

**CITY OF PALM BAY, FLORIDA
MONTHLY FINANCIAL REPORT (UNAUDITED)
NOVEMBER 2016**



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 November 2016. November is the second month of the fiscal year and represents 17% of the annual budget.

Financial Report Summary

- Citywide revenues of \$17.9 million are at 10.5% of the annual budget. Citywide expenditures of \$19.4 million are at 11.4% 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 \$4.7 million, or 8.2%, 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	
11/30/2016	\$ 61,293,079.23	11/30/2016	\$ 17,896,949.99	11/30/2016	\$ 19,363,579.33
11/30/2015	56,629,732.26	11/30/2015	30,511,472.13	11/30/2015	39,277,813.03
Increase	8.2% \$ 4,663,346.97	Decrease	-41.3% \$ (12,614,522.14)	Decrease	-50.7% \$ (19,914,233.70)

- General Fund revenues of \$5.6 million are at 9% of the annual budget. This is an increase of \$1.95 million, or 53.8%, in comparison to the prior year.
- General Fund expenditures of \$9.3 million are at 14% of the annual budget. This is an increase of \$0.94 million, or 11.1%, in comparison to the prior year.
- General Fund cash and investments increased by \$2.30 million, or 58.7%, in comparison to the prior year.

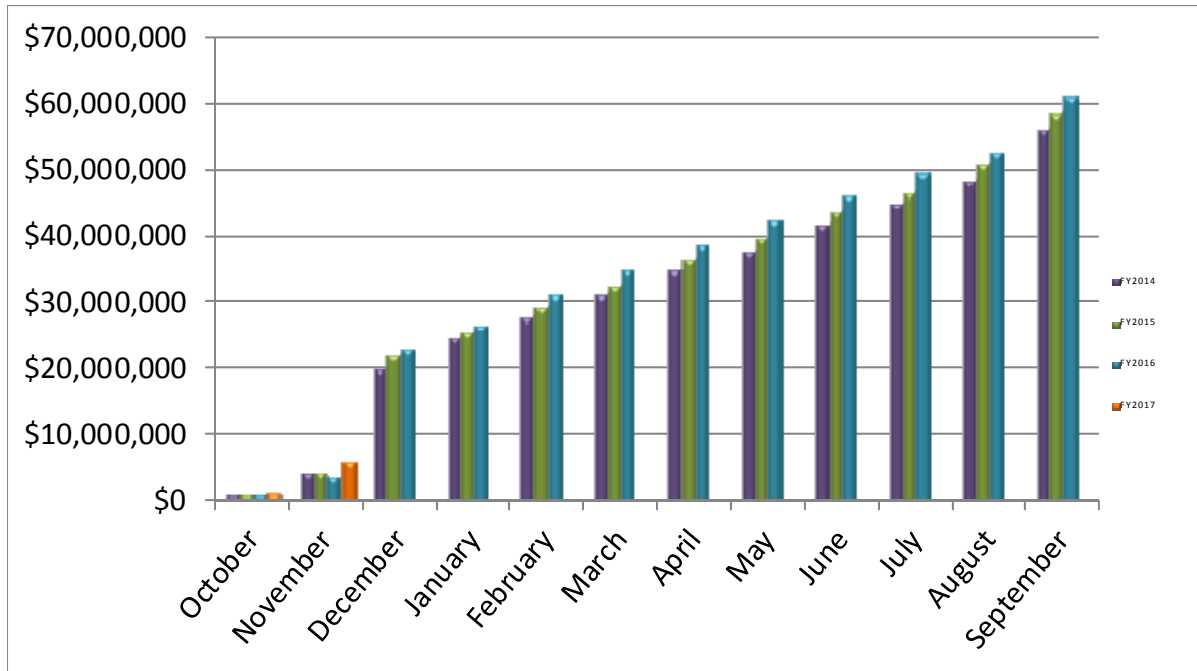
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
11/30/2016	\$ 6,211,476.25	11/30/2016	\$ 5,585,341.63	11/30/2016	\$ 9,338,655.75
11/30/2015	3,912,967.82	11/30/2015	3,631,401.09	11/30/2015	8,401,973.06
Increase	58.7% \$ 2,298,508.43	Increase	53.8% \$ 1,953,940.54	Increase	11.1% \$ 936,682.69

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 2013 to 2016.

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 November 2016

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	\$ 2,014,976	\$ 4,000,729	98.5%	\$ 26,426,410
Local Option Fuel Tax	-	-	0.0%	3,822,462
Utility Service Taxes	233,144	227,753	-2.3%	8,305,000
Communication Service Tax	-	-	0.0%	2,683,536
Franchise Fees	36,437	33,413	-8.3%	5,399,000
State Shared Revenues	-	-	0.0%	4,327,372
Half Cent Sales Tax	-	-	0.0%	6,107,351
Licenses and Permits	460,471	463,720	0.7%	607,500
Grants and Other Entitlements (1)	10,241	4,546	-55.6%	254,443
Charges for Services	407,809	433,471	6.3%	2,885,132
Fines and Forfeitures (2)	55,291	35,414	-35.9%	414,500
Interest, Rents & Other Revenues (3)	69,447	85,998	23.8%	537,057
Interfund Transfers & Capital Leases (4)	343,585	300,298	-12.6%	1,782,649
Fund Balance	-	-	0.0%	1,621,197
	\$ 3,631,401	\$ 5,585,342	53.8%	\$ 65,173,609

