

**CITY OF PALM BAY, FLORIDA
MONTHLY FINANCIAL REPORT (UNAUDITED)
OCTOBER 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 October 2016. October is the first month of the fiscal year and represents 8% of the annual budget.

Financial Report Summary

- Citywide revenues of \$6.8 million are at 4% of the annual budget. Citywide expenditures of \$9.0 million are at 5% 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 \$2.1 million, or 3.8%, 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	
10/31/2016	\$ 56,985,140.51	10/31/2016	\$ 6,831,800.95	10/31/2016	\$ 8,956,249.81
10/31/2015	54,914,301.24	10/31/2015	24,105,759.10	10/31/2015	28,211,861.03
Increase	3.8% \$ 2,070,839.27	Decrease	-71.7% \$ (17,273,958.15)	Decrease	-68.3% \$ (19,255,611.22)

- General Fund revenues of \$1.0 million are at 2% of the annual budget. This is a decrease of \$0.01 million, or 0.7%, in comparison to the prior year.
- General Fund expenditures of \$3.6 million are at 6% of the annual budget. This is a decrease of \$0.29 million, or 7.4%, in comparison to the prior year.
- General Fund cash and investments increased by \$1.21 million, or 36.9%, in comparison to the prior year.

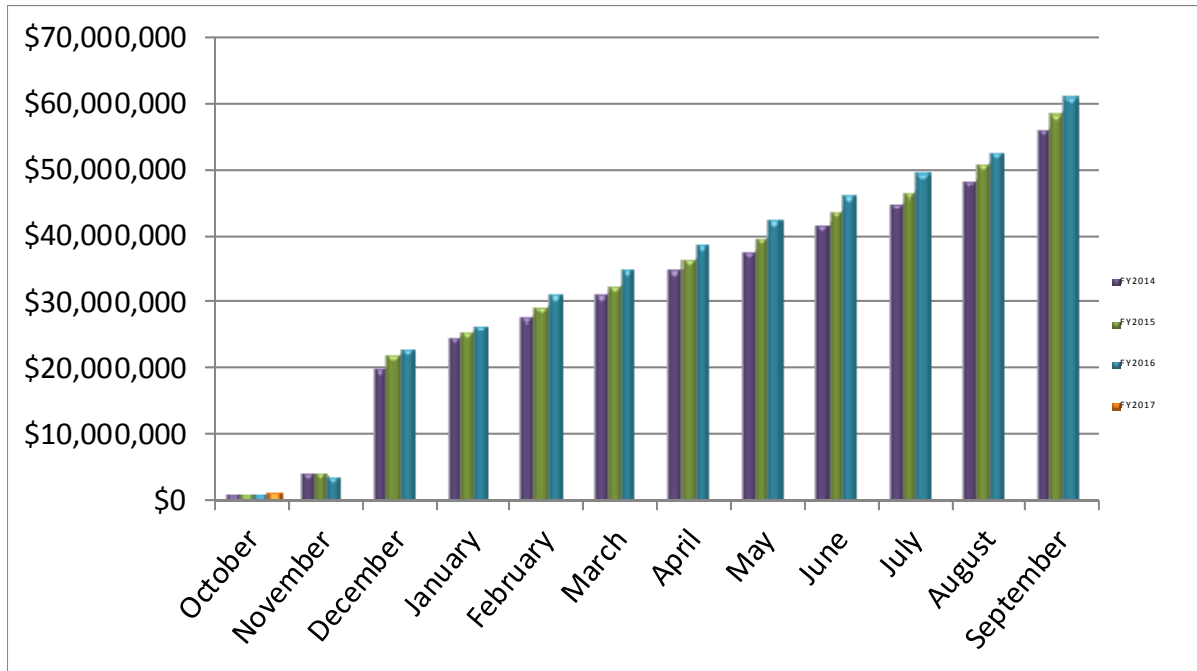
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
10/31/2016	\$ 4,487,091.66	10/31/2016	\$ 1,005,089.55	10/31/2016	\$ 3,572,123.39
10/31/2015	3,277,392.61	10/31/2015	1,012,270.52	10/31/2015	3,859,572.45
Increase	36.9% \$ 1,209,699.05	Decrease	-0.7% \$ (7,180.97)	Decrease	-7.4% \$ (287,449.06)

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 October 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	\$ -	\$ -	0.0%	\$ 26,426,410
Local Option Fuel Tax	-	-	0.0%	3,822,462
Utility Service Taxes	123,058	113,570	-7.7%	8,305,000
Communication Service Tax	-	-	0.0%	2,683,536
Franchise Fees	-	-	0.0%	5,399,000
State Shared Revenues	-	-	0.0%	4,327,372
Half Cent Sales Tax	-	-	0.0%	6,107,351
Licenses and Permits	421,103	433,201	2.9%	607,500
Grants and Other Entitlements (1)	11,513	2,158	-81.3%	254,443
Charges for Services	198,501	208,737	5.2%	2,885,132
Fines and Forfeitures (2)	27,634	22,357	-19.1%	414,500
Interest, Rents & Other Revenues (3)	58,669	74,917	27.7%	481,750
Interfund Transfers & Capital Leases (4)	171,793	150,149	-12.6%	1,801,787
Fund Balance	-	-	0.0%	1,153,739
	\$ 1,012,271	\$ 1,005,090	-0.7%	\$ 64,669,982

