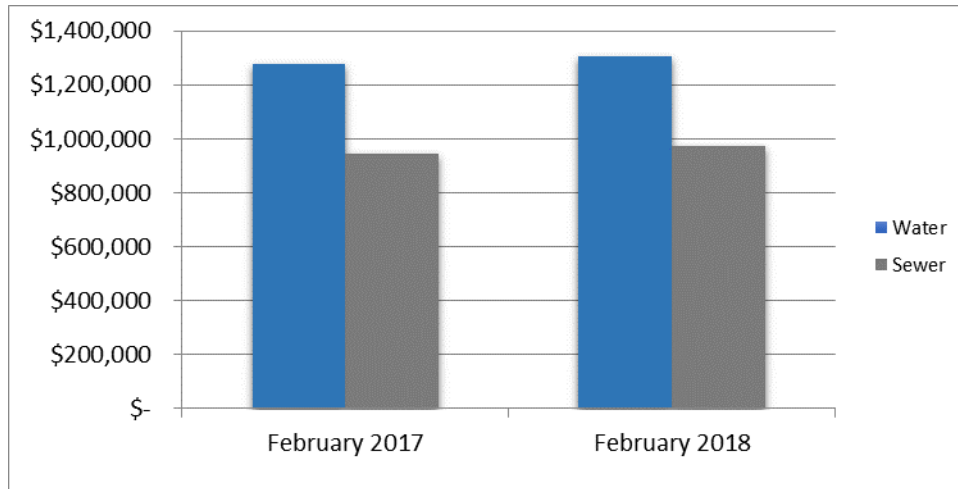
Operating Interest Income is recorded at 44%.

Excluding Fund Balance, the total FY18 Operating Revenue is recorded at 32.85% of the budgeted amount compared to FY17 which was at 34.51%.

Water Connection Fees are recorded at 60% of the budgeted amount, and Sewer Connection Fees are recorded at 57% of the budgeted amount.

Water MLEs are recorded at 52% of the budgeted amount, and Sewer MLEs are recorded at 45% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of February 2018 has increased by \$28,723 (2.25%) when compared to February 2017.

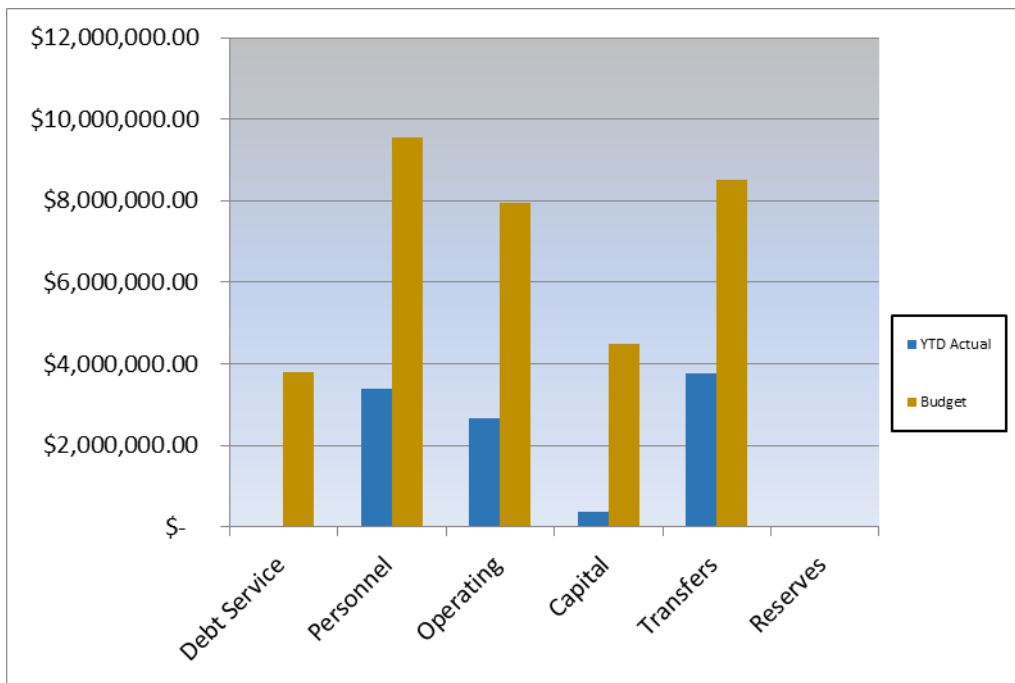
Overall Sewer revenue for the month of February 2018 has increased by \$28,406 (3.01%) when compared to February 2017.