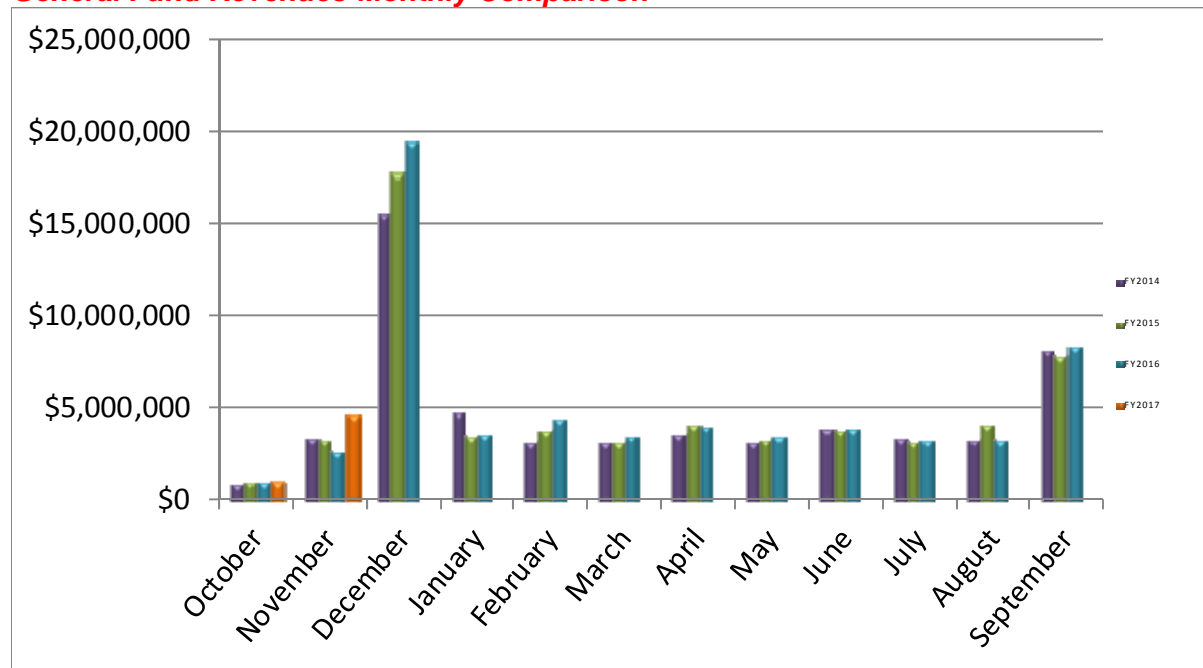
(1) Decrease primarily due to lower year-to-date collection of Firefighter Supplemental Compensation property insurance premium tax.

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

(3) Increase primarily due to higher year-to-date property sales in FY17.

(4) 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

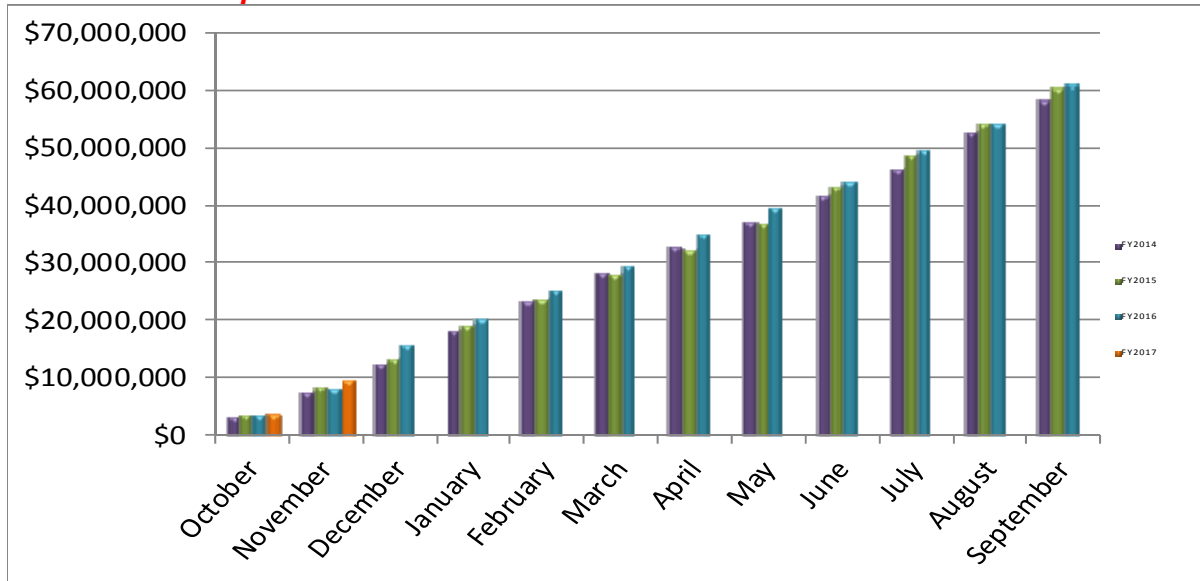
	FY 2014	FY 2015	FY 2016	FY 2017
October	\$ 911,630	\$ 953,761	\$ 1,012,271	\$ 1,005,090
November	3,425,400	3,246,502	2,619,131	4,580,252
December	15,683,359	17,977,402	19,689,226	-
January	4,802,728	3,458,799	3,639,261	-
February	3,200,574	3,782,243	4,490,812	-
March	3,208,482	3,203,645	3,522,695	-
April	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	7,881,277	8,398,726	-
	\$ 56,703,597	\$ 59,055,101	\$ 61,517,172	\$ 5,585,342

Overall General Fund revenues for the month of November 2016 have increased \$1,961,122 (74.88%) when compared to November 2015.