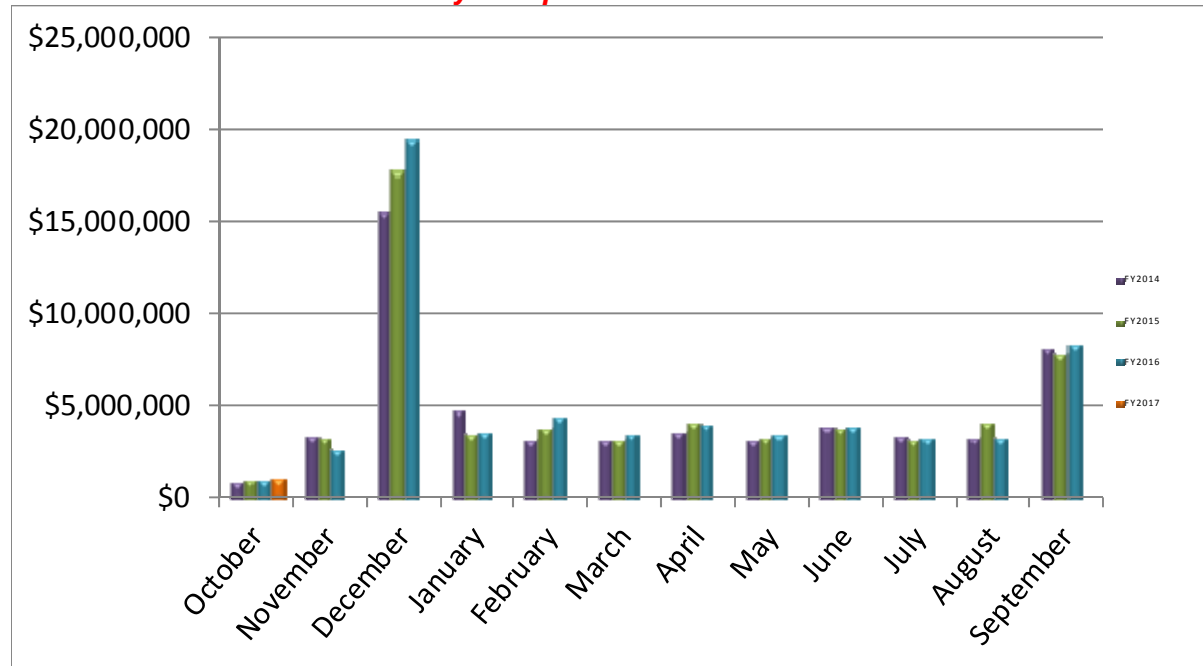
(1) Decrease primarily due to lower year-to-date collection of Department of Justice grant.

(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

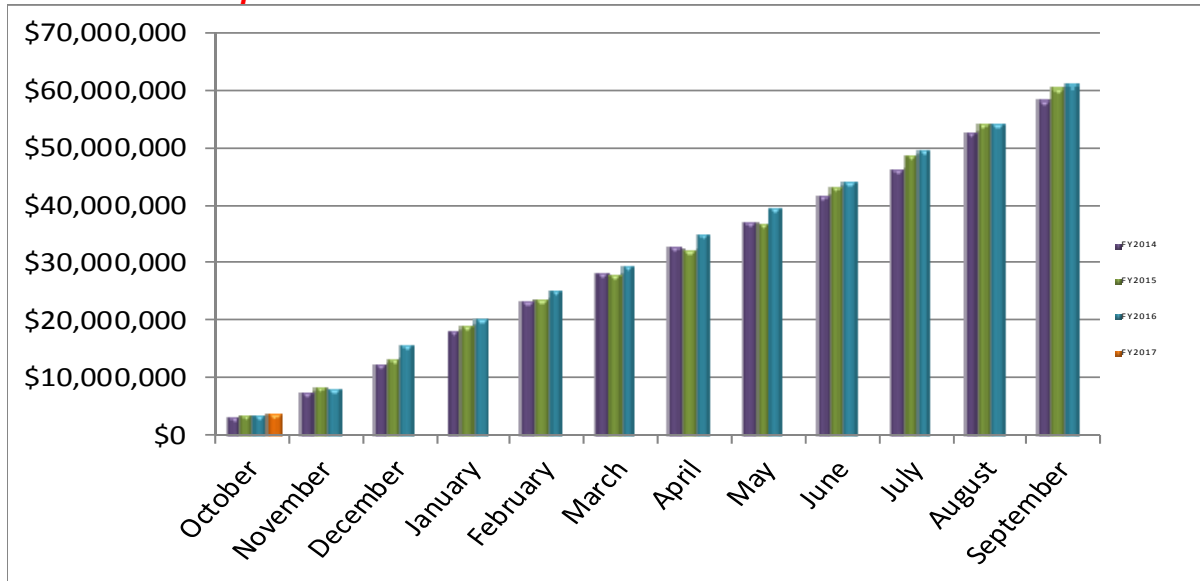
	FY 2014	FY 2015	FY 2016	FY 2017
October	\$ 911,630	\$ 953,761	\$ 1,012,271	\$ 1,005,090
November	3,425,400	3,246,502	2,619,131	-
December	15,683,359	17,977,402	19,689,226	-
January	4,802,728	3,458,799	3,639,261	-
February	3,200,574	3,782,243	4,490,812	-
March	3,208,482	3,203,645	3,522,695	-
April	3,651,785	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	8,356,938	-
	\$ 56,703,597	\$ 59,055,101	\$ 61,475,384	\$ 1,005,090

