



CITY OF ST. PETERSBURG, FLORIDA
POPULAR ANNUAL FINANCIAL REPORT

Fiscal Year 2016

October 1, 2015 - September 30, 2016



CITY OF ST. PETERSBURG, FLORIDA

Popular Annual Financial Report • For the Year Ended September 30, 2016

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A MESSAGE FROM THE CITY

We understand the importance of being accountable for the proper management of public funds and are pleased to present the City's Popular Annual Financial Report (PAFR) for the year ended September 30, 2016. The report provides you, the citizens, a brief analysis of the City's fiscal operations and showcases the City's various programs and projects. The PAFR is an example of the City's commitment to improve communication with our citizens and increase transparency and public confidence in the government body of the City of St. Petersburg.

The City is committed to providing a full range of services, including police and fire protection, the construction and maintenance of highways, streets and bridges, golf courses, recreation and park facilities, libraries, performing arts, water, wastewater, reclaimed water, stormwater, solid waste, construction permitting and inspection, codes compliance and parking operations to our citizens in spite of many economic challenges. These services have been possible due to budgetary controls during difficult economic environments. Recent increases in property tax values have provided the resources needed to invest in additional neighborhood grants and youth and homeless programs across the City. On behalf of the City, we thank you for taking the opportunity to read our Popular Annual Financial Report. As always, we welcome any input or comments you may have regarding the report.

Sincerely,

Gary G. Cornwell
City Administrator

Anne A. Fritz
Finance Director

ABOUT THE POPULAR ANNUAL FINANCIAL REPORT

The financial information presented in the PAFR is derived from the City's Comprehensive Annual Financial Report (CAFR) and is presented here in summarized form. The CAFR outlines the City's financial position and operating activities for fiscal year 2016 in great detail, includes financial statements audited by Cherry Bekaert LLP and is prepared in conformance with accounting principles generally accepted in the United States (GAAP).

The information in this report reflects the City's fiscal operations through summarized information from the governmental funds and the enterprise funds financial statements included in the CAFR. The PAFR does not include all funds of the City and component units. Governmental funds are those primarily supported by tax dollars for services such as parks and recreation, public safety and public works and are shown using the current financial resources measurement focus and modified accrual basis of accounting. The enterprise funds are primarily supported by charges for services such as water, stormwater and sanitation and are shown using the economic resources measurement and accrual basis of accounting.

The PAFR is a means of increasing public awareness about the City's financial condition through a more user-friendly presentation. It is unaudited and not presented in GAAP format. The CAFR & PAFR are available to be viewed and downloaded at the City's web site at <http://www.stpete.org/CAFR>.

CITY OF ST. PETERSBURG, FLORIDA

About Our City

Located on a peninsula between Tampa Bay and the Gulf of Mexico, the City of St. Petersburg is Florida's fifth most populous city and part of the largest media and consumer market in the state. It is the anchor for Florida's High Tech Corridor and maintains the largest marine science cluster in the Southeast. The City also boasts a vibrant arts and culture scene and has one of the nation's most extensive recreation programs, a variety of premier education institutions and numerous major sporting events.

EDUCATION INSTITUTIONS:

University of South Florida, St. Petersburg
Eckerd College
Stetson Law School
St. Petersburg College
Poynter Media Institute

SPORTS:

Tampa Bay Rays, MLB
Tampa Bay Rowdies, USL
Firestone Grand Prix of St. Petersburg
St. Anthony's Triathlon, and others

LARGE NOTABLE EMPLOYERS:

Raymond James & Associates
Johns Hopkins All Children's Health System
Home Shopping Network
FIS Management Services

County:.....Pinellas
Area (land):.....62 sq. miles
Incorporated:.....1893
Population:.....250,713
Median Household Income:.....\$45,748
Median Housing Value:.....\$145,100
Median Resident Age:.....42.2
Average Household Size:.....2.32
Bachelor's Degree or Higher:.....30.9%
Per Capita Income:\$28,944
Unemployment Rate:.....4.3%

* Information obtained from U.S. Census Bureau, 2015 American Community Survey 5-Year Est.