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 November 2016

General Fund Expenditures-YTD

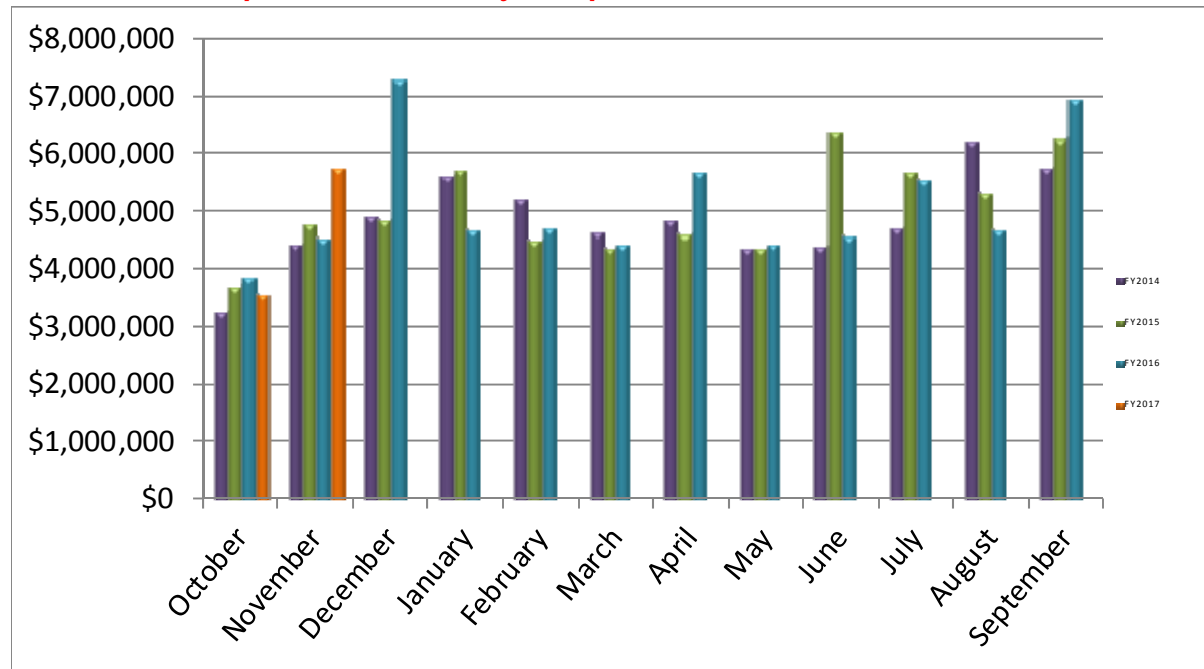


2017 YTD Change in GF Expenditures as Compared to Prior Year

	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative (1)	\$ 134,875	\$ 95,842	-28.9%	\$ 678,030
City Manager (2)	117,784	81,945	-30.4%	717,480
City Attorney (3)	367,699	78,749	-78.6%	613,919
Procurement (4)	-	46,092	0.0%	402,536
Finance (5)	209,003	175,129	-16.2%	1,321,959
Information Technology	502,740	519,101	3.3%	2,581,074
Human Resources (6)	67,963	53,879	-20.7%	643,258
Growth Management (7)	61,557	140,113	127.6%	1,266,234
Economic Development (8)	34,220	121,240	254.3%	777,070
Parks and Recreation	386,324	353,203	-8.6%	2,711,961
Facilities (9)	231,736	341,094	47.2%	2,402,634
Police	2,491,286	2,504,915	0.5%	19,572,286
Fire	1,782,218	1,864,354	4.6%	14,056,986
Public Works (10)	557,231	1,215,649	118.2%	5,416,169
Non-Departmental	612,505	643,388	5.0%	3,872,328
Transfers (11)	844,833	1,103,961	30.7%	8,139,685
Total	\$ 8,401,973	\$ 9,338,656	11.1%	\$ 65,173,609

- (1) Decrease primarily due to decreased year-to-date costs for equipment, and for dues and memberships.
- (2) Decrease primarily due to FY17 budget of some former City Manager operating costs into Economic Development Department.
- (3) Decrease primarily due to decreased year-to-date costs for Other Attorneys.
- (4) Increase due to Procurement Department's first year of existence in FY17. Previously was in Finance Department.
- (5) Decrease primarily due to Purchasing Division transferred to Procurement Department in FY17.
- (6) Decrease primarily due to promotion of H.R. Director to Deputy City Manager; his FY17 salary is charged to City Manager's Office.
- (7) Increase primarily due to FY17 budget of Code Compliance Division in Growth Management instead of in Police Department.
- (8) Increase primarily due to expansion of Economic Development Department compared to same time last year.
- (9) Increase primarily due to increased year-to-date repair and maintenance services, disaster preparedness, and utilities.
- (10) Increase primarily due to increased year-to-date costs for disaster preparedness.
- (11) Increase primarily due to increased year-to-date transfers to Road Maintenance CIP Fund.