Overall General Fund revenues for the month of October 2016 have decreased \$7,181 (0.71%) when compared to October 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 October 2016

General Fund Expenditures-YTD

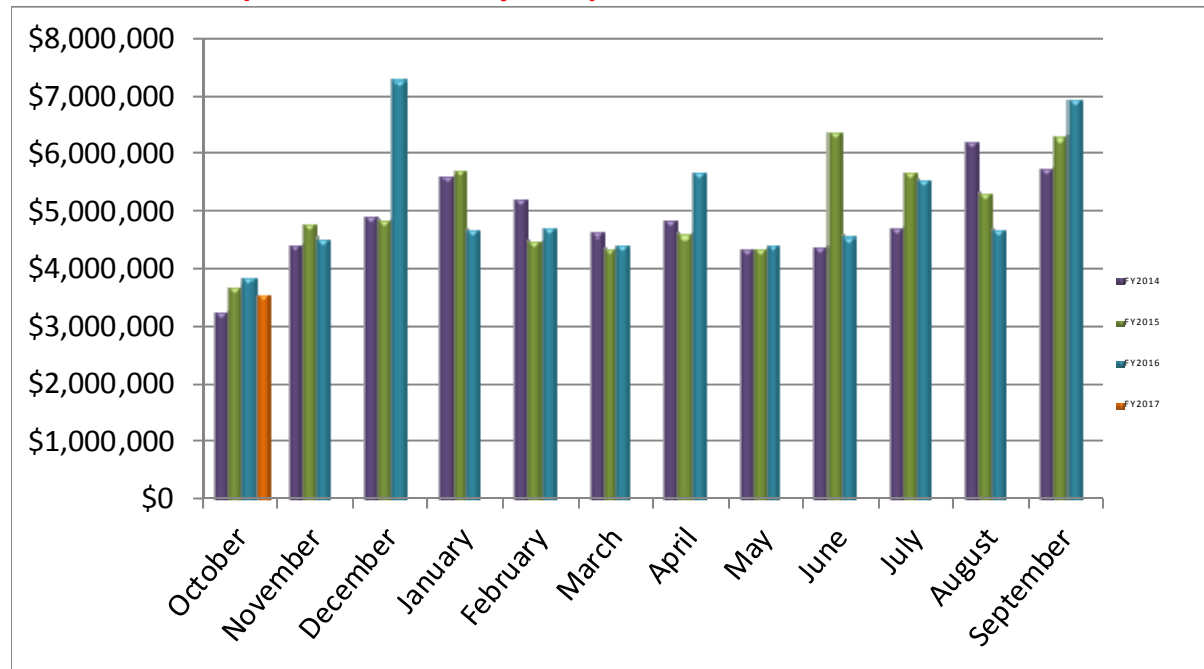


2017 YTD Change in GF Expenditures as Compared to Prior Year

	Prior YTD	Current YTD	Percent Change	Annual Budget
Legislative (1)	\$ 72,795	\$ 50,533	-30.6%	\$ 624,143
City Manager (2)	54,009	29,013	-46.3%	723,538
City Attorney (3)	319,480	56,791	-82.2%	613,919
Procurement (4)	-	17,644	0.0%	402,258
Finance (5)	84,919	68,446	-19.4%	1,449,499
Information Technology (6)	353,118	122,986	-65.2%	2,581,074
Human Resources (7)	31,842	25,849	-18.8%	515,386
Growth Management (8)	23,396	54,755	134.0%	1,266,234
Economic Development (9)	6,268	81,792	1204.9%	774,305
Parks and Recreation	128,622	133,111	3.5%	2,722,160
Facilities (10)	52,521	138,063	162.9%	2,409,634
Police	1,015,311	1,086,067	7.0%	19,467,588
Fire	751,879	759,642	1.0%	14,191,914
Public Works (11)	236,257	201,441	-14.7%	4,956,627
Non-Departmental	306,253	321,694	5.0%	3,872,328
Transfers	422,903	424,296	0.3%	8,099,375
Total	\$ 3,859,572	\$ 3,572,123	-7.4%	\$ 64,669,982

- (1) Decrease primarily due to decreased year-to-date costs for dues and memberships.
- (2) Decrease primarily due to reclass/transfer of some operating costs to 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 lower year-to-date computer software maintenance costs.
- (7) Decrease primarily due to promotion of H.R. Director to Deputy City Manager; his FY17 salary is charged to City Manager's Office.
- (8) Increase primarily due to FY17 budget of Code Compliance Division in Growth Management instead of in Police Department.
- (9) Increase primarily due to expansion of Economic Development Department compared to same time last year.
- (10) Increase primarily due to increased year-to-date repair and maintenance services and disaster preparedness.
- (11) Decrease due to decreased year-to-date operating expenditures, primarily in Traffic Operations Division.