Utilities Expenses – At a Glance February 2018

Water & Sewer Expenditures-YTD

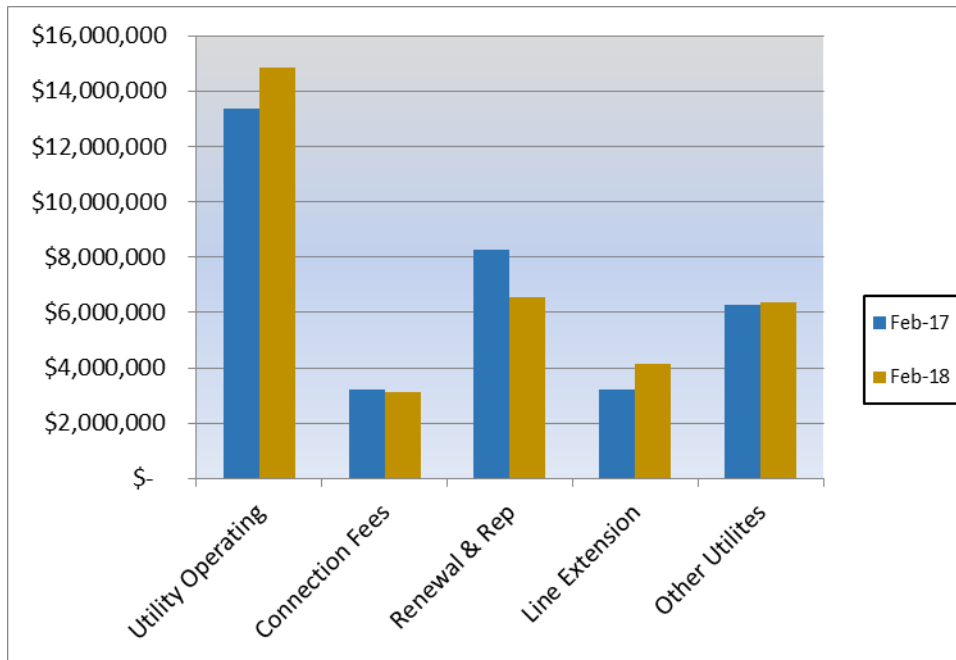
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ 464.67	\$ 3,799,411	0.01%
Personnel	3,383,775.91	9,565,864	35.37%
Operating	2,677,569.04	7,947,046	33.69%
Capital	368,034.62	4,471,105	8.23%
Transfers	3,753,090.47	8,520,949	44.05%
Reserves	-	-	-
Total	\$ 10,182,934.71	\$ 34,304,375	29.68%



Utilities Cash & Investments – At a Glance February 2018

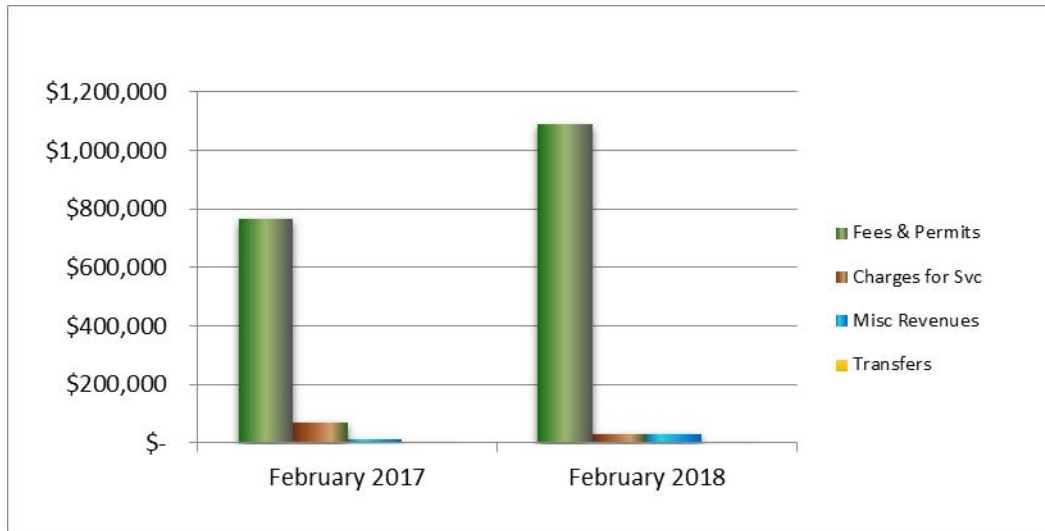
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$0.67 million (1.9%) more as of February 2018 as compared to February 2017.

Building Revenues – At a Glance February 2018

Building Revenues-YTD



Fees and Permits revenue in February 2018 is up \$325,830 (42.60%) from February 2017.

Charges for Services revenue in February 2018 is down \$38,025 (55.55%) from February 2017.