General Fund Expenditures-Monthly Comparison



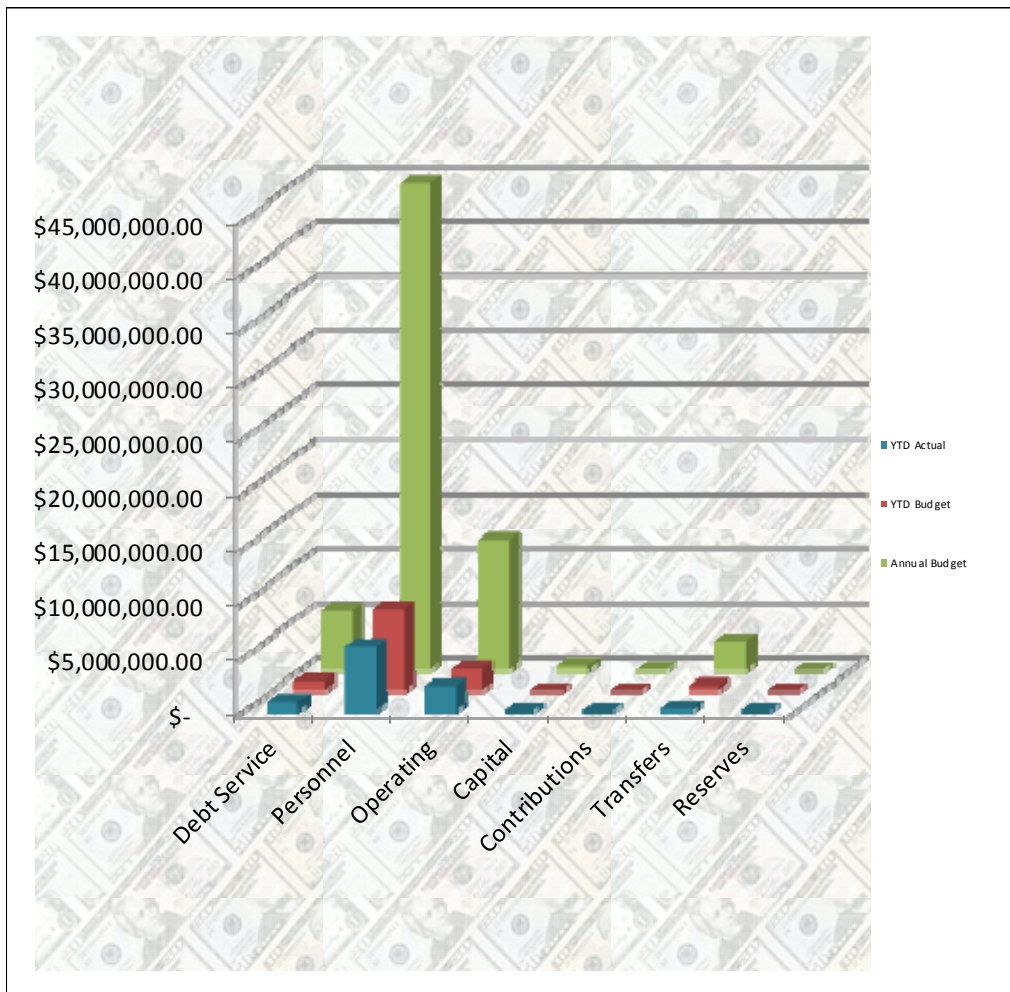
Monthly GF Expenditures as Compared to Prior Years

	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	-
January	5,653,811	5,729,780	4,685,466	-
February	5,259,394	4,526,492	4,746,328	-
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	6,997,362	-
	\$ 58,669,085	\$ 60,803,379	\$ 61,599,028	\$ 9,338,656

November General Fund expenditures were \$1,224,132 (26.95%) more when comparing November 2016 to November 2015. Year-to-date expenditures are \$936,683 more.

General Fund Expenditures-Budgetary Comparison by Category

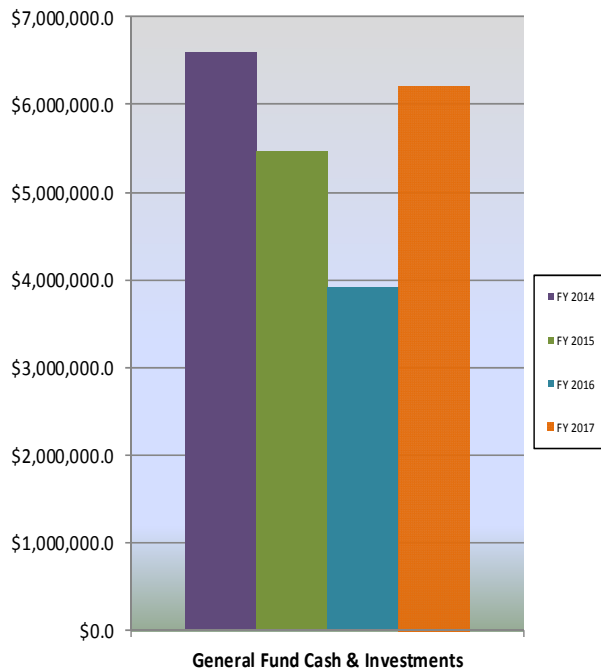
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 848,592.30	\$ 909,125	\$ 5,454,751	15.56%
Personnel	5,932,514.91	7,435,965	44,615,788	13.30%
Operating	2,299,879.35	1,989,807	11,938,842	19.26%
Capital	-	67,882	407,294	0.00%
Contributions	2,300.00	12,000	72,000	3.19%
Transfers	255,369.19	447,489	2,684,934	9.51%
Reserves	-	-	-	0.00%
Total	\$ 9,338,655.75	\$ 10,862,268	\$ 65,173,609	14.33%