General Fund Expenditures-Monthly Comparison



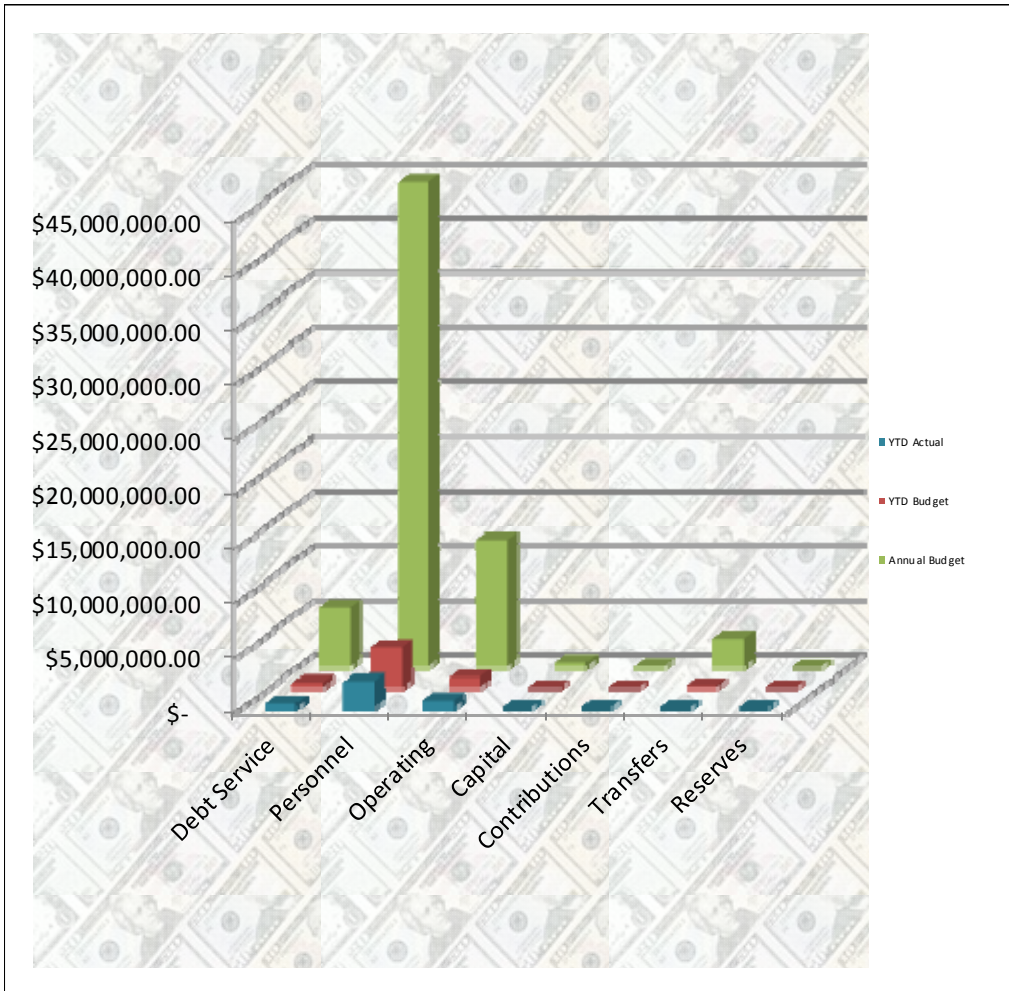
Monthly GF Expenditures as Compared to Prior Years

	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	-
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	\$ 3,572,123

October General Fund expenditures were \$287,449 (7.45%) less when comparing October 2016 to October 2015. Year-to-date expenditures are \$287,449 less.

General Fund Expenditures-Budgetary Comparison by Category

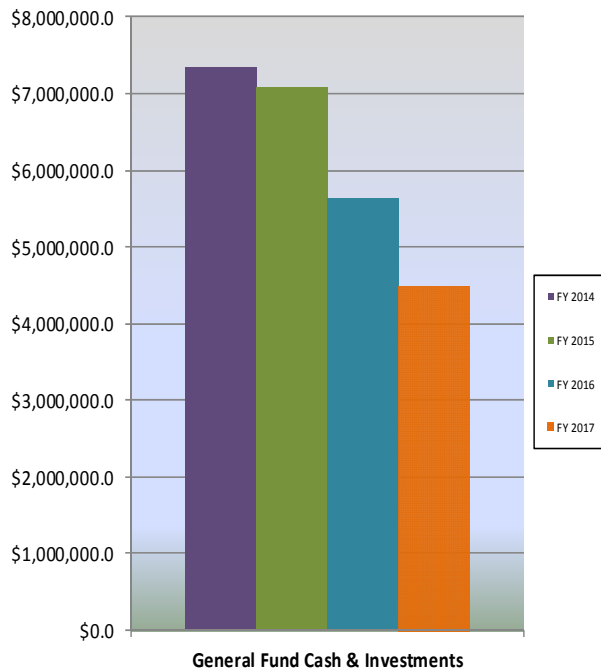
	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>% Spent</u>
Debt Service	\$ 424,296.15	\$ 454,563	\$ 5,454,751	7.78%
Personnel	2,477,509.79	3,702,113	44,425,357	5.58%
Operating	670,317.45	972,163	11,665,956	5.75%
Capital	-	33,941	407,294	0.00%
Contributions	-	6,000	72,000	0.00%
Transfers	-	220,385	2,644,624	0.00%
Reserves	-	-	-	0.00%
Total	\$ 3,572,123.39	\$ 5,389,165	\$ 64,669,982	5.52%



The total budgeted expenditures for 2017 are \$64,669,982 (includes encumbrances from prior year and 2017 budget amendments). Of this amount, \$44,425,357, or 68.7%, is related to personnel costs.

