

MONTHLY FINANCIAL REPORT (UNAUDITED)

MAY 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 May 2018. May is the eighth month of the fiscal year and represents 67% of the annual budget.

Financial Report Summary

- Citywide revenues of \$128.8 million are at 60.6% of the annual budget. Citywide expenditures of \$97.7 million are at 46.0% 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 \$22.4 million, or 28.9%, 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.

Citywide - Cash & Investments		Citywide - Revenues		Citywide - Expenditures	
5/31/2018	\$ 100,126,248.64	5/31/2018	\$ 128,793,088.89	5/31/2018	\$ 97,688,588.49
5/31/2017	77,694,080.05	5/31/2017	104,840,147.03	5/31/2017	94,390,768.67
Increase	28.9%	\$ 22,432,168.59	Increase	22.8%	\$ 23,952,942.40
			Increase	3.5%	\$ 3,297,819.82

- General Fund revenues of \$50.3 million are at 70.8% of the annual budget. This is an increase of \$4.7 million, or 10.3%, in comparison to the prior year.
- General Fund expenditures of \$43.6 million are at 61.3% of the annual budget. This is an increase of \$1.5 million, or 3.5%, in comparison to the prior year.
- General Fund cash and investments increased by \$2.9 million, or 20.9%, 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	
5/31/2018	\$ 16,925,613.57	5/31/2018	\$ 50,337,194.32	5/31/2018	\$ 43,613,257.21
5/31/2017	13,996,329.89	5/31/2017	45,647,227.20	5/31/2017	42,150,552.06
Increase	20.9%	\$ 2,929,283.68	Increase	10.3%	\$ 4,689,967.12
			Increase	3.5%	\$ 1,462,705.15

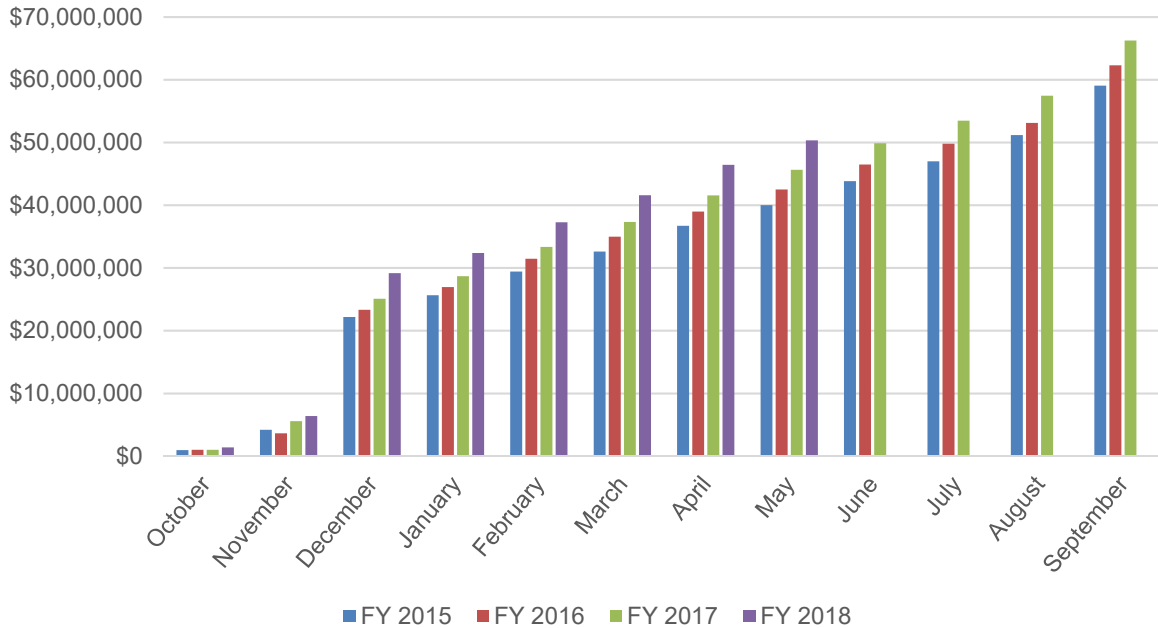
The General Fund is the City's primary operating fund and is used to account for all resources except those that are required to be accounted for in another fund. The following information depicts the history of the revenues and expenditures for the General Fund from fiscal years 2015 to 2018.

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



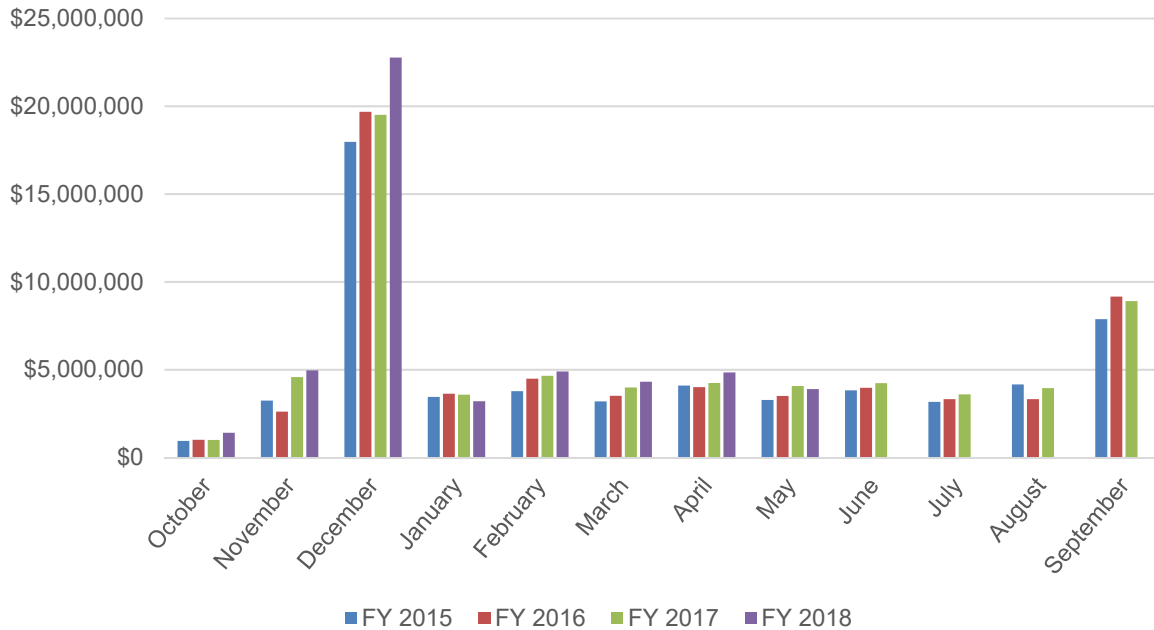
➤ FY 2018 YTD Revenue Variance
As Compared to Prior Year