The total budgeted expenditures for 2017 are \$65,173,609 (includes encumbrances from prior year and 2017 budget amendments). Of this amount, \$44,615,788, or 68.5%, is related to personnel costs.

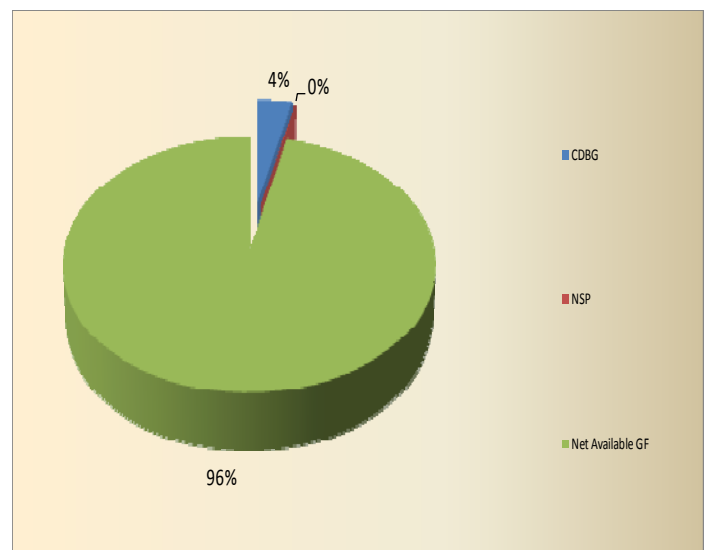
General Fund Cash & Investments – At a Glance November 2016

General Fund Cash & Investments-YTD



General Fund Unrestricted Cash & Investments	
Prior Month Ending Balance	\$ 4,487,091.66
Cash Increase (Decrease)	1,724,384.59
Ending Balance 11/30/16	\$ 6,211,476.25

General Fund Available Cash & Investments	
November 2016 Ending Balance	\$ 6,211,476.25
Cash Advanced to Other Funds:	
CDBG	(224,316.05)
NSP	\$ (1,508.80)
Total Available Cash & Investments	\$ 5,985,651.40



General Fund Balance – At a Glance November 2016

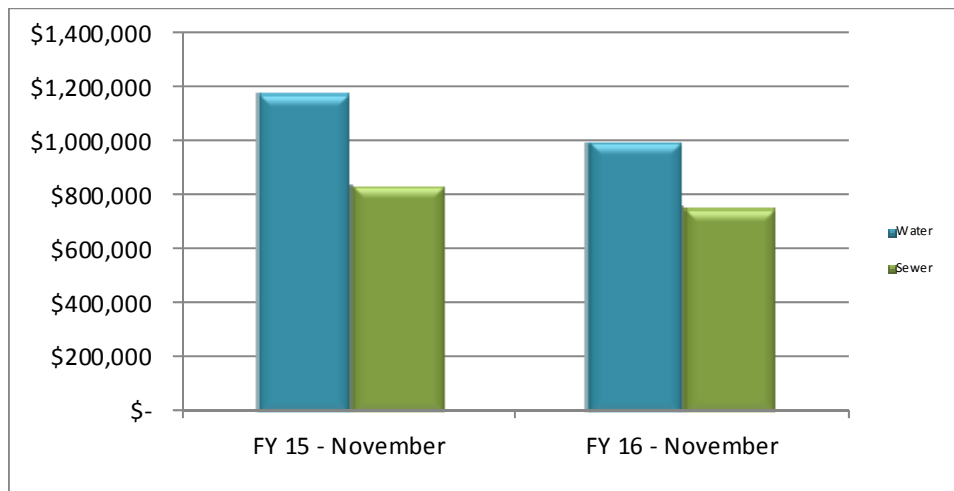
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ 2,014,976	\$ 4,000,729
Local Option Fuel Tax	-	-
Utility Service Taxes	233,144	227,753
Communication Service Tax	-	-
Franchise Fees	36,437	33,413
State Shared Revenues	-	-
Half Cent Sales Tax	-	-
Licenses and Permits	460,471	463,720
Grants and Other Entitlements	10,241	4,546
Charges for Services	407,809	433,471
Fines and Forfeitures	55,291	35,414
Interest, Rents and Other Revenues	69,447	85,998
Interfund Transfers and Other Sources	343,585	300,298
Total Revenues	3,631,401	5,585,342
EXPENDITURES		
Legislative	134,875	95,842
City Manager	117,784	81,945
City Attorney	367,699	78,749
Procurement	-	46,092
Finance	209,003	175,129
Information Technology	502,740	519,101
Human Resources	67,963	53,879
Growth Management	61,557	140,113
Economic Development	34,220	121,240
Parks and Recreation	386,324	353,203
Facilities	231,736	341,094
Police	2,491,286	2,504,915
Fire	1,782,218	1,864,354
Public Works	557,231	1,215,649
Non-Departmental	612,505	643,388
Transfers	844,833	1,103,961
Total Expenditures	8,401,973	9,338,656
Excess (Deficiency) of Revenues Over Expenditures	(4,770,572)	(3,753,314)
Fund Balance - Beginning	8,282,350	8,158,706
Prior Period Adjustment	-	-
Fund Balance - Beginning as Restated	8,282,350	8,158,706
Fund Balance - Ending	\$ 3,511,778	4,405,392