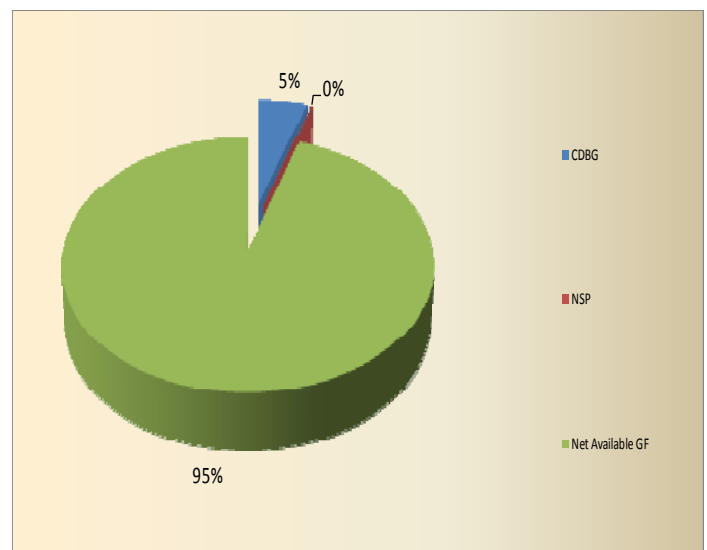
General Fund Cash & Investments – At a Glance October 2016

General Fund Cash & Investments-YTD



General Fund Unrestricted Cash & Investments	
Prior Month Ending Balance	\$ 5,893,522.64
Cash Increase (Decrease)	<u>(1,406,430.98)</u>
Ending Balance 10/31/16	<u><u>\$ 4,487,091.66</u></u>

General Fund Available Cash & Investments	
October 2016 Ending Balance	\$ 4,487,091.66
Cash Advanced to Other Funds:	
CDBG	(222,685.27)
NSP	<u>\$ (1,508.80)</u>
Total Available Cash & Investments	<u><u>\$ 4,262,897.59</u></u>



General Fund Balance – At a Glance October 2016

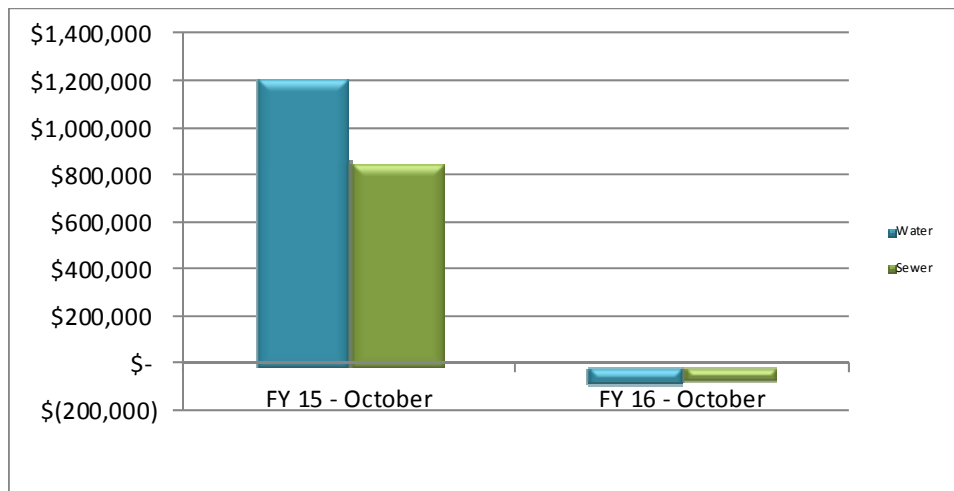
	PRIOR YTD	CURRENT YTD
REVENUES		
Ad Valorem Taxes	\$ -	\$ -
Local Option Fuel Tax	-	-
Utility Service Taxes	123,058	113,570
Communication Service Tax	-	-
Franchise Fees	-	-
State Shared Revenues	-	-
Half Cent Sales Tax	-	-
Licenses and Permits	421,103	433,201
Grants and Other Entitlements	11,513	2,158
Charges for Services	198,501	208,737
Fines and Forfeitures	27,634	22,357
Interest, Rents and Other Revenues	58,669	74,917
Interfund Transfers and Other Sources	171,793	150,149
Total Revenues	1,012,271	1,005,090
EXPENDITURES		
Legislative	72,795	50,533
City Manager	54,009	29,013
City Attorney	319,480	56,791
Procurement	-	17,644
Finance	84,919	68,446
Information Technology	353,118	122,986
Human Resources	31,842	25,849
Growth Management	23,396	54,755
Economic Development	6,268	81,792
Parks and Recreation	128,622	133,111
Facilities	52,521	138,063
Police	1,015,311	1,086,067
Fire	751,879	759,642
Public Works	236,257	201,441
Non-Departmental	306,253	321,694
Transfers	422,903	424,296
Total Expenditures	3,859,572	3,572,123
Excess (Deficiency) of Revenues Over Expenditures	(2,847,302)	(2,567,034)
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	\$ 5,435,048	5,591,673

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 <u>Required</u>	Actual <u>Fund Balance</u>	Fund Balance <u>Percentage</u>
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 October 2016

Water & Sewer Revenues-YTD



Overall year-to-date Water revenue in October 2016 has decreased \$1,288,437 (106.38%) when compared to October 2015. The unbilled revenue transaction for FY16 was recorded in November, whereas the unbilled revenue transaction for FY17 was recorded in October, resulting in the large discrepancy when comparing the two fiscal years. The difference will even out next month.

