



MONTHLY FINANCIAL REPORT (UNAUDITED)

SEPTEMBER 2018

City of Palm Bay, Florida



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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 September 2018. September is the twelfth month of the fiscal year and represents 100% of the annual budget.

Financial Report Summary

- Citywide revenues of \$183.0 million are at 86.5% of the annual budget. Citywide expenditures of \$160.4 million are at 75.8% 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 \$25.9 million, or 39.8%, in comparison to the prior year.
- Most of the increased citywide revenues are a result of the new Stormwater Assessment and proceeds for the I-95 connector road and energy savings contract. Most of the increased citywide expenditures are due to needs in Stormwater, energy savings enhancements, Utility renewal & replacement, and the payment of Ranger Construction attorney fees.

Citywide - Cash & Investments		Citywide - Revenues		Citywide - Expenditures	
9/30/2018	\$ 90,785,979.80	9/30/2018	\$ 189,992,330.48	9/30/2018	\$ 162,310,070.27
9/30/2017	64,930,407.20	9/30/2017	158,492,476.32	9/30/2017	148,273,901.77
Increase	39.8% \$ 25,855,572.60	Increase	19.9% \$ 31,499,854.16	Increase	9.5% \$ 14,036,168.50

- General Fund revenues of \$77.4 million are at 98.6% of the annual budget. This is an increase of \$11.1 million, or 16.7%, in comparison to the prior year.
- General Fund expenditures of \$71.1 million are at 90.6% of the annual budget. This is an increase of \$4.2 million, or 6.4%, in comparison to the prior year.
- General Fund cash and investments increased by \$4.4 million, or 64.1%, in comparison to the prior year. Of this increased General Fund cash, \$800,000 is reserved.

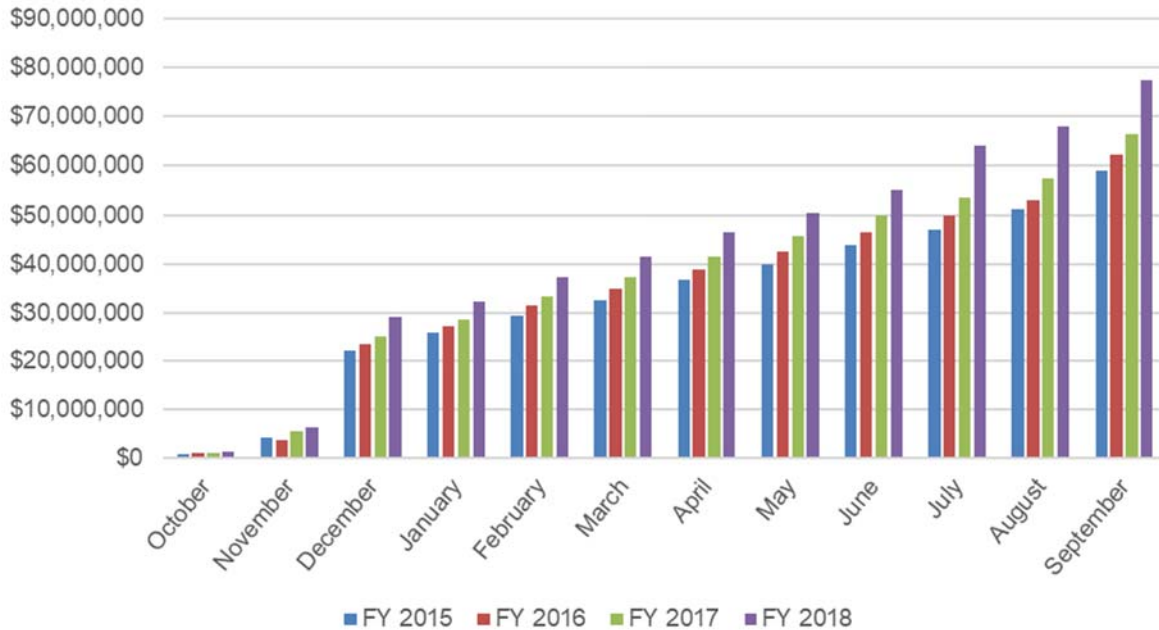
General Fund - Cash & Investments		General Fund - Revenues		General Fund - Expenditures	
9/30/2018	\$ 11,339,826.91	9/30/2018	\$ 77,429,475.25	9/30/2018	\$ 71,149,107.00
9/30/2017	6,908,478.84	9/30/2017	66,356,516.00	9/30/2017	66,899,111.00
Increase	64.1% \$ 4,431,348.07	Increase	16.7% \$ 11,072,959.25	Increase	6.4% \$ 4,249,996.00

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

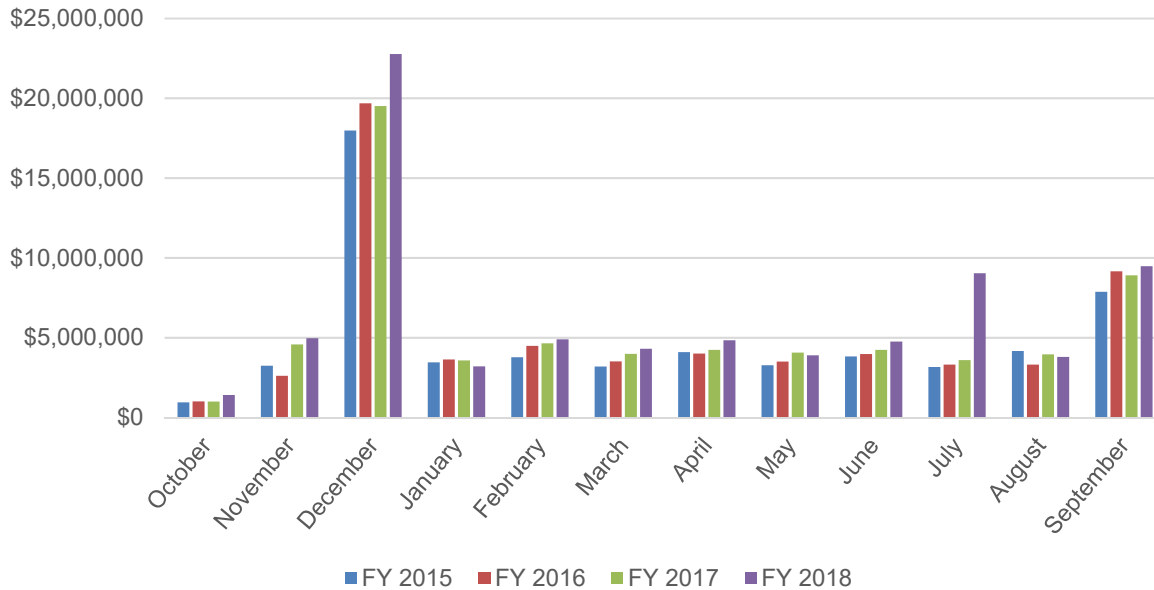
	Prior YTD	Current YTD	% Variance	Annual Budget
Ad Valorem Taxes	\$ 26,256,111	\$ 28,665,926	9.2%	\$ 28,635,160
Local Option Fuel Tax	4,089,629	3,744,098	-8.4%	4,208,406
Utility Service Taxes	8,529,879	8,878,777	4.1%	8,402,000
Communication Service Tax	2,569,292	2,638,032	2.7%	2,779,457
Franchise Fees	5,440,631	5,588,373	2.7%	5,240,000
State Shared Revenues	4,525,840	4,690,878	3.6%	4,515,736
Half Cent Sales Tax	6,311,425	6,822,769	8.1%	6,686,792
Licenses and Permits	600,378	629,022	4.8%	602,000
Grants and Other Entitlements (1)	1,155,067	2,776,051.97	140.3%	2,442,094
Charges for Services (2)	3,446,247	4,145,502	20.3%	3,832,045
Fines and Forfeitures	480,380	523,279	8.9%	476,215
Interest, Rents & Other Revenues (3)	1,000,609	1,368,652	36.8%	1,312,696
Interfund Transfers & Capital Leases (4)	1,951,027	6,958,116	256.6%	6,958,116
Fund Balance	-	-	0.0%	2,433,258
	\$ 66,356,516	\$ 77,429,475	16.7%	\$ 78,523,975