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 2016	\$ 5,594,175	\$ 8,158,706	14.58%
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 November 2016

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in November 2016 has decreased \$188,960 (15.82%) when compared to November 2015.

Overall year-to-date Sewer revenue in November 2016 has decreased \$80,573 (9.60%) when compared to November 2015.

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 20% of the budgeted amount. The Utility Lien Costs are recorded at 62% of the budgeted amount.

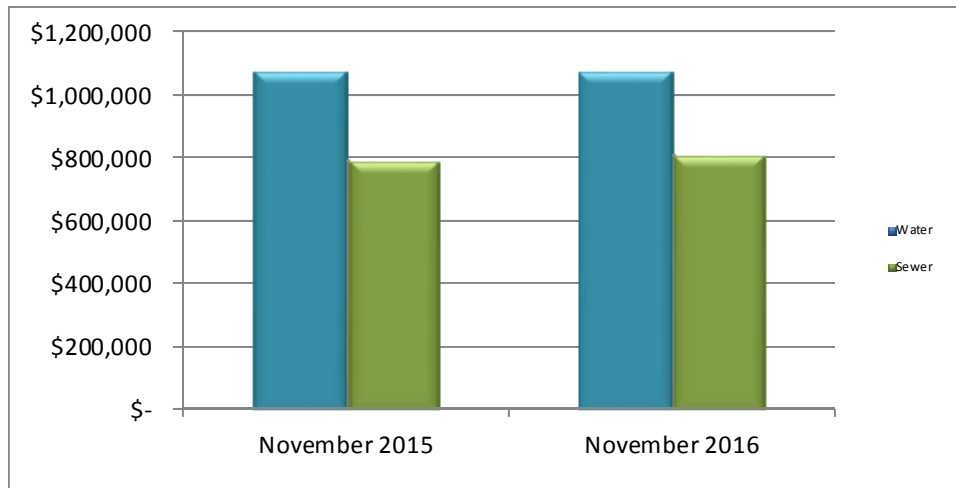
Operating Interest Income is recorded at -9% at this time. The negative amount is related to year-end adjustments between fiscal years and will level out.

Excluding Fund Balance, the total FY17 Operating Revenue is recorded at 8.39% of the budgeted amount compared to FY16 which was at 9.70%.

Water Connection Fees are recorded at 16% of the budgeted amount, and Sewer Connection Fees are recorded at 12% of the budgeted amount.

Water MLEs are recorded at 19% of the budgeted amount, and Sewer MLEs are recorded at 26% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of November 2016 has increased by \$4,120 (0.38%) when compared to November 2015.

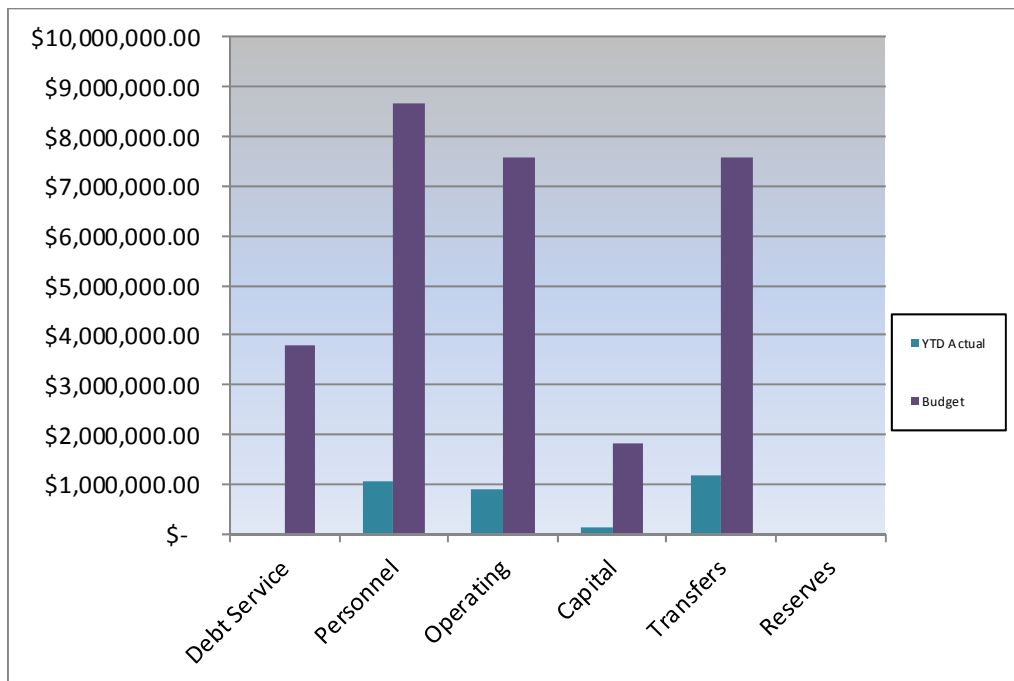
Overall Sewer revenue for the month of November 2016 has increased by \$17,106 (2.14%) when compared to November 2015.