Overall year-to-date Sewer revenue in October 2016 has decreased \$924,440 (106.81%) when compared to October 2015. The unbilled revenue transaction for FY16 was recorded in November, whereas the unbilled revenue transaction for FY17 was recorded in October, resulting in the large discrepancy when comparing the two fiscal years. The difference will even out in November 2016.

Fire Protection for FY17 was billed at 99% 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 5% of the budgeted amount. The Utility Lien Costs are recorded at 11% of the budgeted amount.

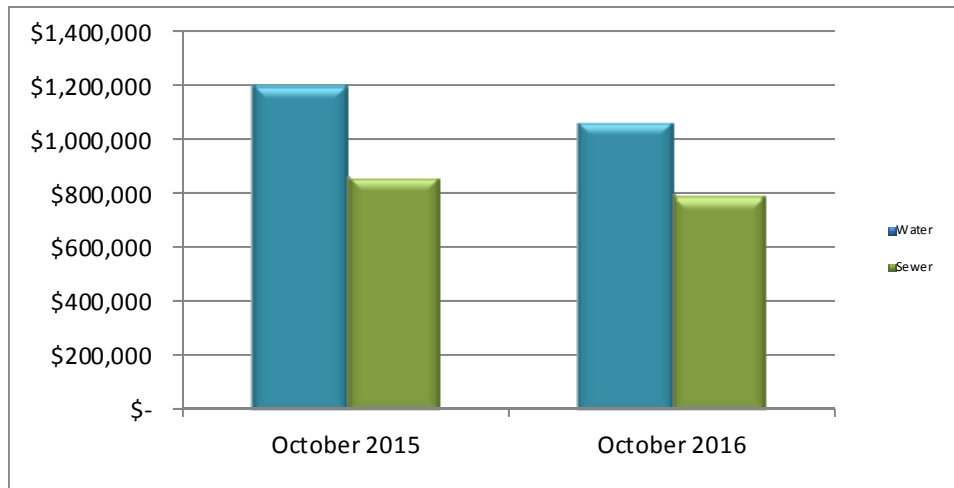
Operating Interest Income is recorded at -12% at this time. The negative amount is related to year-end adjustments between fiscal years and will level out.

Excluding Fund Balance, the total FY17 Operating Revenue is recorded at 0.37% of the budgeted amount compared to FY16 which was at 9.45%. This discrepancy is related to the timing of the unbilled revenue transactions in FY16 and FY17, and will even out in November 2016.

Water Connection Fees are recorded at 8% of the budgeted amount, and Sewer Connection Fees are recorded at 5% of the budgeted amount.

Water MLEs are recorded at 10% of the budgeted amount, and Sewer MLEs are recorded at 13% of the budgeted amount.

Water & Sewer Revenues-Monthly Comparison



Overall Water revenue for the month of October 2016 has decreased by \$140,560 (11.61%) when compared to October 2015.

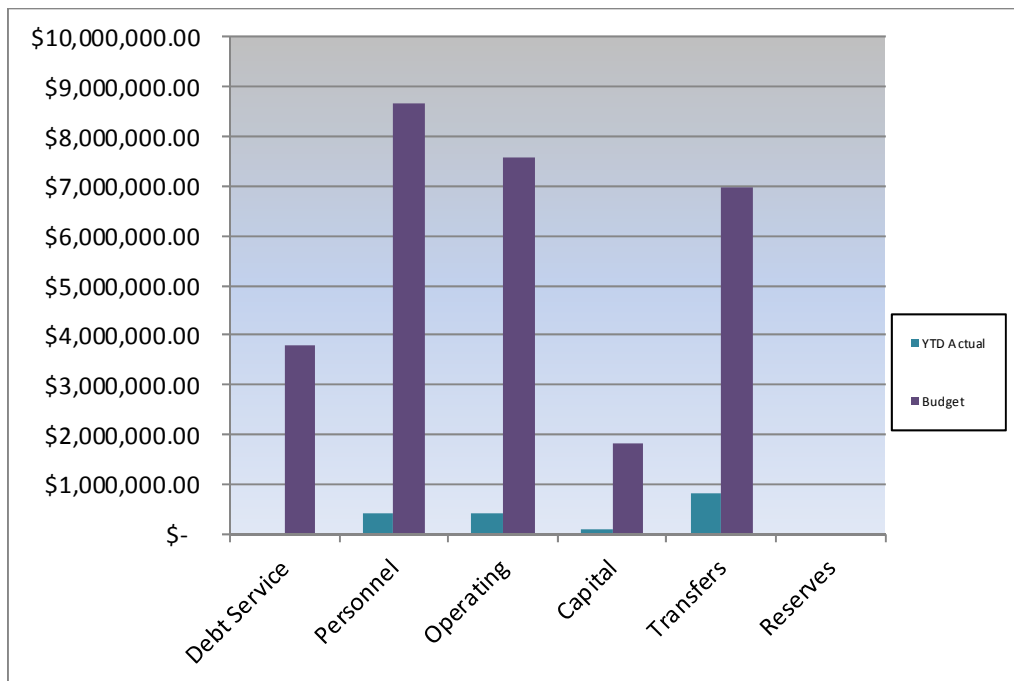
Overall Sewer revenue for the month of October 2016 has decreased by \$67,916 (7.85%) when compared to October 2015.