(1) Increase primarily due to FEMA reimbursement for Hurricane Matthew received in FY18.
 (2) Increase primarily due to increased year-to-date collections for Engineering Plan Fees, Collection & Disposal Fees, and Utilities Allocation in FY 18
 (3) Increase primarily due to increased year-to-date collections associated with Property Sales and interest earned in FY 18.
 (4) Increase primarily due to Honeywell Lease proceeds and higher budgeted transfer from Utility Operating Fund and BCRA in FY 18.



General Fund (GF) Revenues - Summary

➤ Monthly Revenue Comparisons



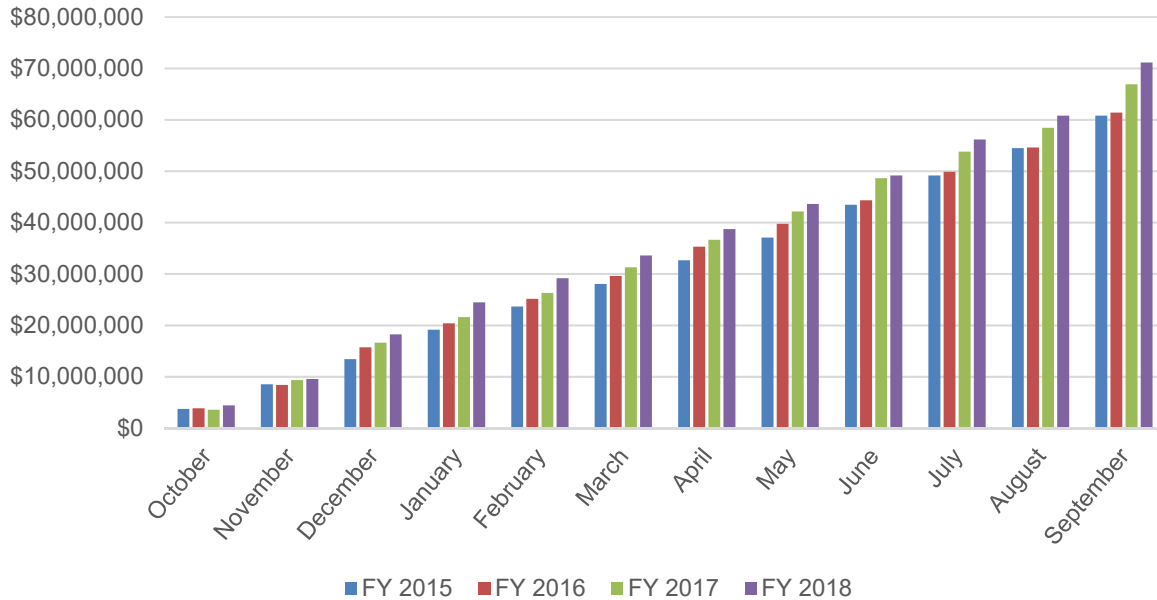
➤ FY 2018 Monthly Revenue Variance
 As Compared to Prior Years

	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	4,767,673
July	3,170,380	3,323,512	3,597,870	9,045,183
August	4,168,296	3,323,716	3,960,272	3,799,864
September	7,881,278	9,167,028	8,913,453	9,479,560
Total	\$ 59,055,101	\$ 62,285,475	\$ 66,356,516	\$ 77,429,475

Overall General Fund revenues for the month of September 2018 have increased \$566,107, or 6.4%, when compared to September 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



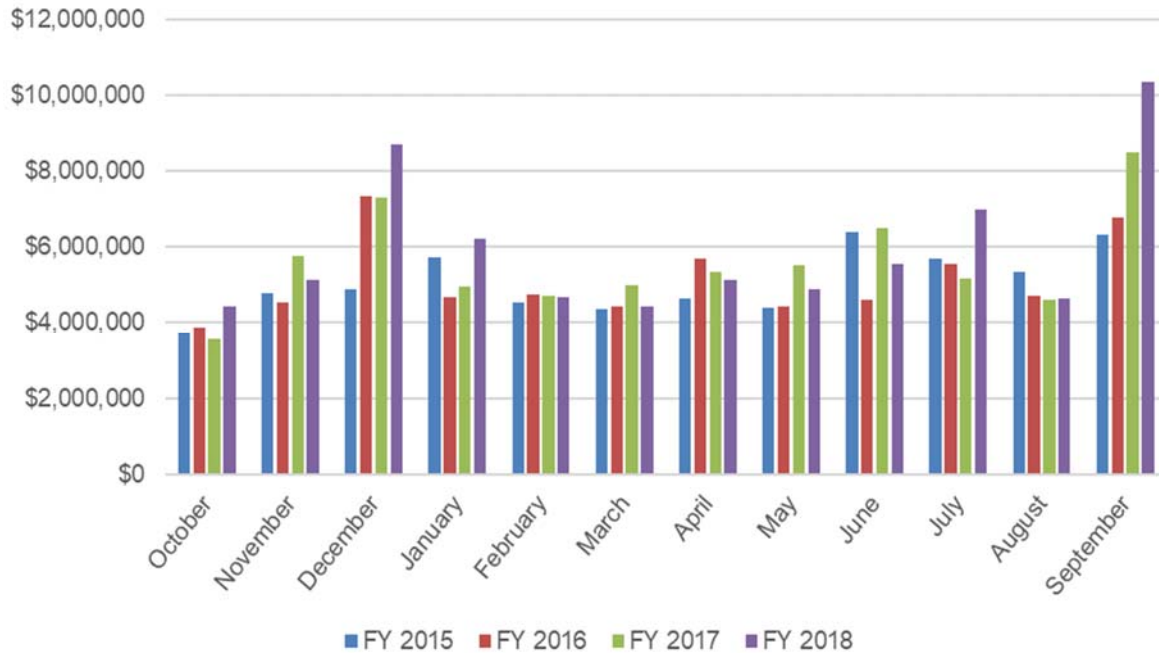
➤ FY 2018 YTD Expenditure Variance
 As Compared to Prior Year