	Prior YTD	Current YTD	% Variance	Annual Budget
Ad Valorem Taxes	\$ 25,206,026	\$ 27,535,167	9.2%	\$ 28,467,595
Local Option Fuel Tax (1)	2,205,263	1,901,288	-13.8%	4,208,406
Utility Service Taxes (2)	4,040,711	4,459,306	10.4%	8,402,000
Communication Service Tax	1,299,324	1,315,961	1.3%	2,779,457
Franchise Fees (3)	2,302,927	2,591,897	12.5%	5,240,000
State Shared Revenues (4)	1,942,924	2,152,333	10.8%	4,515,736
Half Cent Sales Tax	3,214,194	3,449,048	7.3%	6,686,792
Licenses and Permits	560,416	584,153	4.2%	602,000
Grants and Other Entitlements	929,383	849,129	-8.6%	1,283,468
Charges for Services (5)	2,047,697	2,514,211	22.8%	3,431,469
Fines and Forfeitures (6)	246,176	307,808	25.0%	346,300
Interest, Rents & Other Revenues (7)	392,593	981,753	150.1%	496,900
Interfund Transfers & Capital Leases (8)	1,259,595	1,695,141	34.6%	2,573,766
Fund Balance	-	-	0.0%	2,106,878
	\$ 45,647,227	\$ 50,337,194	10.3%	\$ 71,140,767

(1) Decrease primarily due to decreased year-to-date collections of Local Option Fuel Tax in FY 18.
(2) Increase primarily due to increased year-to-date collections of Utility Service Taxes associated with FPL in FY 18.
(3) Increase primarily due to increased year-to-date collections of Franchise Fees associated with FPL in FY 18.
(4) Increase primarily due to increased year-to-date collections from State Shared Revenues in FY 18.
(5) Increase primarily due to increased year-to-date collections for Engineering Plans, Recreation Programs, and Utilities Allocation in FY 18
(6) Increase primarily due to increased year-to-date collections from Code Compliance Fines and Investigative Cost Recoveries in FY 18.
(7) Increase primarily due to increased year-to-date collections associated with Property Sales in FY 18.
(8) Increase primarily due to higher budgeted transfer from Utility Operating Fund and higher year-to-date transfer from Stormwater in FY 18.

General Fund (GF) Revenues - Summary

➤ Monthly Revenue Comparisons



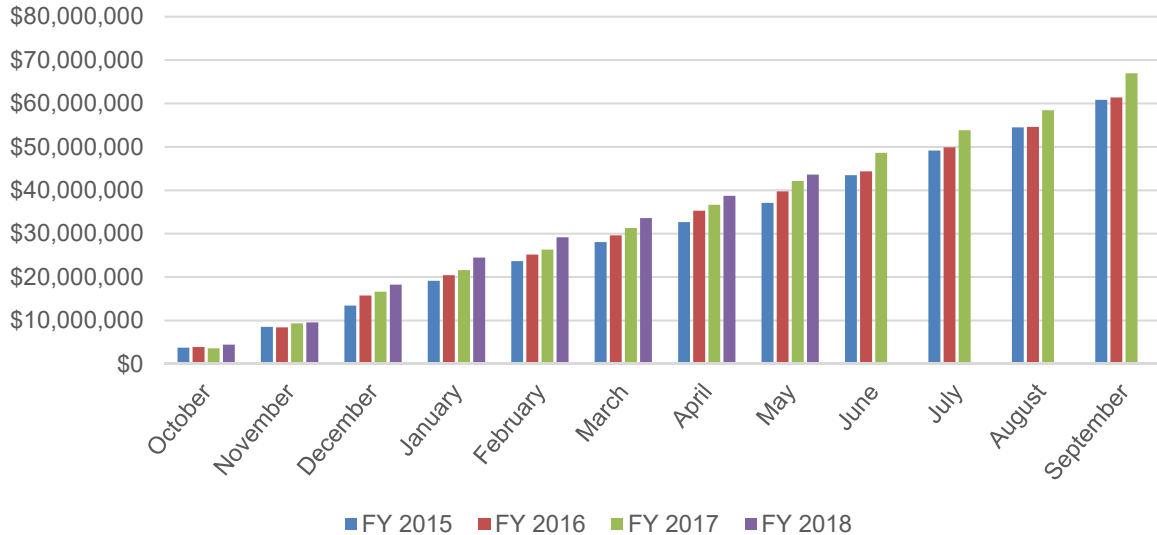
➤ FY 2018 Monthly Revenue Variance
As Compared to Prior Years

	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	4,316,341
April	4,103,728	4,009,369	4,245,071	4,844,708
May	3,278,699	3,511,664	4,073,453	3,897,277
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	\$ 50,337,194

Overall General Fund revenues for the month of May 2018 have decreased \$176,176, or 4.3%, when compared to May 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



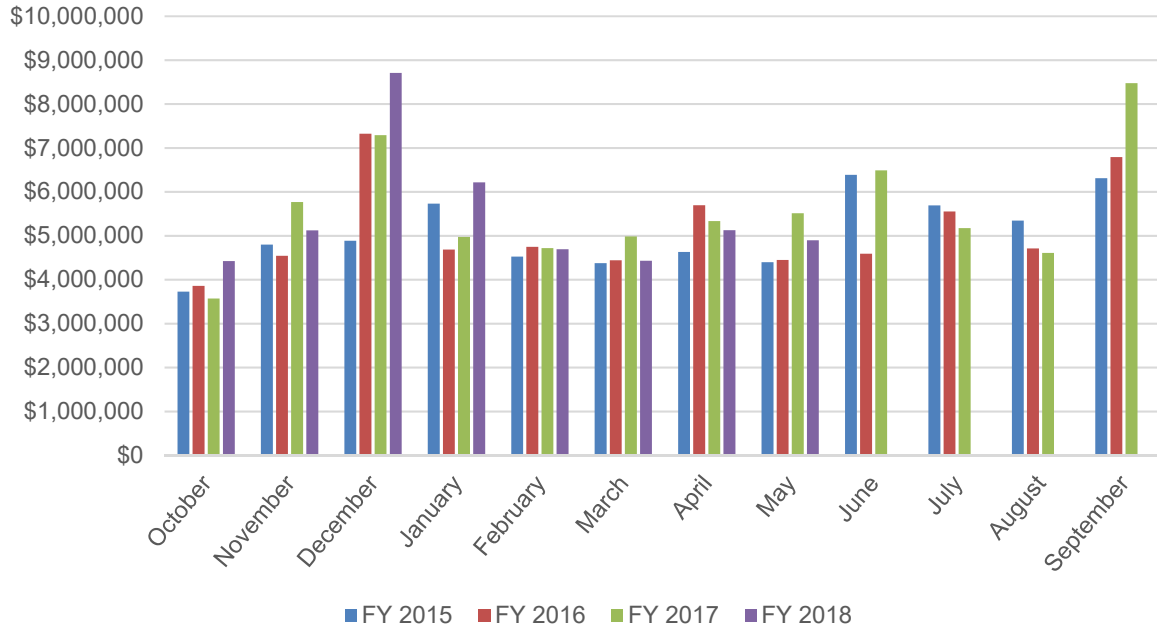
➤ FY 2018 YTD Expenditure Variance
As Compared to Prior Year