Utilities Expenses – At a Glance November 2016

Water & Sewer Expenditures-YTD

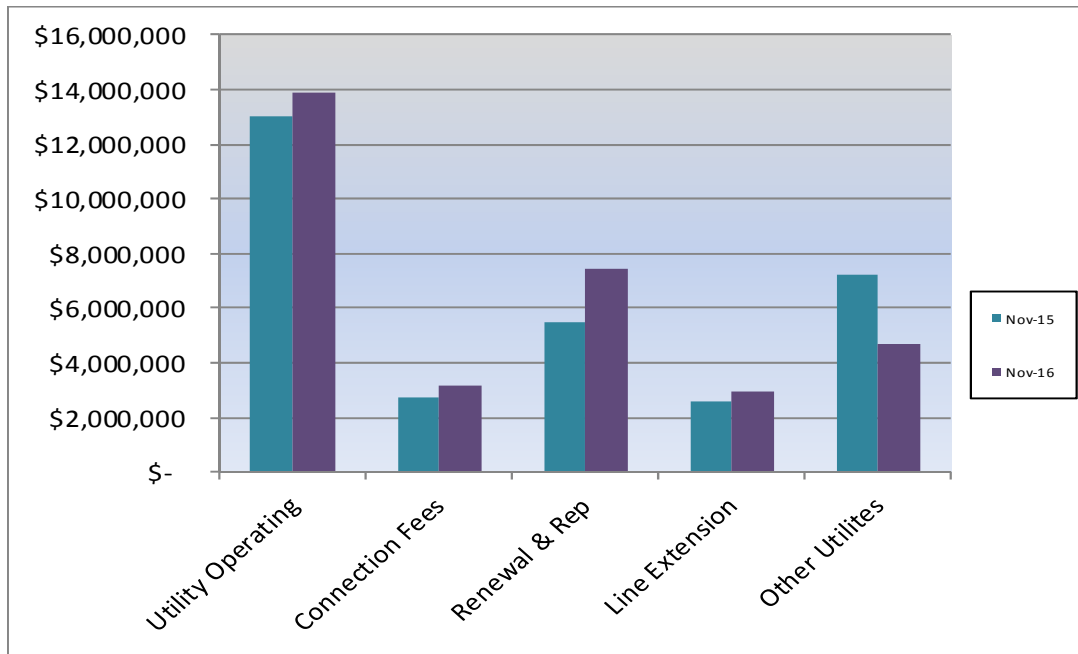
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ -	\$ 3,798,162	0.00%
Personnel	1,039,732.41	8,674,485	11.99%
Operating	889,336.73	7,569,959	11.75%
Capital	149,340.57	1,823,919	8.19%
Transfers	1,164,421.90	7,571,706	15.38%
Reserves	-	-	-
Total	\$ 3,242,831.61	\$ 29,438,231	11.02%



Utilities Cash & Investments – At a Glance November 2016

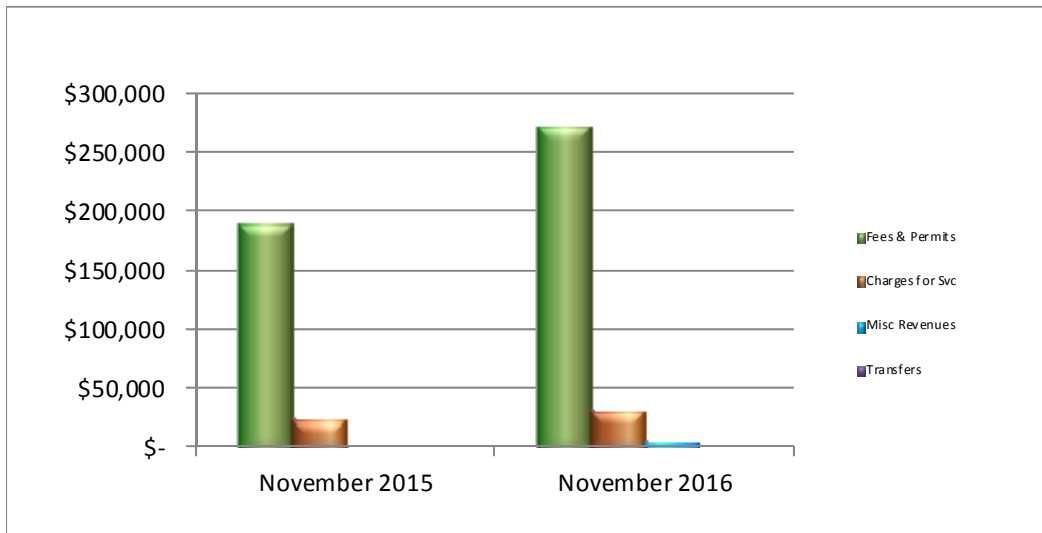
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$1.14 million (3.7%) more as of November 2016 as compared to November 2015.