	Prior YTD	Current YTD	% Variance	Annual Budget
Legislative	\$ 669,149	\$ 688,530	2.9%	\$ 712,660
City Manager	\$ 707,001	754,519	6.7%	835,123
City Attorney (1)	\$ 673,628	1,331,472	97.7%	1,366,365
Procurement	\$ 393,062	403,024	2.5%	452,024
Finance	\$ 1,336,833	1,361,268	1.8%	1,411,584
Information Technology (2)	\$ 2,446,046	2,827,640	15.6%	3,460,921
Human Resources	\$ 603,060	618,284	2.5%	703,807
Growth Management	\$ 1,305,465	1,334,257	2.2%	1,469,904
Economic Development (3)	\$ 739,221	582,368	-21.2%	709,952
Parks and Recreation	\$ 4,442,964	4,273,525	-3.8%	4,466,370
Facilities (4)	\$ 2,529,494	4,149,141	64.0%	7,105,463
Police	\$ 18,608,002	18,913,350	1.6%	19,761,396
Fire	\$ 13,834,464	14,031,848	1.4%	14,489,529
Public Works (5)	\$ 6,255,648	7,729,637	23.6%	7,901,656
Non-Departmental	\$ 3,785,970	4,144,177	9.5%	5,625,851
Transfers	\$ 8,569,104	8,006,067	-6.6%	8,051,370
Total	\$ 66,899,111	\$ 71,149,107	6.4%	\$ 78,523,975

(1) Increase primarily due to \$800,000 settlement for other attorney fees in the Ranger Construction case in FY18. Most in-house attorney cost is charged to the Risk Fund.
 (2) Increase primarily due to increased year-to-date costs for Network Equipment and IS-related projects.
 (3) Decrease primarily due to lower year-to-date costs for Other Professional Services and Promotional Activities in FY 18.
 (4) Increase primarily due to new costs for energy savings improvements as per Honeywell contract in FY18.
 (5) 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

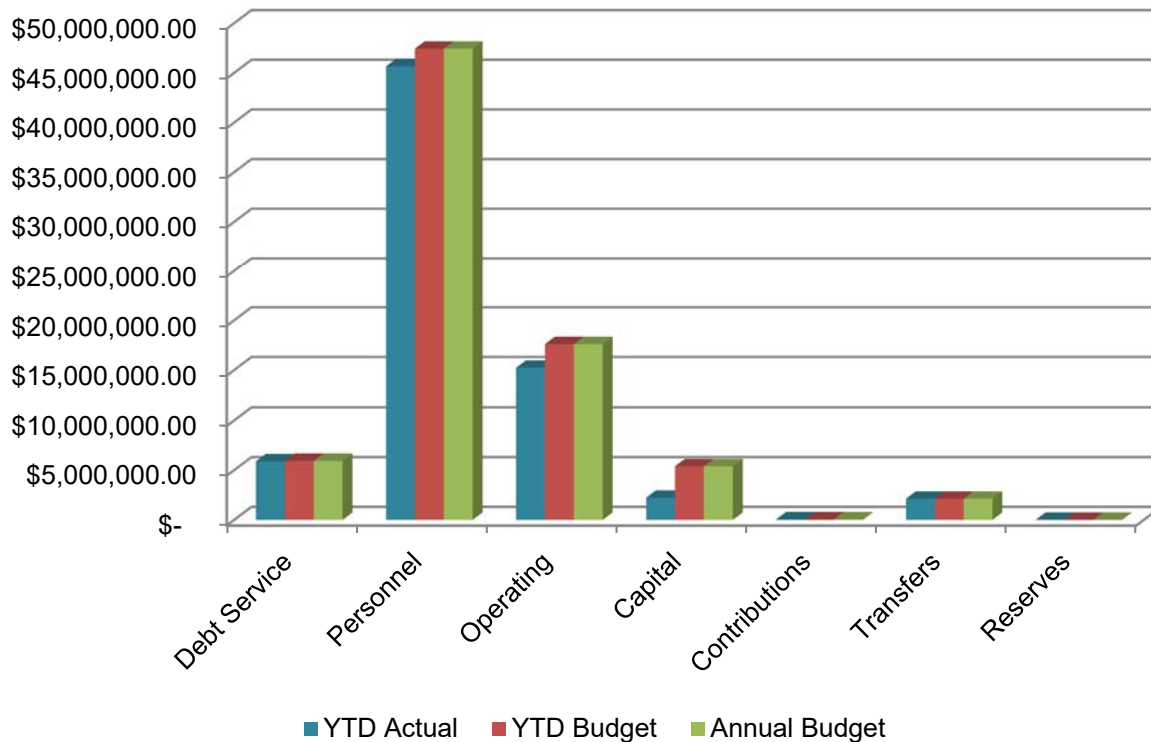
	FY 2015	FY 2016	FY 2017	FY 2018
October	3,726,416	3,859,572	3,572,123	4,424,711
November	8,525,533	8,401,973	9,338,656	9,547,708
December	13,411,995	15,725,726	16,629,566	18,254,099
January	19,141,775	20,411,192	21,602,439	24,468,387
February	23,668,267	25,157,520	26,322,223	29,162,318
March	28,043,437	29,600,816	31,305,918	33,592,051
April	32,673,532	35,294,637	36,638,406	38,717,690
May	37,070,564	39,745,333	42,150,552	43,613,257
June	43,456,243	44,337,822	48,639,387	49,152,345
July	49,146,151	49,889,036	53,814,797	56,154,212
August	54,492,953	54,601,666	58,423,838	60,804,428
September	60,813,066	61,393,243	66,899,111	71,149,107

General Fund expenditures were \$1,869,406 or 22.1%, more when comparing September 2018 to September 2017. Year-to-date expenditures are \$4,249,666, or 6.4%, higher.