Utilities Expenses – At a Glance October 2016

Water & Sewer Expenditures-YTD

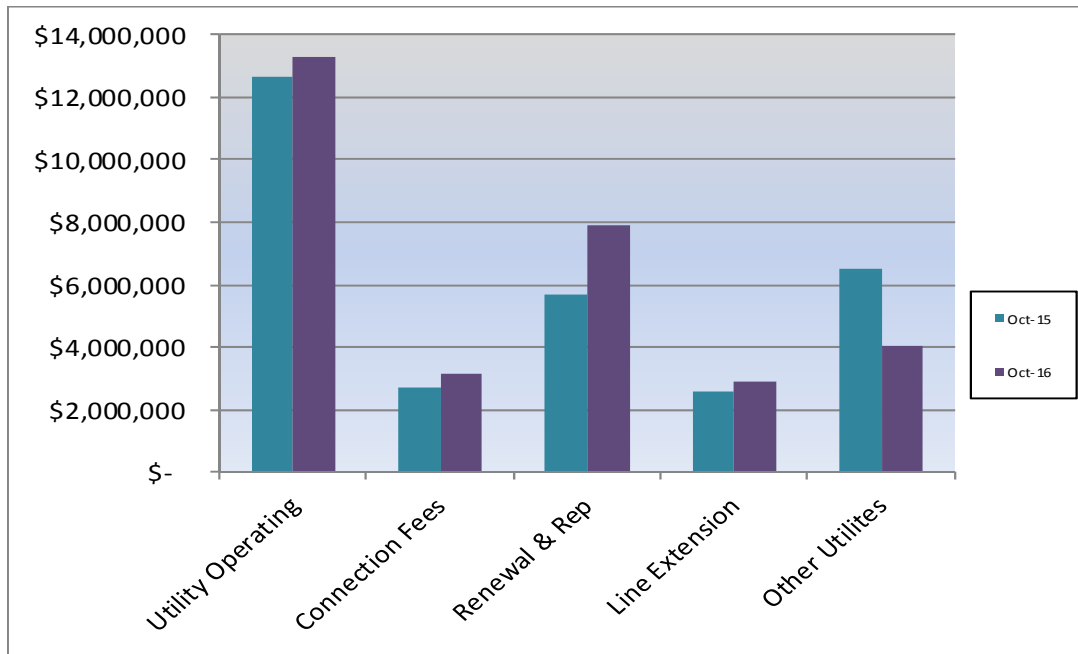
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Debt Service	\$ -	\$ 3,798,162	0.00%
Personnel	421,398.17	8,674,485	4.86%
Operating	400,831.54	7,569,959	5.30%
Capital	83,298.57	1,823,919	4.57%
Transfers	806,177.87	6,986,531	11.54%
Reserves	-	-	-
Total	\$ 1,711,706.15	\$ 28,853,056	5.93%



Utilities Cash & Investments – At a Glance October 2016

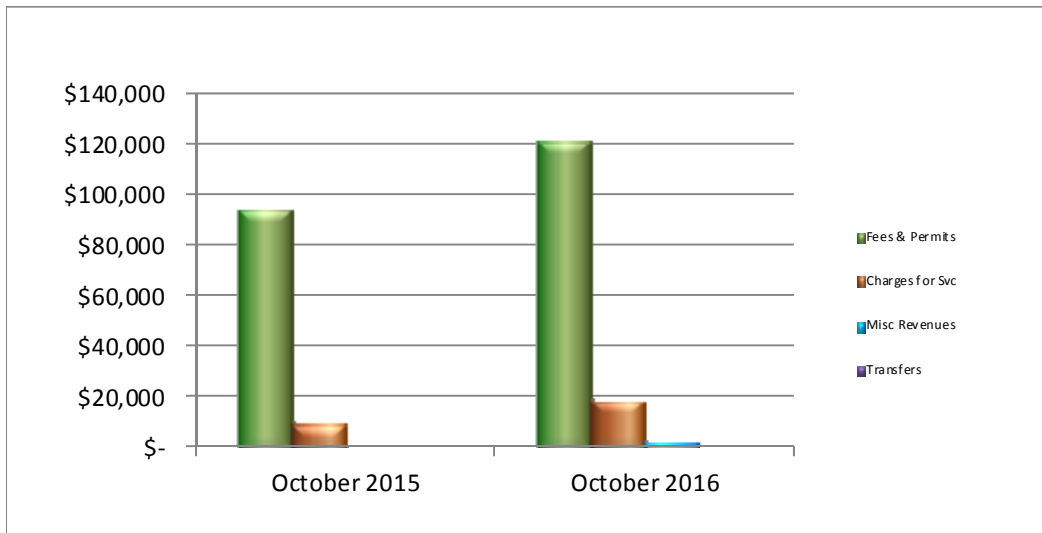
Water & Sewer Cash & Investments-YTD



Overall the Water & Sewer Funds cash and investments were \$1.03 million (3.4%) more as of October 2016 as compared to October 2015.