	Prior YTD	Current YTD	% Variance	Annual Budget
Legislative	\$ 420,786	\$ 447,880	6.4%	\$ 712,660
City Manager (1)	446,395	492,573	10.3%	835,123
City Attorney (2)	339,502	388,251	14.4%	530,365
Procurement (3)	249,429	223,536	-10.4%	452,024
Finance	858,888	877,203	2.1%	1,404,782
Information Technology (4)	1,323,306	1,734,711	31.1%	3,439,921
Human Resources	327,402	332,390	1.5%	703,807
Growth Management	767,706	825,238	7.5%	1,461,306
Economic Development (5)	522,239	365,511	-30.0%	688,632
Parks and Recreation	2,634,100	2,556,876	-2.9%	4,329,125
Facilities	1,371,575	1,495,686	9.0%	2,774,213
Police	11,641,265	11,881,009	2.1%	19,761,396
Fire	8,860,972	9,085,114	2.5%	14,505,129
Public Works (6)	4,072,579	4,894,040	20.2%	6,800,620
Non-Departmental	2,526,684	2,746,575	8.7%	5,594,168
Transfers	5,787,725	5,266,665	-9.0%	7,147,496
	\$ 42,150,552	\$ 43,613,257	3.5%	\$ 71,140,767

(1) Increase primarily due to increased year-to-date costs for Other Professional Services (Stantec).
(2) Increase primarily due to increased year-to-date costs for Other Attorneys in FY 18. Most in-house Attorney cost is charged to the Risk Fund.
(3) Decrease primarily due to personnel vacancies in Procurement in FY 18.
(4) Increase primarily due to higher year-to-date costs for Network Equipment, IS Related Projects, PC Replacements, and Repair and Maintenance in FY18.
(5) Decrease primarily due to lower year-to-date costs for lobbyists and promotional activities in FY 18.
(6) Increase primarily due to higher year-to-date costs for Disaster Preparedness, Railroad Crossing Maintenance, and School Flashers in FY 18.

General Fund (GF) Expenditures - Summary

➤ Monthly Expenditure Comparisons



➤ FY 2018 Monthly Expenditure Variance
As Compared to Prior Years

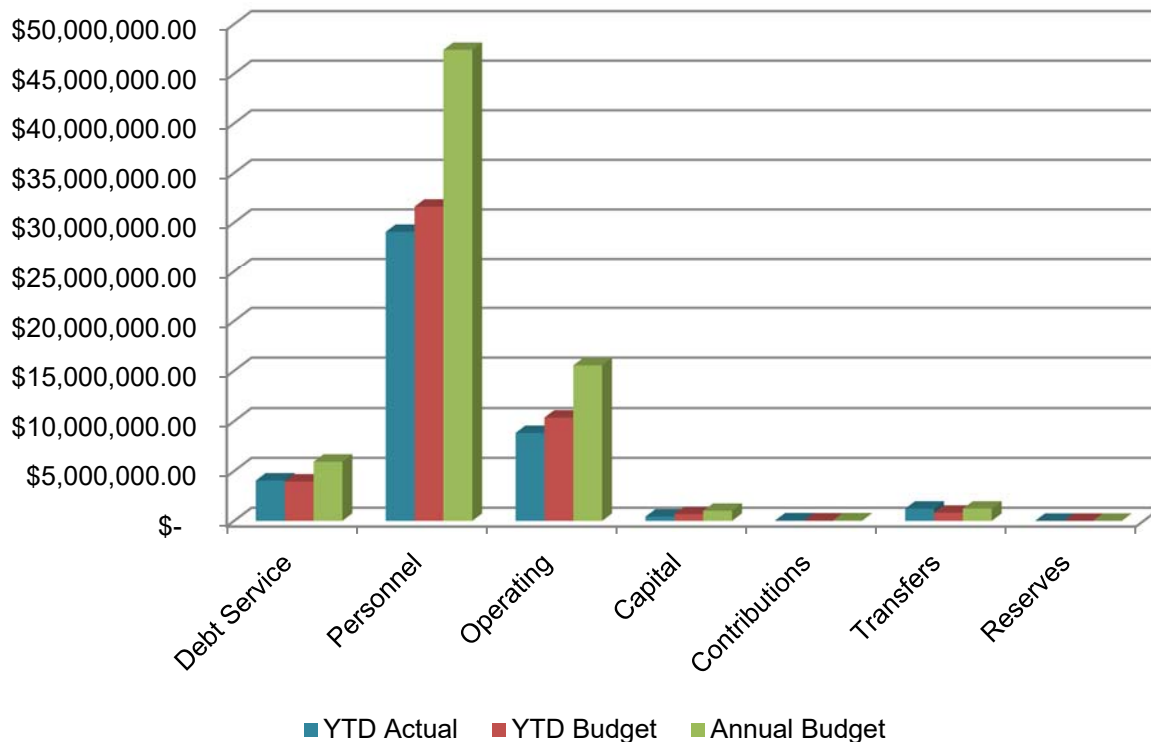
	FY 2015	FY 2016	FY 2017	FY 2018
October	\$ 3,726,416	\$ 3,859,572	\$ 3,572,123	\$ 4,424,711
November	4,799,117	4,542,401	5,766,532	5,122,997
December	4,886,462	7,323,753	7,290,910	8,706,391
January	5,729,780	4,685,466	4,972,873	6,214,289
February	4,526,492	4,746,328	4,719,784	4,693,931
March	4,375,170	4,443,296	4,983,695	4,429,733
April	4,630,094	5,693,822	5,332,488	5,125,639
May	4,397,032	4,450,696	5,512,146	4,895,568
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	8,475,273	
	\$ 60,803,379	\$ 61,393,243	\$ 66,899,111	\$ 43,613,257

General Fund expenditures were \$616,578, or 11.2%, less when comparing May 2018 to May 2017. Year-to-date expenditures are \$1,462,705, or 3.5%, higher.