General Fund (GF) Expenditures - Summary

➤ Expenditures – Budgetary Comparison by Category

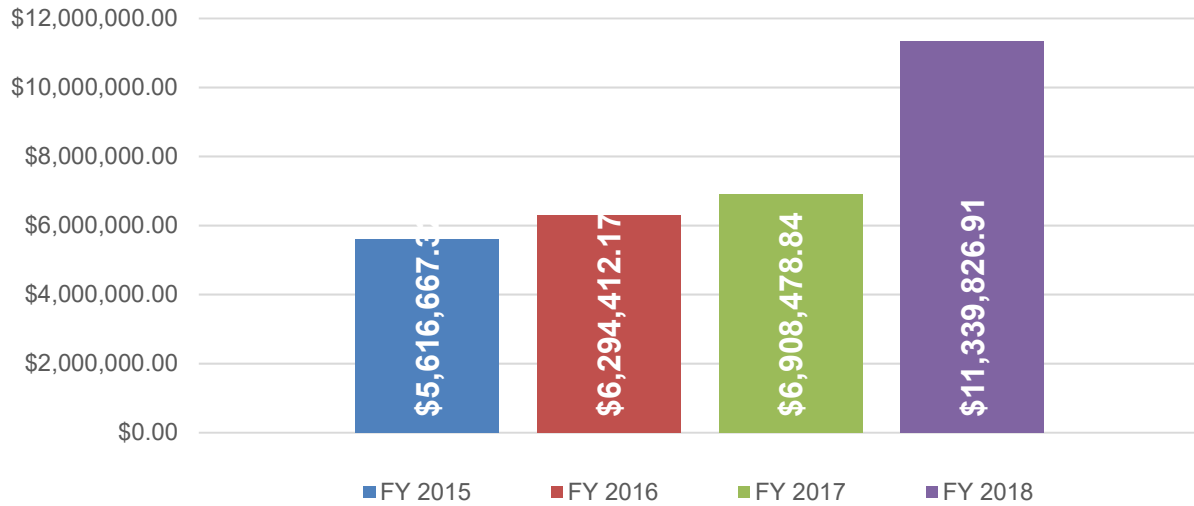
	YTD Actual	YTD Budget	Annual Budget	% Spent
Debt Service	\$ 5,880,334.92	\$ 5,925,638	\$ 5,925,638	99.2%
Personnel	45,642,371.26	47,426,900	47,426,900	96.2%
Operating	15,219,467.45	17,601,307	17,601,307	86.5%
Capital	2,225,310.42	5,388,648	5,388,648	41.3%
Contributions	55,890.95	55,750	55,750	100.3%
Transfers	2,125,732.00	2,125,732	2,125,732	100.0%
Reserves	-	-	-	0.0%
	\$ 71,149,107.00	\$ 78,523,975	\$ 78,523,975	90.6%



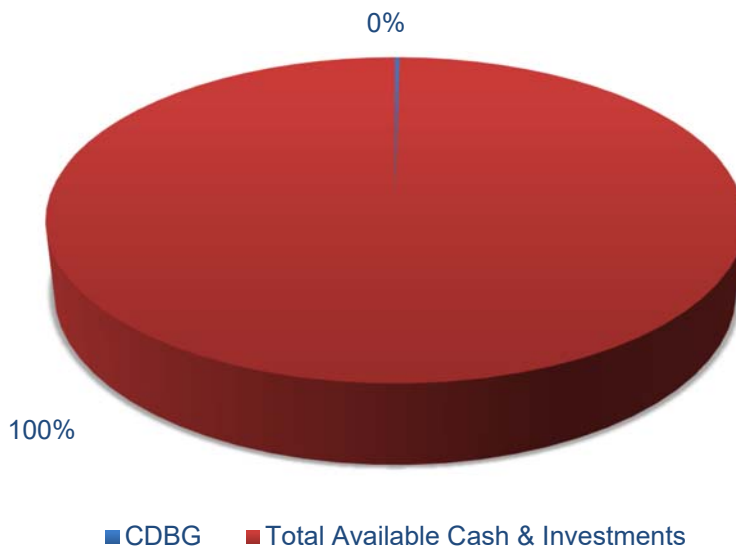
The *total budgeted expenditures* for 2018 are \$78,523,975 (including encumbrances from prior year and 2018 budget amendments). Of this amount, \$47,426,900, or 60.4%, is related to personnel costs.

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	\$ 14,440,752.11	September 2018 Ending Balance	\$ 11,339,826.91
Cash Increase (Decrease)	<u>(3,100,925.20)</u>	Cash Advanced to Other Funds:	
Ending Balance 9/30/2018	\$ 11,339,826.91	CDBG	<u>(26,156.71)</u>
		Total Available Cash & Investments	\$ 11,313,670.20





General Fund (GF) Balance - Summary

CITY OF PALM BAY, FLORIDA
 OPERATING STATEMENT AND CHANGES IN FUND BALANCES
 GENERAL FUND
 For the Month Ended September 30, 2018

	Prior YTD	Current YTD
REVENUES		
Ad Valorem Taxes	\$ 26,256,111	\$ 28,665,926
Local Option Fuel Tax	4,089,629	3,744,098
Utility Service Taxes	8,529,879	8,878,777
Communication Service Tax	2,569,292	2,638,032
Franchise Fees	5,440,631	5,588,373
State Shared Revenues	4,525,840	4,690,878
Half Cent Sales Tax	6,311,425	6,822,769
Licenses and Permits	600,378	629,022
Grants and Other Entitlements	1,155,067	2,776,052
Charges for Services	3,446,247	4,145,502
Fines and Forfeitures	480,380	523,279
Interest, Rents and Other Revenues	1,000,609	1,368,652
Interfund Transfers and Other Sources	1,951,027	6,958,116
Total Revenues	66,356,516	77,429,475
EXPENDITURES		
Legislative	669,149	688,530
City Manager	707,001	754,519
City Attorney	673,628	1,331,472
Procurement	393,062	403,024
Finance	1,336,833	1,361,268
Information Technology	2,446,046	2,827,640
Human Resources	603,060	618,284
Growth Management	1,305,465	1,334,257
Economic Development	739,221	582,368
Parks and Recreation	4,442,964	4,273,525
Facilities	2,529,494	4,149,141
Police	18,608,002	18,913,350
Fire	13,834,464	14,031,848
Public Works	6,255,648	7,729,637
Non-Departmental	3,785,970	4,144,177
Transfers	8,569,104	8,006,067
Total Expenditures	66,899,111	71,149,107
Excess (Deficiency) of Revenues Over Expenditures	(542,595)	6,280,368
Fund Balance - Beginning	9,174,582	8,631,987
Fund Balance - Ending	\$ 8,631,987	14,912,355.31