ARTS:

Dali Museum, Chihuly Collection, Museum of Fine Arts, Morean Arts Center, & numerous other galleries and art centers
Seven distinct arts districts
Wide array of Arts & Music Festivals
(incl. Mainsail Arts Festival, SHINE Mural Festival, Blue Ocean Int'l Film Festival & Sunshine Music Festival)

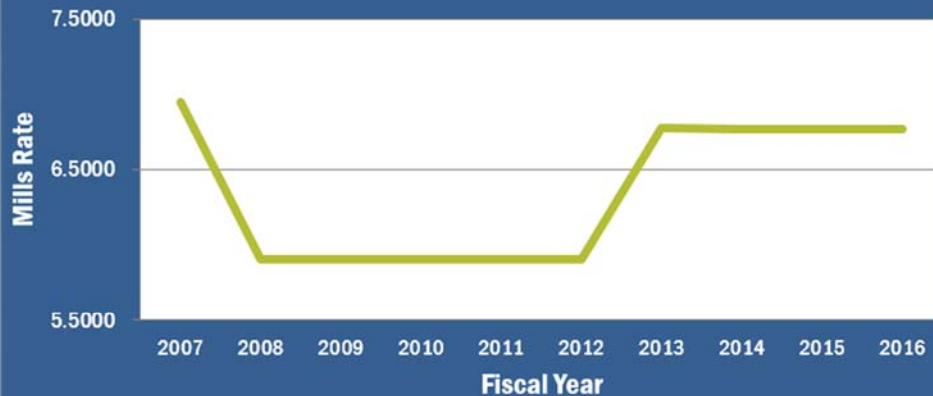
CITY OF ST. PETERSBURG, FLORIDA

Understanding Property Taxes

Ad valorem tax or “property tax” is a major source of revenue for local governments in Florida. However, it is a limited revenue source. The Florida Constitution caps the millage rate assessed against the value of the property at 10 mills per taxing entity. That is, taxing units are prohibited from levying more than \$10 in taxes per \$1,000 of taxable value on properties they tax, without obtaining voter approval at least every two years.

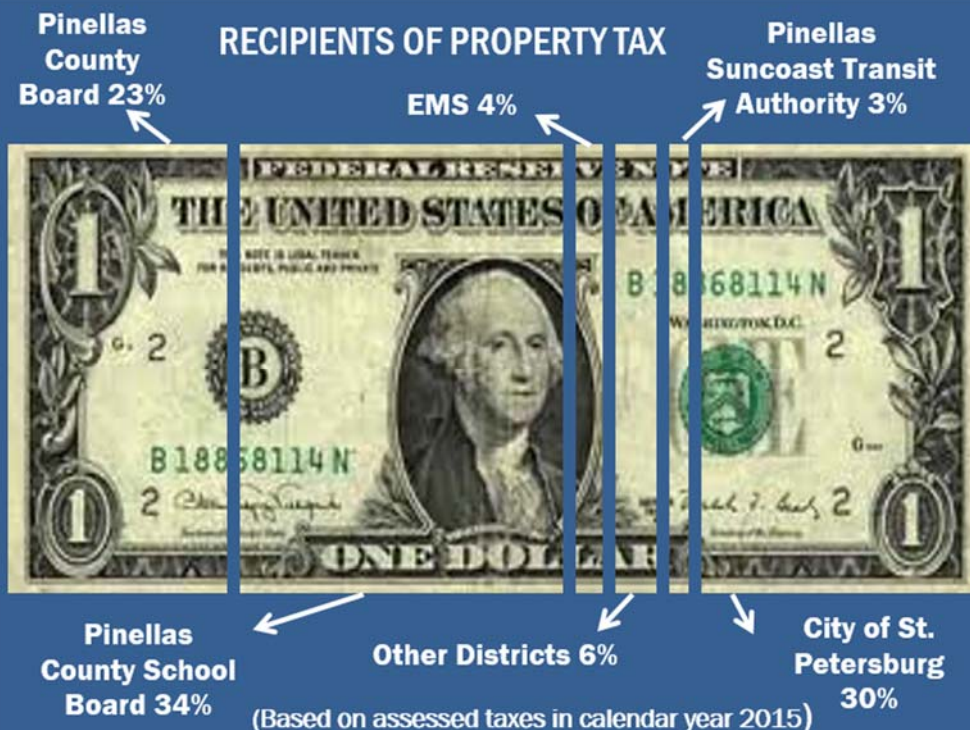
The City’s tax year 2015 operating millage rate collected during fiscal year 2016 was 6.7700 mills.

**City of St. Peterburg Property Tax Rate History
2007 to 2016**



Your City taxes will make up less than one-third of your total property tax bill.

Even when the City’s tax rate is reduced, you may pay more taxes if your property value increases or other taxing authorities raise their rates.