General Fund (GF) Expenditures - Summary

➤ Expenditures – Budgetary Comparison by Category

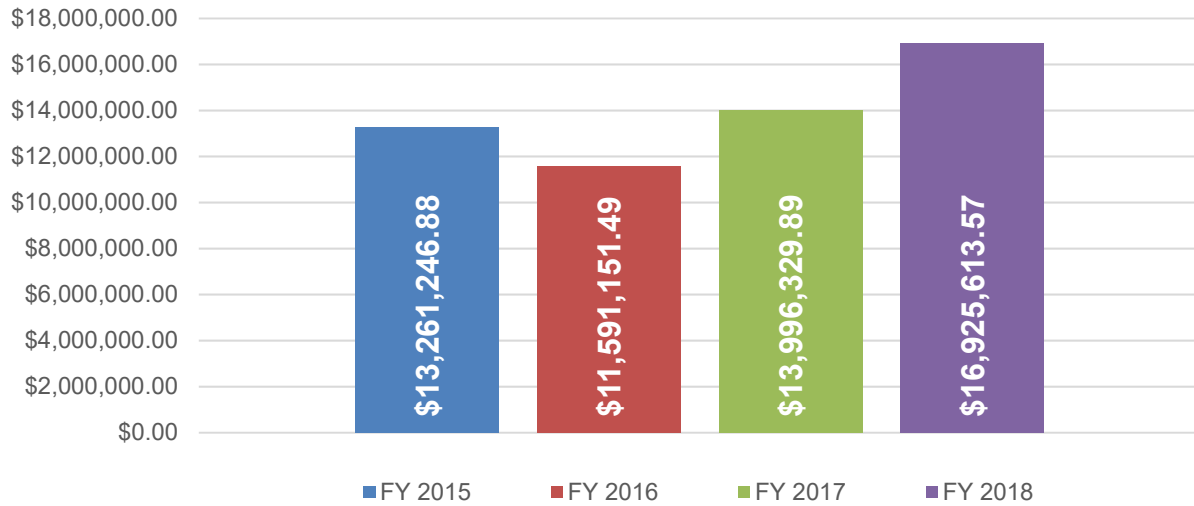
	YTD Actual	YTD Budget	Annual Budget	% Spent
Debt Service	\$ 4,044,806.87	\$ 3,950,425	\$ 5,925,638	68.3%
Personnel	29,055,029.82	31,602,807	47,404,210	61.3%
Operating	8,814,403.33	10,356,423	15,534,635	56.7%
Capital	422,334.19	669,617	1,004,426	42.0%
Contributions	54,825.00	33,333	50,000	109.7%
Transfers	1,221,858.00	814,572	1,221,858	100.0%
Reserves	-	-	-	0.0%
	\$ 43,613,257.21	\$ 47,427,178	\$ 71,140,767	61.3%



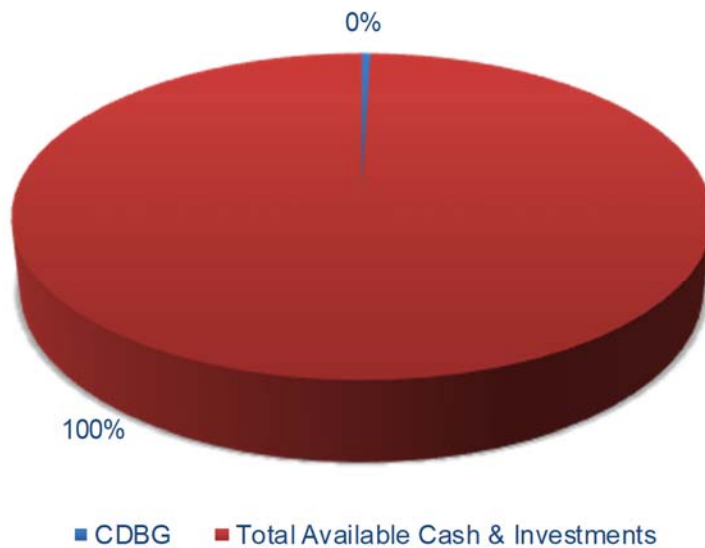
The *total budgeted expenditures* for 2018 are \$71,140,767 (including encumbrances from prior year and 2018 budget amendments). Of this amount, \$47,404,210, or 66.6%, is related to personnel costs.

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	\$ 17,010,197.42	May 2018 Ending Balance	\$ 16,925,613.57
Cash Increase (Decrease)	(84,583.85)	Cash Advanced to Other Funds:	
		CDBG	(80,118.91)
Ending Balance 5/31/2018	\$ 16,925,613.57	Total Available Cash & Investments	\$ 16,845,494.66





General Fund (GF) Balance - Summary

	Prior YTD	Current YTD
<u>REVENUES</u>		
Ad Valorem Taxes	\$ 25,206,026	\$ 27,535,167
Local Option Fuel Tax	2,205,263	1,901,288
Utility Service Taxes	4,040,711	4,459,306
Communication Service Tax	1,299,324	1,315,961
Franchise Fees	2,302,927	2,591,897
State Shared Revenues	1,942,924	2,152,333
Half Cent Sales Tax	3,214,194	3,449,048
Licenses and Permits	560,416	584,153
Grants and Other Entitlements	929,383	849,129
Charges for Services	2,047,697	2,514,211
Fines and Forfeitures	246,176	307,808
Interest, Rents and Other Revenues	392,593	981,753
Interfund Transfers and Other Sources	1,259,595	1,695,141
Total Revenues	45,647,227	50,337,194
<u>EXPENDITURES</u>		
Legislative	420,786	447,880
City Manager	446,395	492,573
City Attorney	339,502	388,251
Procurement	249,429	223,536
Finance	858,888	877,203
Information Technology	1,323,306	1,734,711
Human Resources	327,402	332,390
Growth Management	767,706	825,238
Economic Development	522,239	365,511
Parks and Recreation	2,634,100	2,556,876
Facilities	1,371,575	1,495,686
Police	11,641,265	11,881,009
Fire	8,860,972	9,085,114
Public Works	4,072,579	4,894,040
Non-Departmental	2,526,684	2,746,575
Transfers	5,787,725	5,266,665
Total Expenditures	42,150,552	43,613,257
Excess (Deficiency) of Revenues Over Expenditures	3,496,675	6,723,937
Fund Balance - Beginning	9,174,582	8,631,987
Fund Balance - Ending	\$ 12,671,257	15,355,924