General Fund (GF) Balance - Summary

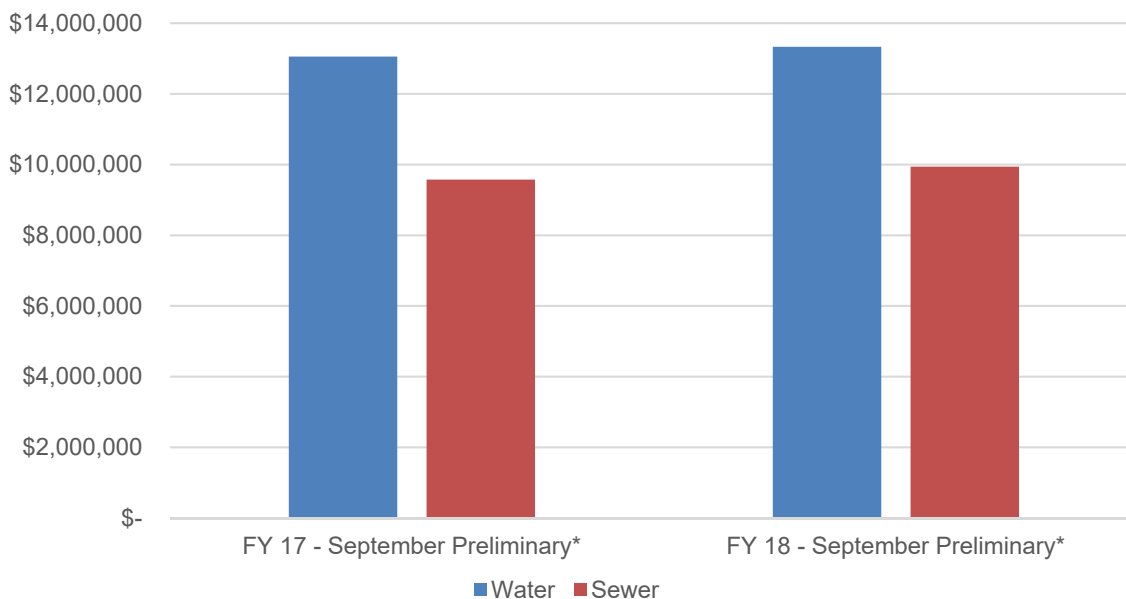
The minimum General Fund balance, as established by Resolution 2011-34, is ten percent (10%) of the subsequent fiscal year’s budgeted expenditures less capital outlay and transfers out as originally adopted by ordinance in September. The following is a history of the City’s total General Fund balance.

General Fund Balance - History			
	Minimum	Actual	Fund Balance
	<u>Required</u>	<u>Fund Balance</u>	<u>Percentage</u>
FY 2018	\$ 6,478,266	\$ 14,912,355	23.0% *
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%

*Unaudited as of publication date

Utilities Fund Revenues - Summary

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



Overall year-to-date Water revenue in September 2018 has increased \$276,542, or 2.12%, when compared to September 2017.

Overall year-to-date Sewer revenue in September 2018 has increased \$369,397, or 3.86% when compared to September 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 136%, Plan Review & Inspection Fees are recorded at 65%, and Utility Lien Costs are recorded at 129%.

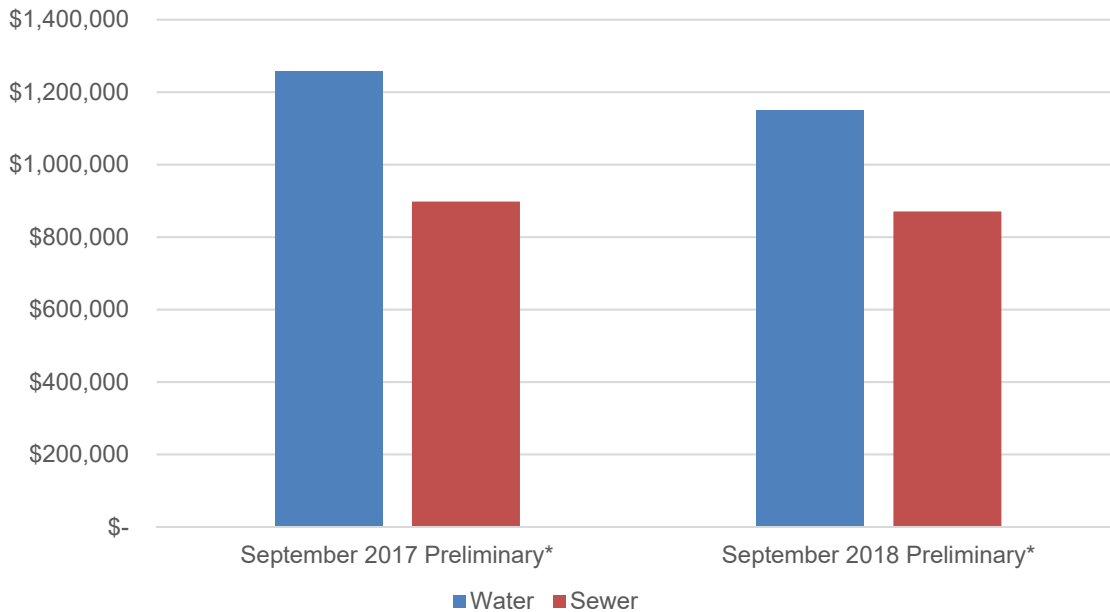
Operating Interest Income is recorded at 140%.

Excluding Fund Balance, the total FY 18 Operating Revenue is recorded at 88.5% of the budgeted amount compared to FY 17 which was at 96.2%.

Water Connection Fees are recorded at 170% of the budgeted amount, and Sewer Connection Fees are recorded at 129% of the budgeted amount.

Water MLEs are recorded at 151% of the budgeted amount, and Sewer MLEs are recorded at 110% of the budgeted amount.

➤ **Monthly Comparison: Water & Sewer**



Overall Water revenue for the month of September 2018 has decreased by \$105,566, or 8.4%, when compared to September 2017.

Overall Sewer revenue for the month of September 2018 has decreased by \$27,797, or 3.1%, when compared to September 2017.