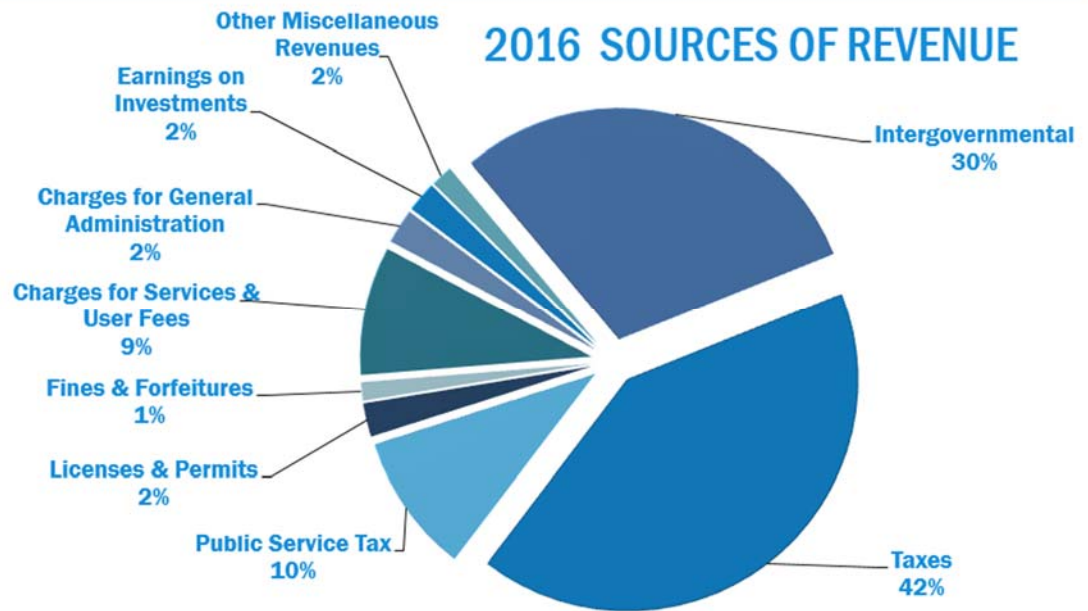
You also pay property taxes to:

- ◆ Pinellas County Board of County Commissioners
- ◆ Pinellas County School Board
- ◆ Pinellas Suncoast Transit Authority
- ◆ Emergency Medical Services
- ◆ Southwest Florida Water Management District
- ◆ Pinellas Planning Council
- ◆ Juvenile Welfare Board

CITY OF ST. PETERSBURG, FLORIDA

Where The Money Comes From • Governmental Funds Revenues

For financial reporting the City maintains 31 individual governmental funds. Governmental funds are those primarily supported by tax dollars for services and are shown using the current financial resources measurement focus and modified accrual basis of accounting. The governmental funds reflect the City's basic services provided, including public safety, transportation, general government administration and culture and recreation. The majority of services provided are supported through property tax, public service tax, franchise tax, state shared taxes and direct charges for services revenues. The City of St. Petersburg has benefited from continued commercial growth and experienced its fourth consecutive increase in real property taxable values in fiscal year 2016 after five years of declining taxable values.



SOURCES OF REVENUE:

	2016	2015
Taxes	\$117,769,633	\$ 111,346,882
Public Service Tax	27,599,020	26,774,215
Licenses & Permits	6,668,289	5,764,730
Fines & Forfeitures	3,654,468	4,199,481
Charges for Services & User Fees	25,702,120	25,278,000
Charges for General Administration	6,914,592	9,384,636
Intergovernmental	85,352,284	87,016,585
Earnings on Investments	6,095,818	3,769,083
Other Miscellaneous Revenues	4,359,974	11,463,235
	<u>\$284,116,198</u>	<u>\$ 284,996,847</u>

SOURCES OF REVENUE DEFINITIONS

TAXES • City-imposed property, franchise and occupational taxes

PUBLIC SERVICE TAX • City-imposed utility taxes

LICENSES & PERMITS • Economic Development building permit fees, contractor licensing fees and special events permits

FINES & FORFEITURES • Receipts from fines and penalties imposed for violations of statutes and ordinances

CHARGES FOR SERVICES & USER FEES • Receipts collected from the public for services rendered (e.g. parks & recreation programs, use of off-duty police personnel, etc)

CHARGES FOR GENERAL ADMINISTRATION • Revenue collected from the City's business-type funds for general governmental services rendered.