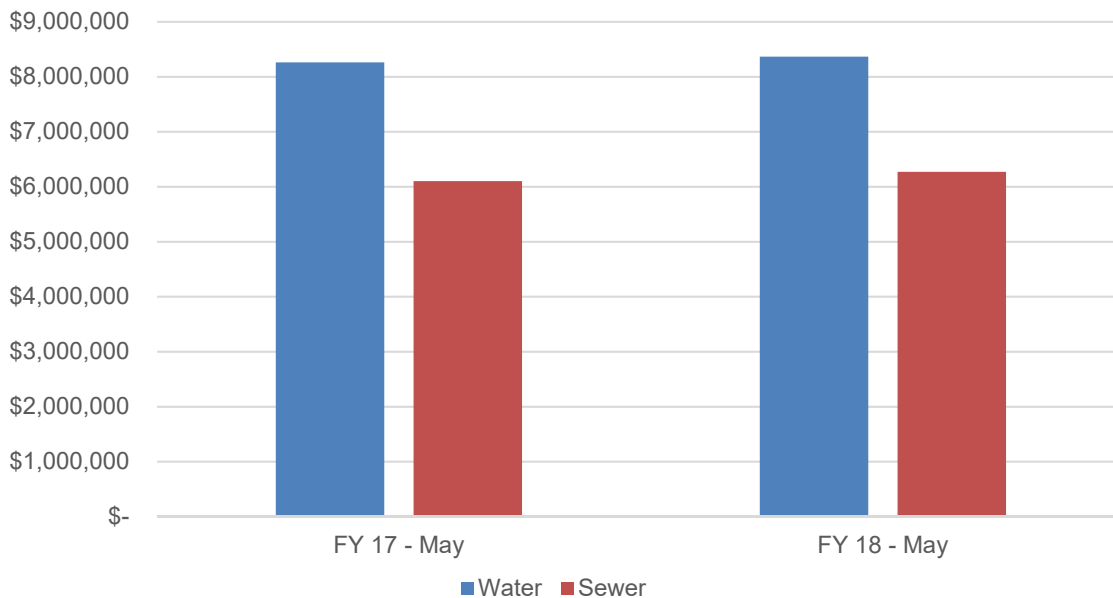
General Fund (GF) Balance - Summary

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 General Fund balance.

General Fund Balance - History			
	Minimum Required	Actual Fund Balance	Fund Balance Percentage
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%
FY 2012	4,941,647	9,534,785	19.3%

Utilities Fund Revenues - Summary

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



Overall year-to-date Water revenue in May 2018 has increased \$103,427, or 1.25%, when compared to May 2017.

Overall year-to-date Sewer revenue in May 2018 has increased \$167,929, or 2.75% when compared to May 2017.

Fire Protection for FY 18 was billed at 101% of the budgeted amount. The Fire Protection Service Charges were billed in November (annual billing).



Utilities Fund Revenues - Summary

Of the budgeted amount, Meter Installation Fees are recorded at 91%, Plan Review & Inspection Fees are recorded at 53%, and Utility Lien Costs are recorded at 92%.

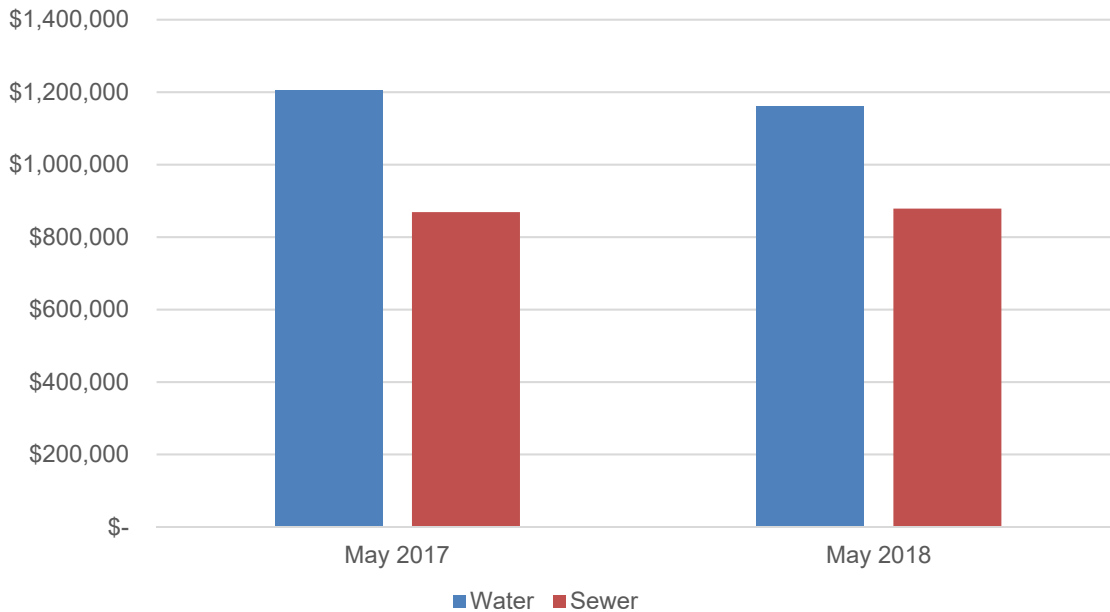
Operating Interest Income is recorded at 67%.

Excluding Fund Balance, the total FY 18 Operating Revenue is recorded at 55.80% of the budgeted amount compared to FY 17 which was at 60.04%.

Water Connection Fees are recorded at 113% of the budgeted amount, and Sewer Connection Fees are recorded at 95% of the budgeted amount.

Water MLEs are recorded at 98% of the budgeted amount, and Sewer MLEs are recorded at 76% of the budgeted amount.

➤ **Monthly Comparison: Water & Sewer**



Overall Water revenue for the month of May 2018 has decreased by \$44,271, or 3.7%, when compared to May 2017.

Overall Sewer revenue for the month of May 2018 has increased by \$9,716, or 1.1%, when compared to May 2017.