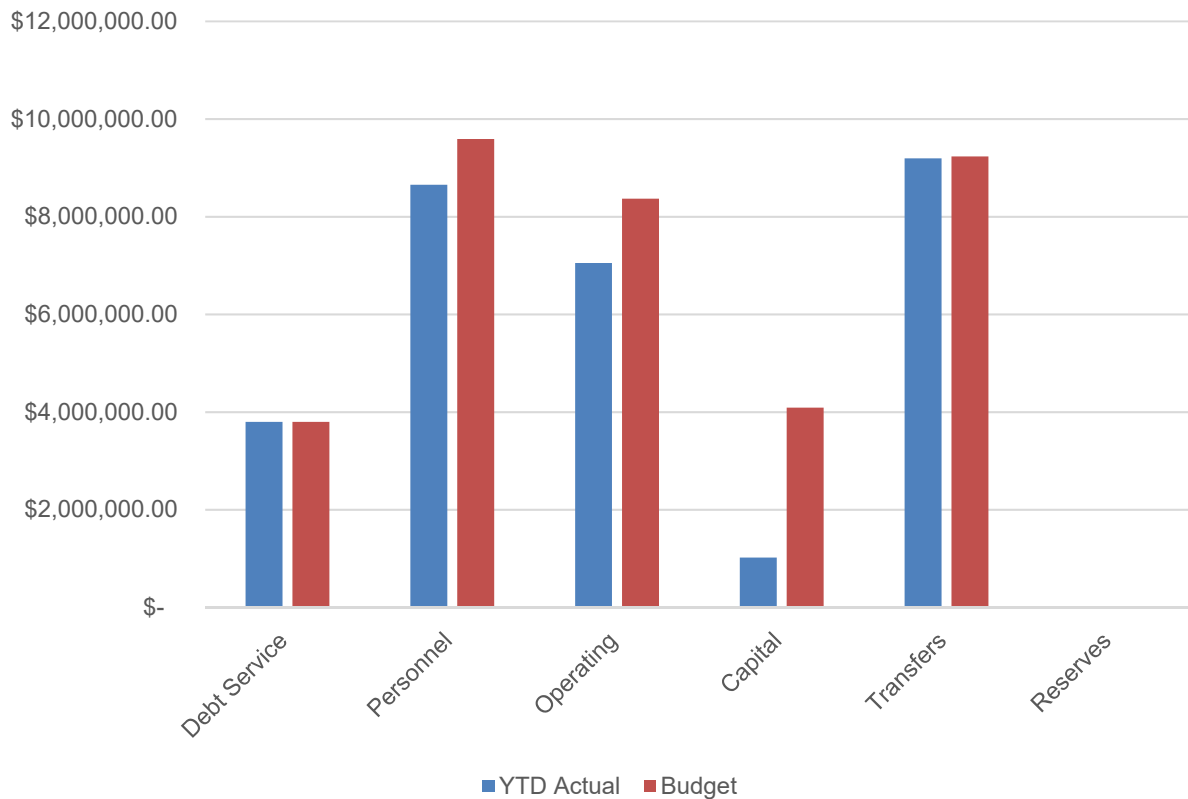


Utilities Fund Expenditures - Summary

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

Overall expenditures (excluding encumbrances) are as follows:

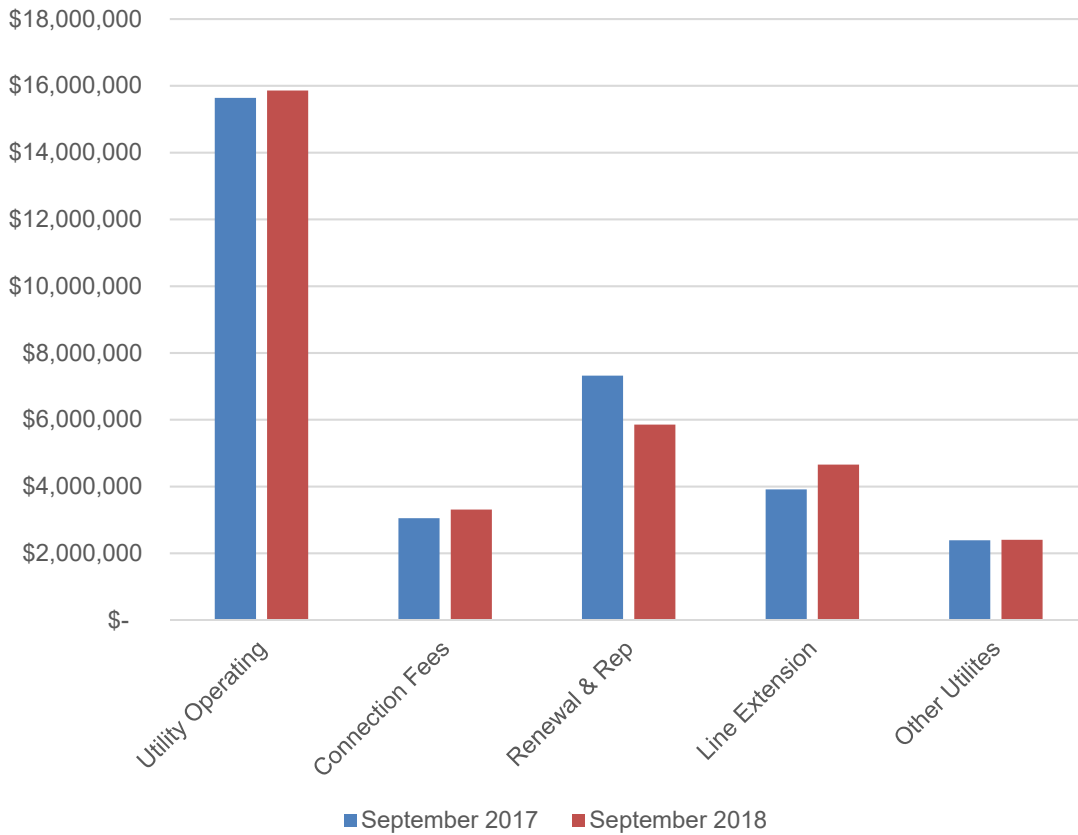
	YTD Actual	Annual Budget	% Spent
Debt Service	\$ 3,799,410.67	\$ 3,799,411	100.0%
Personnel	8,654,026.02	9,592,257	90.2%
Operating	7,052,981.98	8,369,035	84.3%
Capital	1,021,839.32	4,089,961	25.0%
Transfers	9,194,759.12	9,234,557	99.6%
Reserves	-	-	-
	\$ 29,723,017.11	\$ 35,085,221	84.7%



➤

Utilities Fund Cash & Investments - Summary

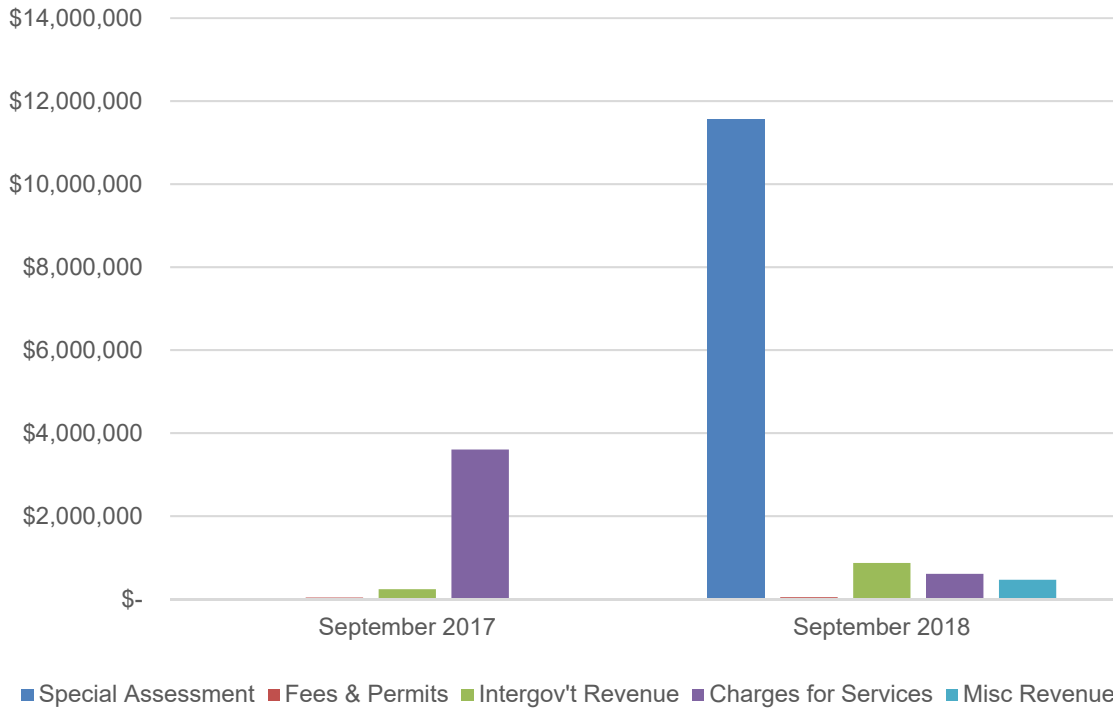
Year-to-Date (YTD) Comparison: Water & Sewer



Overall the Water & Sewer Funds cash and investments were \$0.2 million, or 0.7%, less as of September 2018 as compared to September 2017.