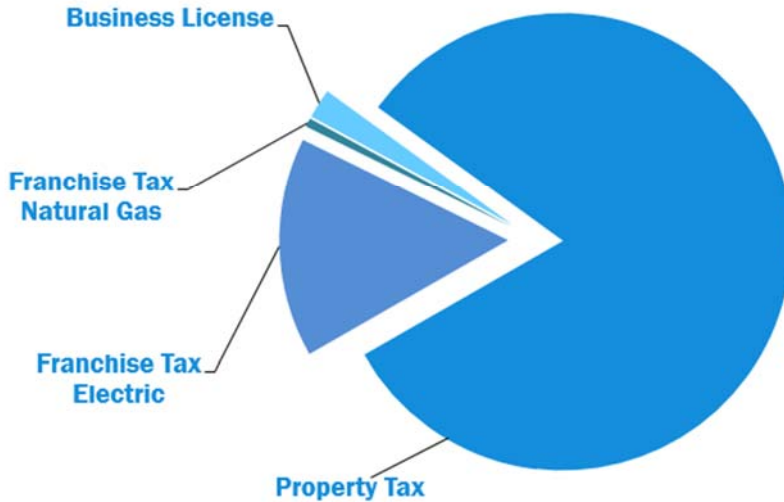
INTERGOVERNMENTAL • detail on following page

Governmental revenues in total were consistent year over year, however the revenue sources individually had some variance. During 2016 the City experienced an overall increase in taxable values within the City, increasing property tax revenues by \$6.4 million. There were two significant reductions from 2015 in total revenues: the City reduced the charges for general administration by \$2.4 million in fiscal year 2016 and 2015 other miscellaneous included one-time \$8 million settlement revenue related to BP Deepwater Horizon Oil Spill. Revenue sources of notable increases were as follows: earnings on investments was more favorable in 2016 than in 2015 (increase of \$2.3 million), the City received \$3.7 million from Penny for Pinellas for two approved projects and \$1 million in other local funding received for the Ferry pilot project.

CITY OF ST. PETERSBURG, FLORIDA

Where The Money Comes From • Governmental Funds Revenues

2016 TAXES DETAIL



TAXES REVENUE consists of taxes that are imposed by the City as follows:

PROPERTY TAX - Levied on personal tangible and real property at 6.7700 mils

FRANCHISE TAXES - A fee of 6% is levied on gross receipts for the sale of electricity and natural gas within the City

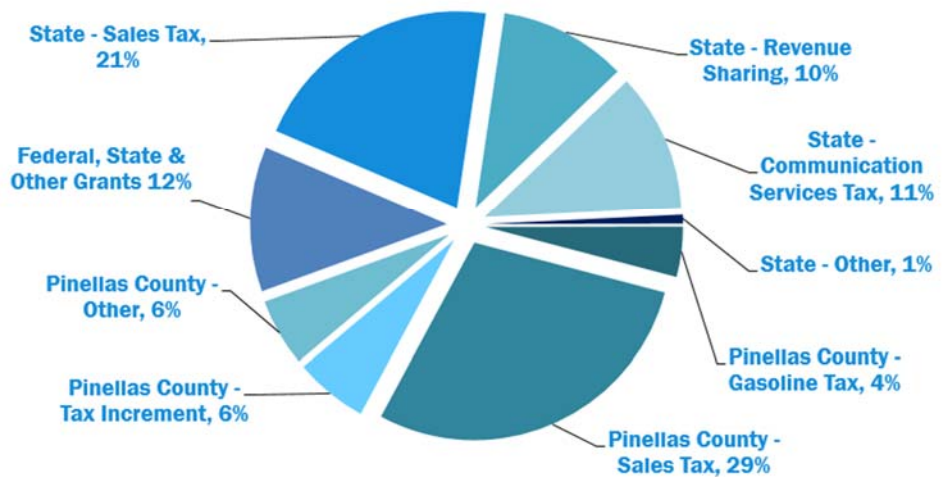
BUSINESS LICENSE - Licensing fees levied permitting an entity to engage in business within City boundaries



INTERGOVERNMENTAL REVENUES includes federal, state and other grant revenues as well as the City's share of taxes imposed by the State of Florida and Pinellas County.