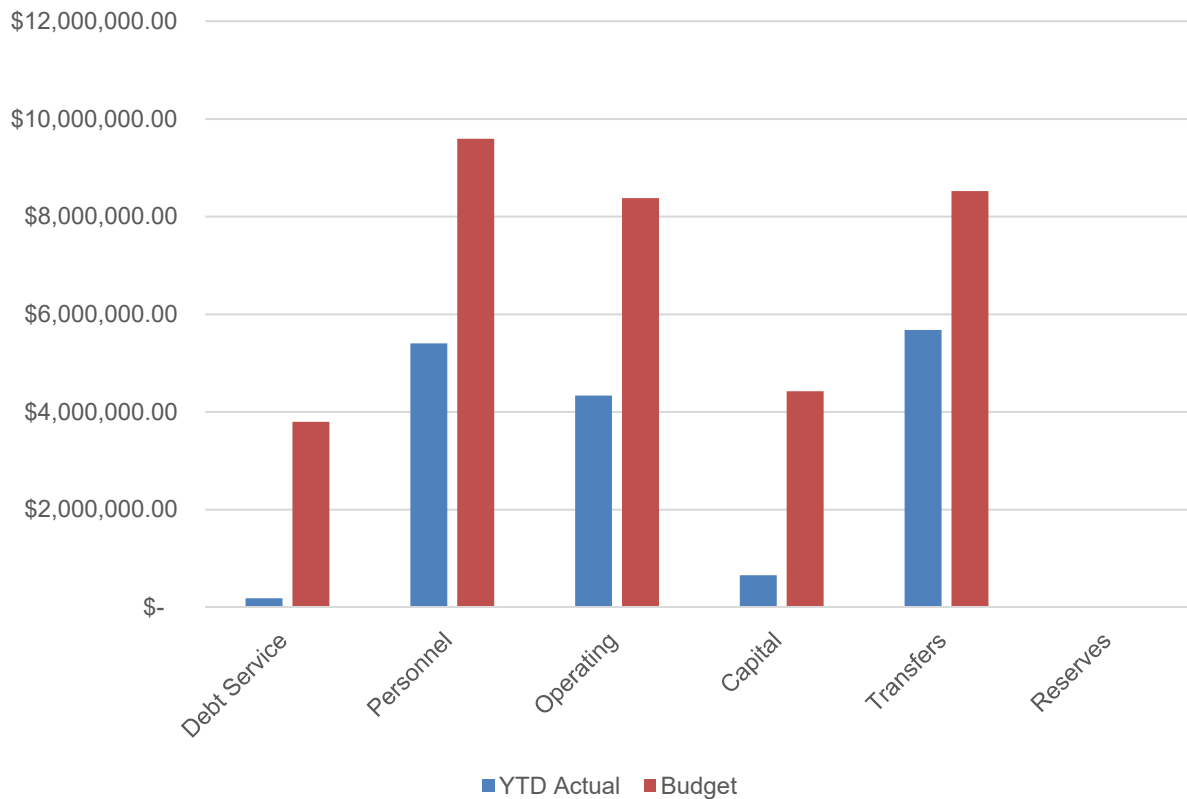


Utilities Fund Expenditures - Summary

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

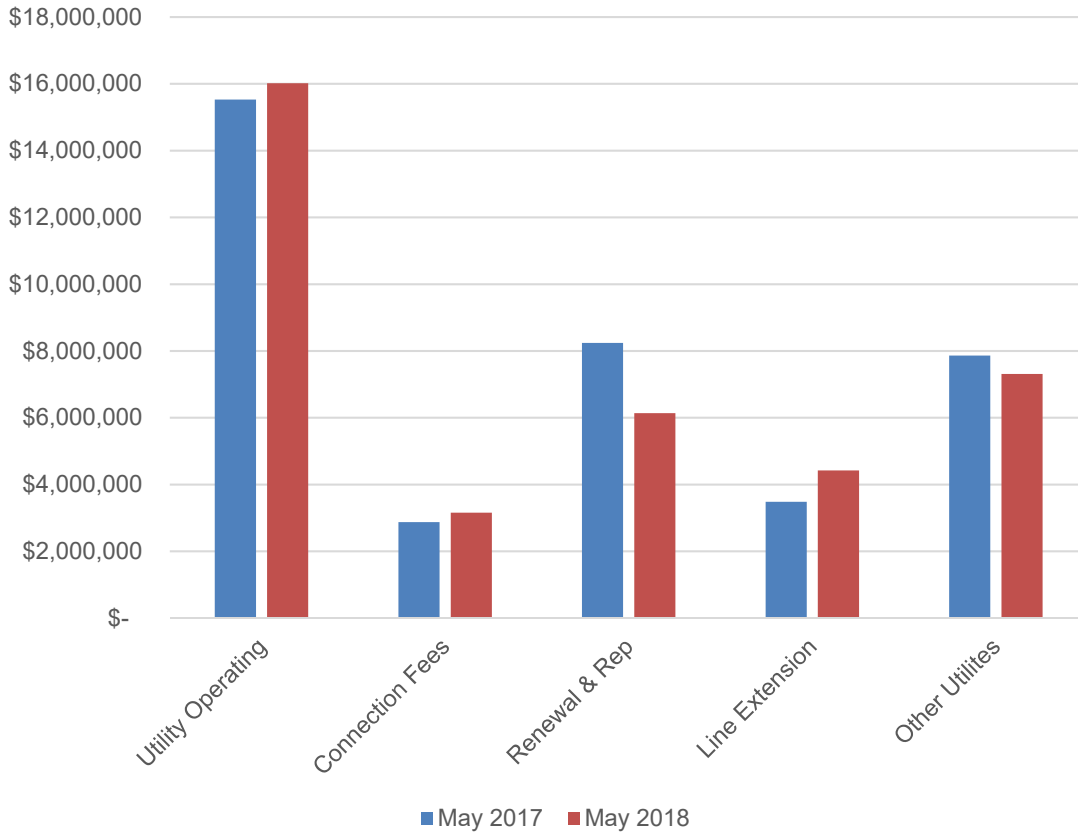
Overall expenditures (excluding encumbrances) are as follows:

	YTD Actual	Annual Budget	% Spent
Debt Service	\$ 184,937.67	\$ 3,799,411	4.9%
Personnel	5,404,258.98	9,592,257	56.3%
Operating	4,333,477.18	8,376,685	51.7%
Capital	658,003.43	4,423,092	14.9%
Transfers	5,678,554.90	8,520,949	66.6%
Reserves	-	-	-
	\$ 16,259,232.16	\$ 34,712,394	46.8%



Utilities Fund Cash & Investments - Summary

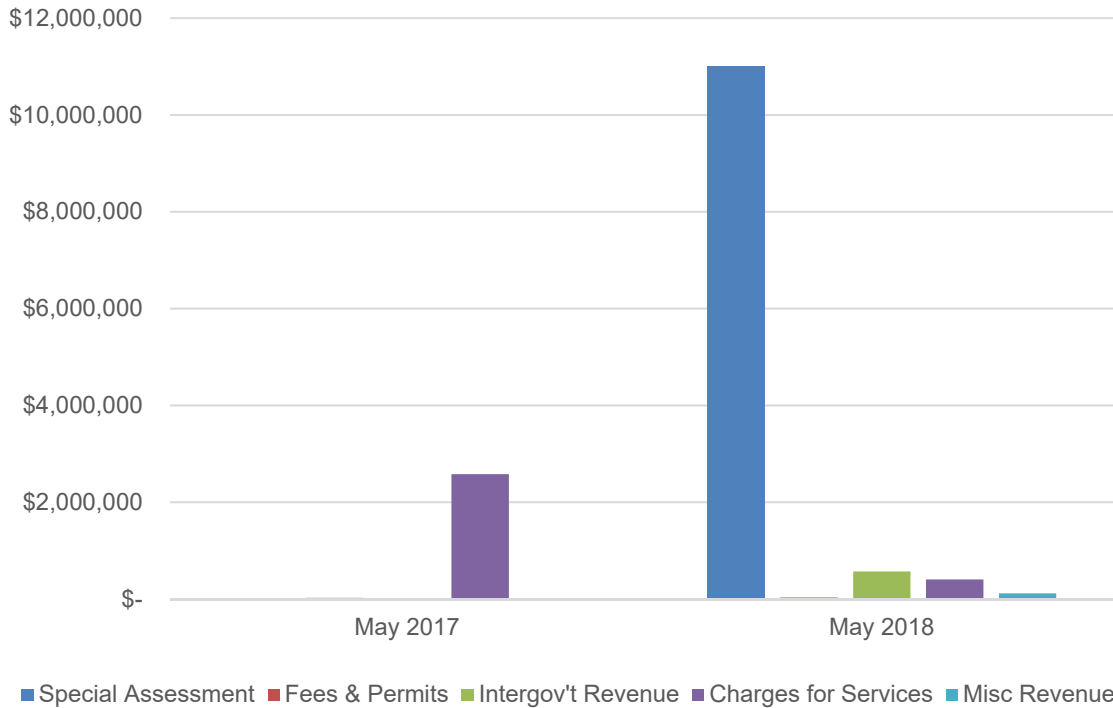
➤ Year-to-Date (YTD) Comparison: Water & Sewer



Overall the Water & Sewer Funds cash and investments were \$0.95 million, or 2.5%, less as of May 2018 as compared to May 2017.