Stormwater Fund Revenues - Summary

➤ Year-to-Date (YTD) Revenue Comparisons



Special Assessment revenue in FY 18 (at September) is \$11,569,250. A comparison to FY 17, is not available as associated revenues were not recorded until FY 18.

Charges for Services revenue in September 2018 is down \$2,994,383, or 83.2%, from September 2017.

Overall, Stormwater revenues in FY 18 (at September) have increased by \$9,663,442, or 248.5%, when compared to FY 17 (at September).

The total FY 18 Stormwater revenues are recorded at 90.8% of the budgeted amount compared to FY 17 which was 53.4%.

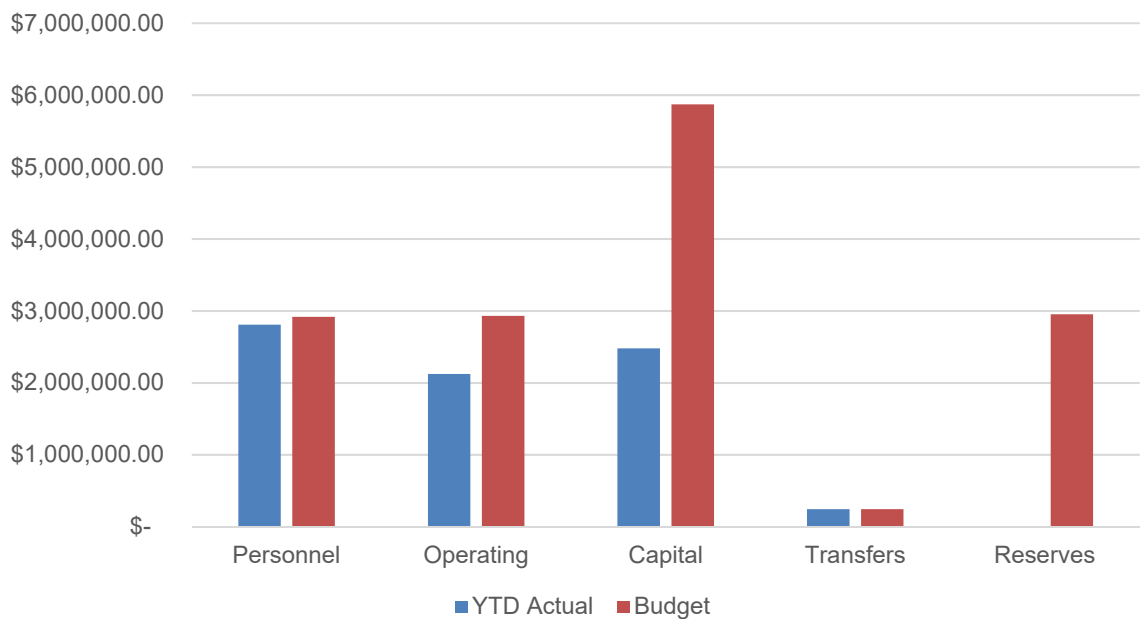


Stormwater Fund Expenditures - Summary

➤ Year-to-Date (YTD) Expenditure Comparisons

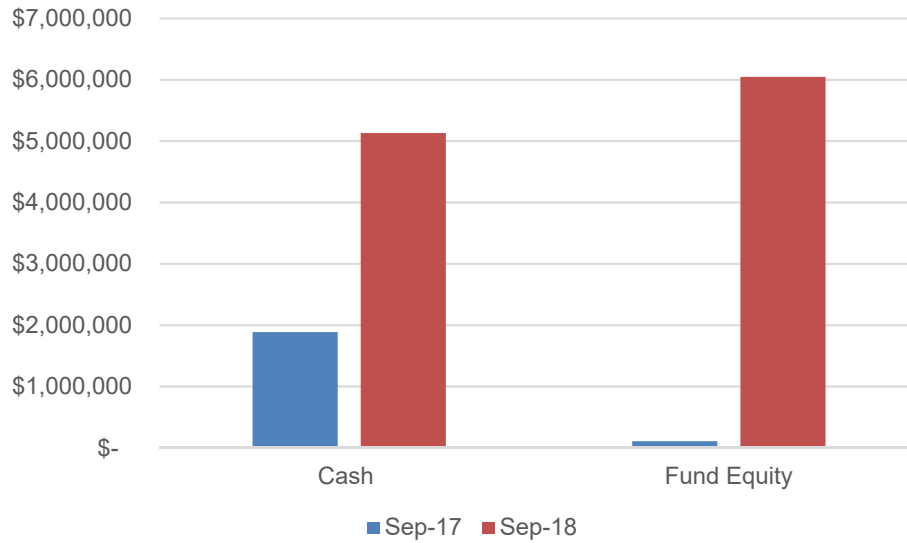
Overall expenditures (excluding encumbrances) are as follows:

	<i>YTD Actual</i>	<i>Annual Budget</i>	<i>% Spent</i>
Personnel	\$ 2,807,860.21	\$ 2,917,297	96.2%
Operating	2,122,876.84	2,931,945	72.4%
Capital	2,479,890.21	5,872,359	0.0%
Transfers	243,881.00	243,881	100.0%
Reserves	-	2,953,948	0.0%
	\$ 7,654,508.26	\$ 14,919,430	51.3%