Building Revenues – At a Glance November 2016

Building Revenues-YTD



Fees and Permits revenue in November 2016 is up \$83,728 (43.80%) from November 2015.

Charges for Services revenue in November 2016 is up \$7,700 (31.61%) from November 2015.

Overall, Building revenues in FY 17 (at November) have increased by \$95,089 (43.67%) when compared to FY 16 (at November).

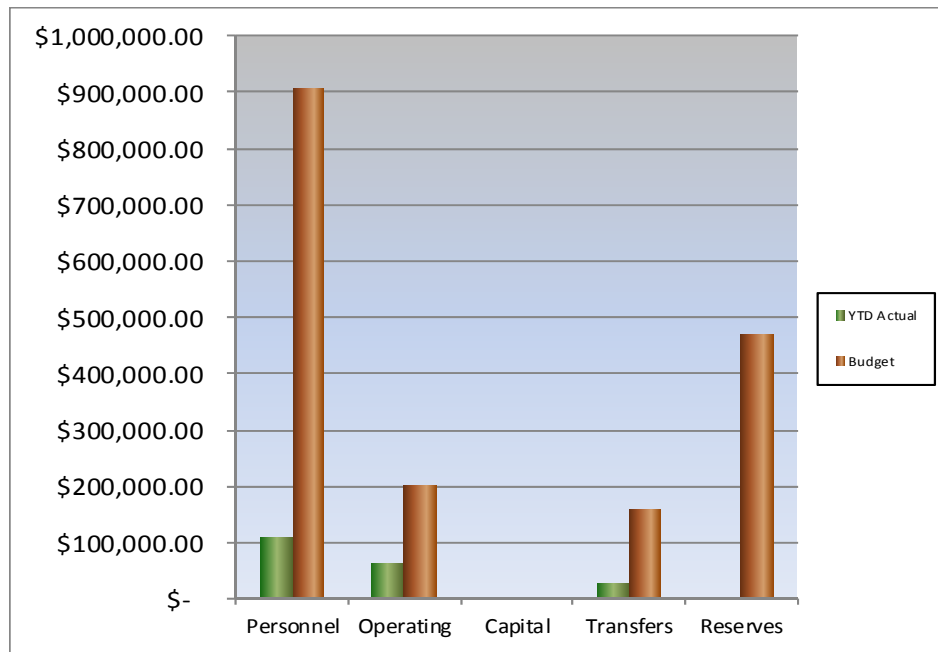
The total FY 17 Building revenues are recorded at 18.14% of the budgeted amount compared to FY 16 which was 19.30%.

Building Expenses – At a Glance November 2016

Building Expenditures-YTD

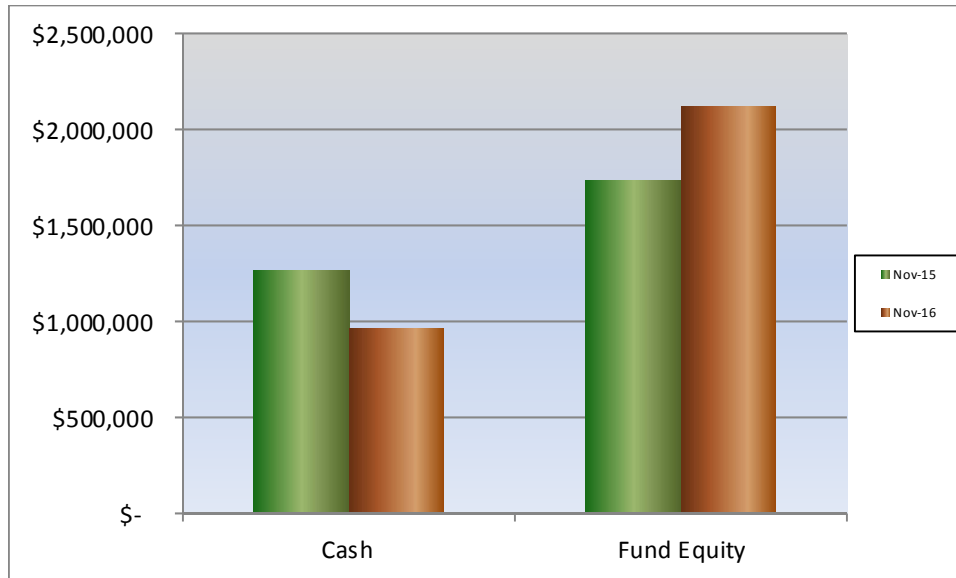
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Personnel	\$ 107,717.22	\$ 907,598	11.87%
Operating	63,500.25	199,234	31.87%
Capital	-	-	0.00%
Transfers	26,380.34	158,282	16.67%
Reserves	-	469,020	0.00%
Total	\$ 197,597.81	\$ 1,734,134	11.39%



Building Cash & Fund Equity – At a Glance November 2016

Building Cash & Fund Equity-YTD



Overall the Building cash and investments were \$302,373 (23.9%) less as of November 2016 as compared to November 2015.

Overall the Building fund equity was \$383,944 (22.1%) more as of November 2016 as compared to November 2015.