Stormwater Fund Revenues - Summary

➤ Year-to-Date (YTD) Revenue Comparisons



Special Assessment revenue in FY 18 (at May) is \$11,009,030. A comparison to FY 17, is not available as associated revenues were not recorded until FY 18.

Charges for Services revenue in May 2018 is down \$2,174,899, or 84.3%, from May 2017.

Overall, Stormwater revenues in FY 18 (at May) have increased by \$9,513,264, or 363.9%, when compared to FY 17 (at May).

The total FY 18 Stormwater revenues are recorded at 85.0% of the budgeted amount compared to FY 17 which was 40.3%.

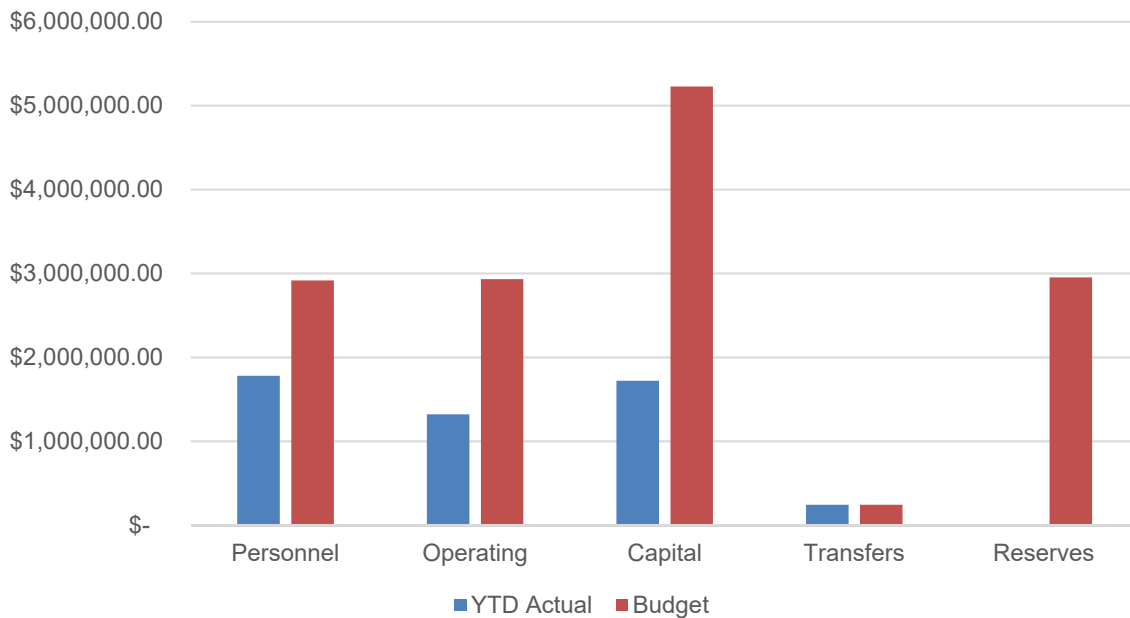


Stormwater Fund Expenditures - Summary

➤ Year-to-Date (YTD) Expenditure Comparisons

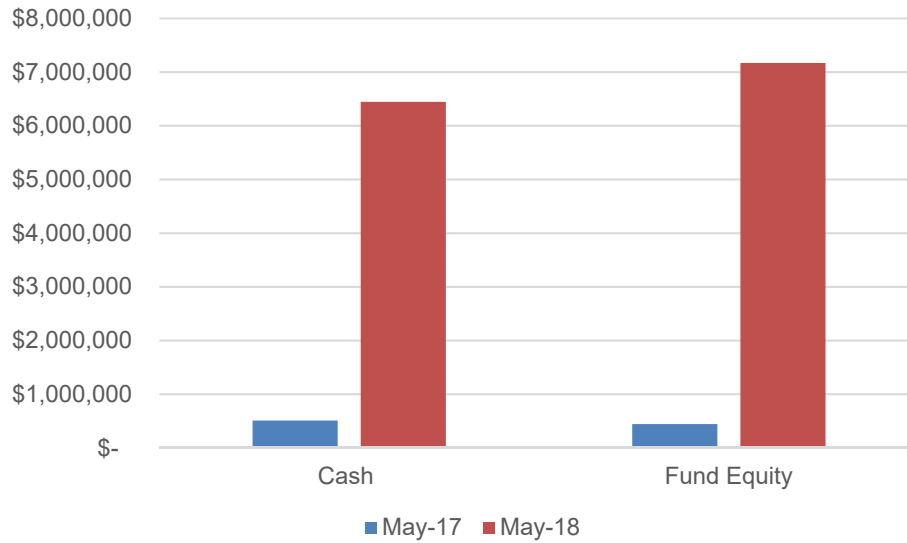
Overall expenditures (excluding encumbrances) are as follows:

	<i>YTD Actual</i>	<i>Annual Budget</i>	<i>% Spent</i>
Personnel	\$ 1,780,767.14	\$ 2,917,297	61.0%
Operating	1,320,897.19	2,931,945	45.1%
Capital	1,721,845.79	5,228,419	0.0%
Transfers	243,881.00	243,881	100.0%
Reserves	-	2,953,948	0.0%
	\$ 5,067,391.12	\$ 14,275,490	35.5%