Stormwater Fund Cash & Equity - Summary

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

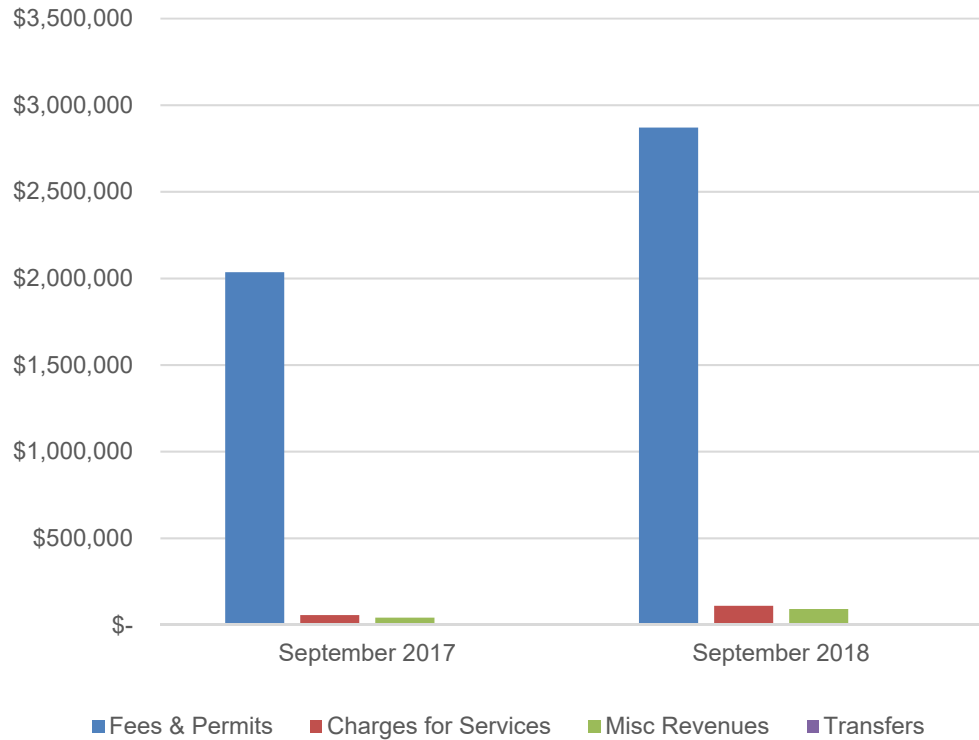


Overall the Stormwater cash and investments were \$3,241,625, or 171.6%, more as of September 2018 as compared to September 2017.

Overall the Stormwater fund equity was \$5,935,578, or 5,393.8%, more as of September 2018 as compared to September 2017.

Building Fund Revenues - Summary

➤ Year-to-Date (YTD) Revenue Comparisons



Fees and Permits revenue in September 2018 is up \$834,690, or 41.00%, from September 2017.

Charges for Services revenue in September 2018 is up \$53,969, or 96.52%, from September 2017.

Overall, Building revenues in FY 18 (at September) have increased by \$965,497, or 45.13%, when compared to FY 17 (at September).

The total FY 18 Building revenues are recorded at 107.0% of the budgeted amount compared to FY 17 which was 110.6%.

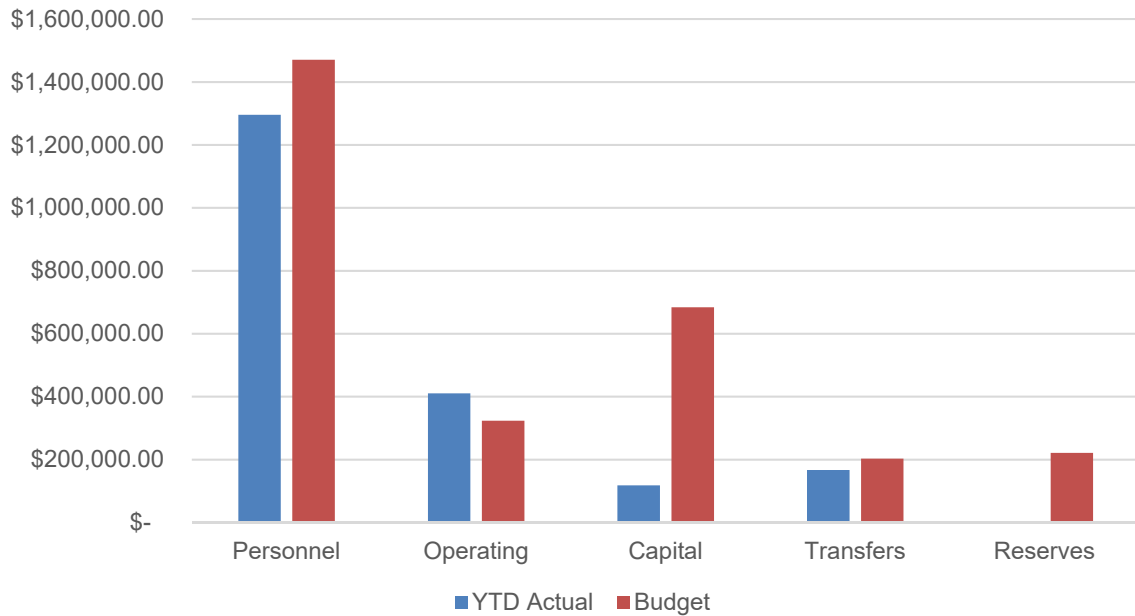


Building Fund Expenditures - Summary

➤ Year-to-Date (YTD) Building Expenditures

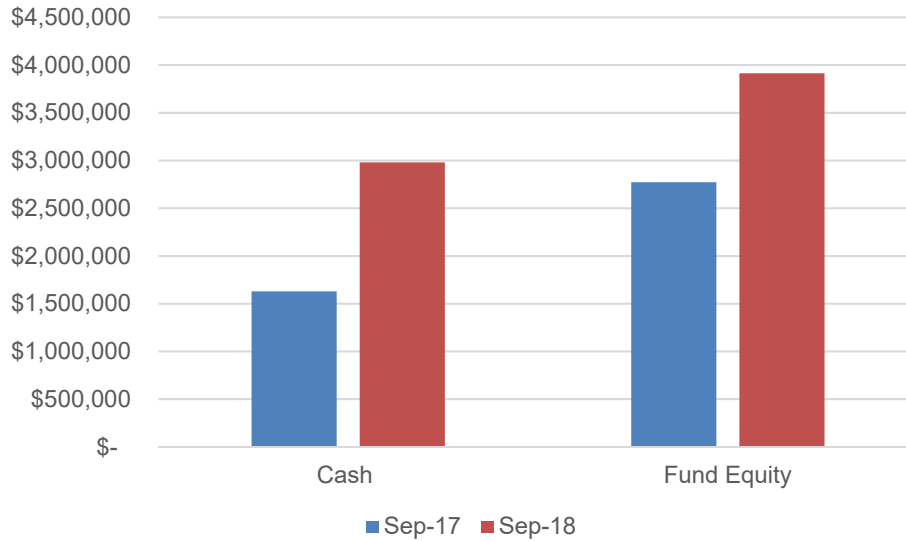
Overall expenditures (excluding encumbrances) are as follows:

	<i>YTD Actual</i>	<i>Annual Budget</i>	<i>% Spent</i>
Personnel	\$ 1,295,469.95	\$ 1,470,209	88.1%
Operating	410,464.45	323,528	126.9%
Capital	118,075.00	683,914	0.0%
Transfers	166,649.04	202,814	82.2%
Reserves	-	221,376	0.0%
	\$ 1,990,658.44	\$ 2,901,841	68.6%



Building Fund Cash & Equity - Summary

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



Overall the Building cash and investments were \$1,351,303, or 83.0%, more as of September 2018 as compared to September 2017.

Overall the Building fund equity was \$1,141,864, or 41.2%, more as of September 2018 as compared to September 2017.