Building Revenues – At a Glance October 2016

Building Revenues-YTD



Fees and Permits revenue in October 2016 is up \$27,583 (29.20%) from October 2015.

Charges for Services revenue in October 2016 is up \$9,440 (92.62%) from October 2015.

Overall, Building revenues in FY 17 (at October) have increased by \$38,609 (36.44%) when compared to FY 16 (at October).

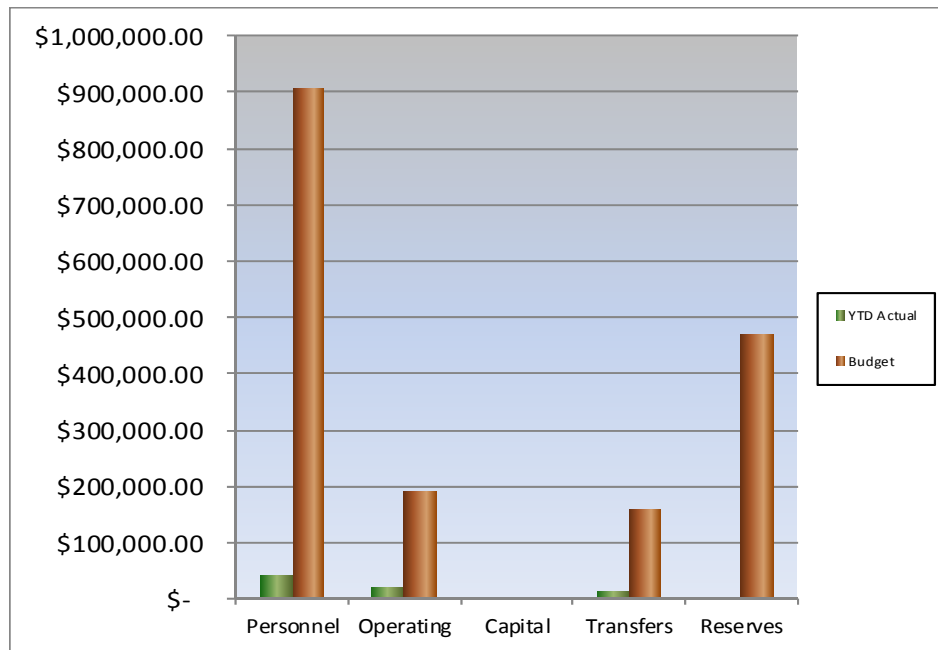
The total FY 17 Building revenues are recorded at 8.38% of the budgeted amount compared to FY 16 which was 9.39%.

Building Expenses – At a Glance October 2016

Building Expenditures-YTD

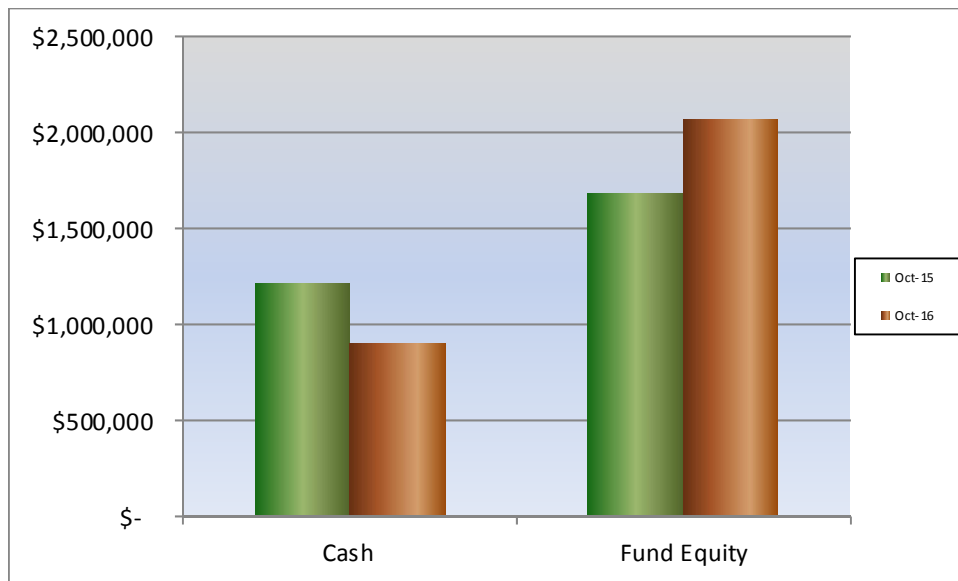
Overall expenditures (excluding encumbrances) are as follows:

	<i>Actual</i>	<i>Budget</i>	<i>% Spent</i>
Personnel	\$ 42,457.80	\$ 907,598	4.68%
Operating	19,083.09	189,234	10.08%
Capital	-	-	0.00%
Transfers	13,190.17	158,282	8.33%
Reserves	-	469,020	0.00%
Total	\$ 74,731.06	\$ 1,724,134	4.33%



Building Cash & Fund Equity – At a Glance October 2016

Building Cash & Fund Equity-YTD



Overall the Building cash and investments were \$320,754 (26.3%) less as of October 2016 as compared to October 2015.

Overall the Building fund equity was \$387,667 (23.0%) more as of October 2016 as compared to October 2015.