Stormwater Fund Cash & Equity - Summary

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

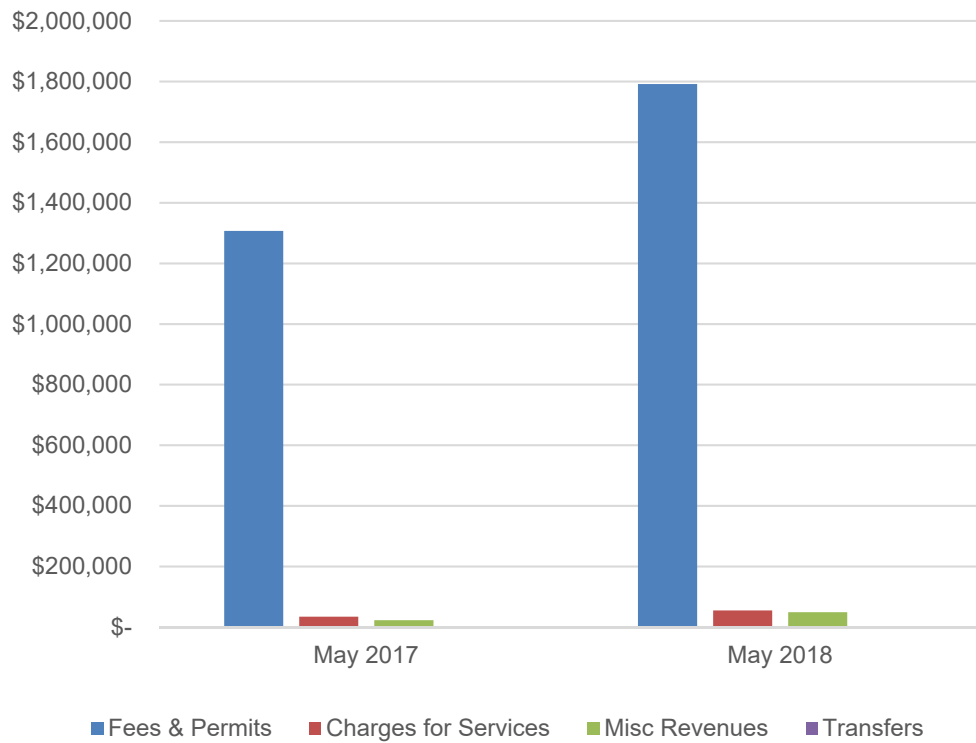


Overall the Stormwater cash and investments were \$5,936,603, or 1,164.3%, more as of May 2018 as compared to May 2017.

Overall the Stormwater fund equity was \$6,727,582, or 1,519.1%, more as of May 2018 as compared to May 2017.

Building Fund Revenues - Summary

➤ Year-to-Date (YTD) Revenue Comparisons



Fees and Permits revenue in May 2018 is up \$484,435, or 37.06%, from May 2017.

Charges for Services revenue in May 2018 is up \$20,344, or 59.02%, from May 2017.

Overall, Building revenues in FY 18 (at May) have increased by \$531,586, or 38.96%, when compared to FY 17 (at May).

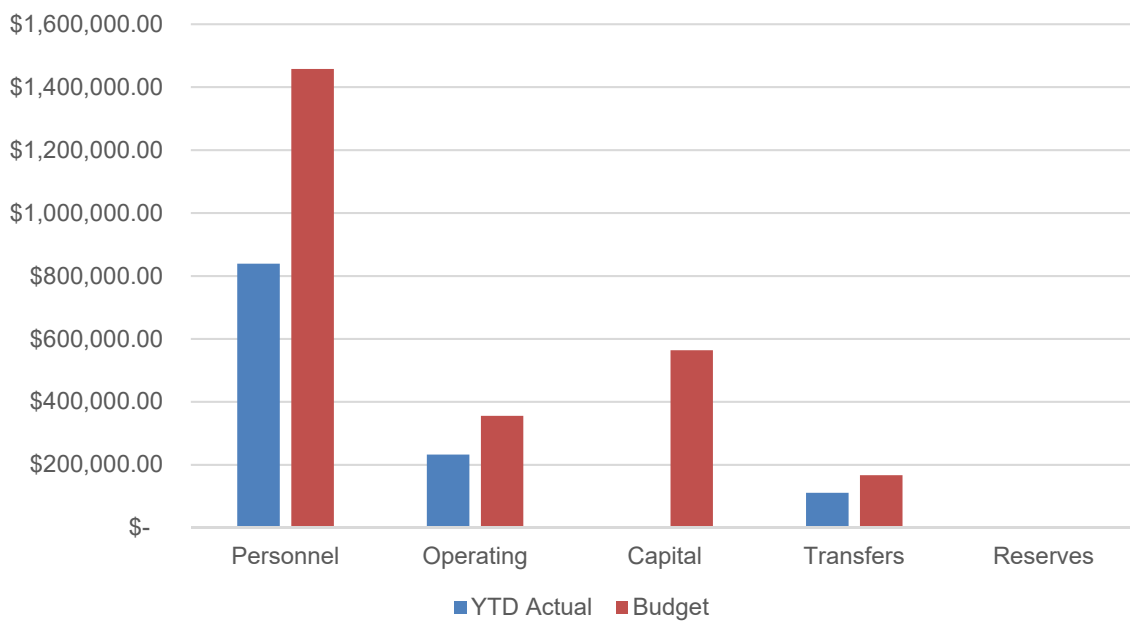
The total FY 18 Building revenues are recorded at 74.5% of the budgeted amount compared to FY 17 which was 70.5%.

Building Fund Expenditures - Summary

➤ Year-to-Date (YTD) Building Expenditures

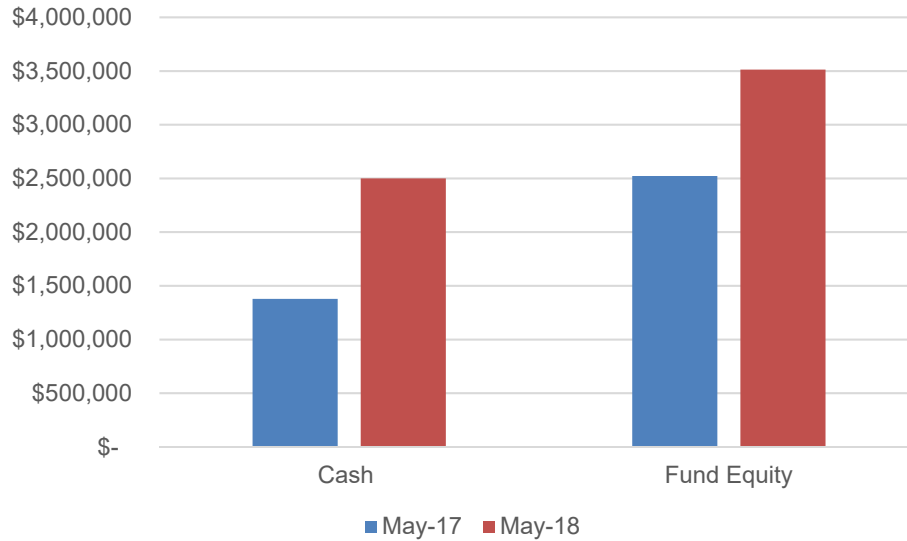
Overall expenditures (excluding encumbrances) are as follows:

	<i>YTD Actual</i>	<i>Annual Budget</i>	<i>% Spent</i>
Personnel	\$ 839,057.36	\$ 1,457,861	57.6%
Operating	232,347.11	355,211	65.4%
Capital	-	563,874	0.0%
Transfers	111,099.36	166,649	66.7%
Reserves	-	-	0.0%
	\$ 1,182,503.83	\$ 2,543,595	46.5%



Building Fund Cash & Equity - Summary

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



Overall the Building cash and investments were \$1,123,163, or 81.5%, more as of May 2018 as compared to May 2017.

Overall the Building fund equity was \$989,923, or 39.2%, more as of May 2018 as compared to May 2017.