Overall, Building revenues in FY 18 (at February) have increased by \$304,958 (36.05%) when compared to FY 17 (at February).

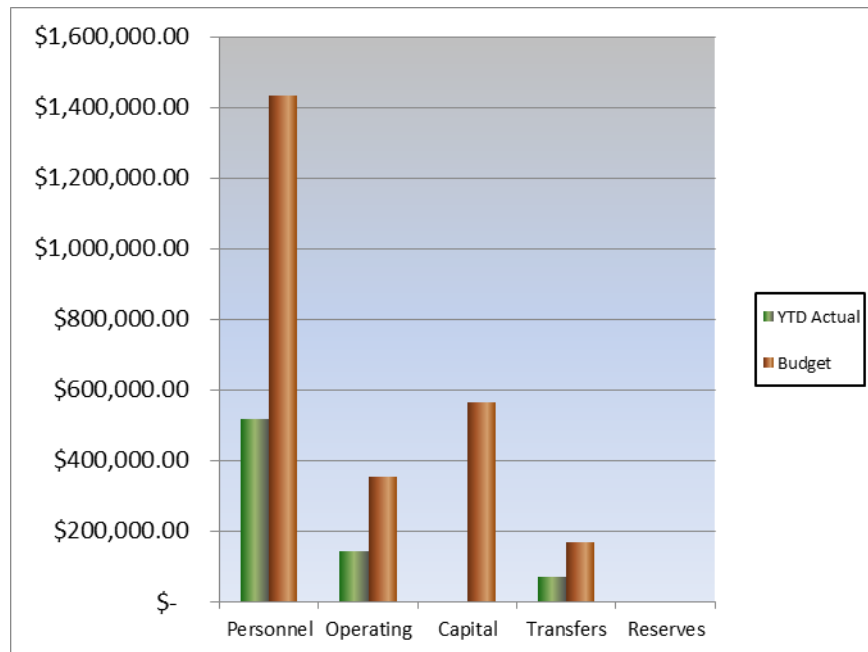
The total FY 18 Building revenues are recorded at 45.66% of the budgeted amount compared to FY 17 which was 48.76%.

Building Expenses – At a Glance February 2018

Building Expenditures-YTD

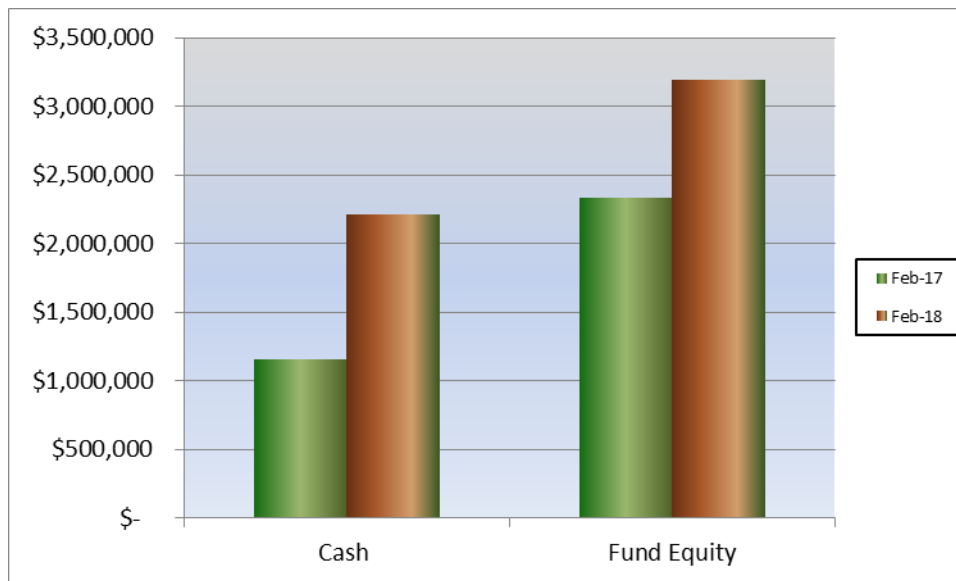
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Personnel	\$ 515,820.53	\$ 1,434,844	35.95%
Operating	143,143.59	355,211	40.30%
Capital	-	563,874	0.00%
Transfers	69,437.10	166,649	41.67%
Reserves	-	-	0.00%
Total	\$ 728,401.22	\$ 2,520,578	28.90%



Building Cash & Fund Equity – At a Glance February 2018

Building Cash & Fund Equity-YTD



Overall the Building cash and investments were \$1,048,591 (90.4%) more as of February 2018 as compared to February 2017.

Overall the Building fund equity was \$862,965 (37.0%) more as of February 2018 as compared to February 2017.