2016 INTERGOVERNMENTAL DETAIL



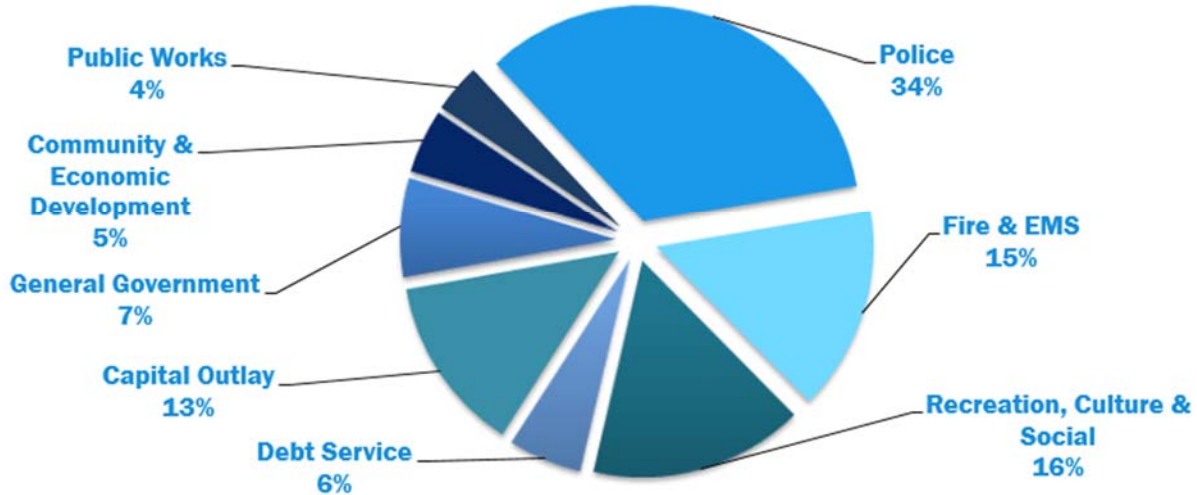
INTERGOVERNMENTAL REVENUES:

	2016	2015	2014	2013	2012
Federal, State and Other Grants	\$ 10,221,150	\$ 10,478,002	\$ 9,780,135	\$ 11,247,925	\$ 15,907,052
State - Sales Tax	17,863,512	17,092,404	16,553,518	15,408,015	14,975,121
State - Revenue Sharing	8,940,196	9,018,877	8,555,369	8,179,856	7,521,597
State - Communication Services Tax	9,729,360	10,318,666	11,005,466	11,493,181	11,956,587
State - Other	634,293	538,399	595,971	579,702	638,497
Pinellas County - Gasoline Tax	3,514,565	3,406,675	3,382,161	3,215,565	3,235,960
Pinellas County - Sales Tax	24,571,993	23,435,705	21,813,267	20,427,624	18,994,866
Pinellas County - Tourist Development	-	7,848,164	6,853,977	5,932,587	5,864,763
Pinellas County - Tax Increment	5,127,215	4,879,693	4,203,175	3,575,584	3,423,906
Pinellas County - Other	4,750,000	-	-	-	-
Total	\$ 85,352,284	\$ 87,016,585	\$ 82,743,039	\$ 80,060,039	\$ 82,518,349

CITY OF ST. PETERSBURG, FLORIDA

Where The Money Goes • Governmental Funds Expenditures

2016 EXPENDITURES BY PROGRAM



The City governmental funds expenditures have experienced a \$6.85 million increase in total expenditures from fiscal year 2015 to 2016. Public Safety, recognized as a community priority, consistently ranks as the largest outlay. Police expenditures increased primarily as a result of hiring and equipping additional personnel and enhanced investment in public safety activities. Many of the other programs are overall consistent to fiscal year 2015. Increases in general government expenditures and community & economic development reflect additional investment in the Mayor's administration and priorities for the City.



EXPENDITURES BY PROGRAM DEFINITIONS

GENERAL GOVERNMENT • Consists of services that benefit the public and City as a whole

PUBLIC SAFETY: POLICE • Includes the 7 bureaus of the Police department

PUBLIC SAFETY: FIRE & EMS • Includes the Fire and EMS divisions

PUBLIC WORKS • Reflects the costs incurred for planning and maintaining public infrastructure such as city roads, medians and city facilities

COMMUNITY & ECONOMIC DEVELOPMENT • Consists of costs of providing services which develop and improve the economic condition of the community

RECREATION, CULTURE & SOCIAL • Includes the costs of providing libraries, parks and recreational/cultural facilities and programs

DEBT SERVICE • Includes principal and interest payments on municipal debt.

CAPITAL OUTLAY • Expenditures of the City's Capital Improvement Program projects.

EXPENDITURES BY PROGRAM:	2016	2015
General Government	\$ 21,473,235	\$ 23,154,373
Community & Economic Development	14,039,942	14,912,692
Public Works	10,683,589	10,145,310
Public Safety: Police	99,772,940	93,640,691
Public Safety: Fire & EMS	44,341,874	44,480,137
Recreation, Culture & Social	46,813,999	44,185,356
Debt Service	15,881,666	15,623,497
Capital Outlay	38,229,051	38,242,445
	\$ 291,236,296	\$ 284,384,501

CITY OF ST. PETERSBURG, FLORIDA

Enterprise Funds • Major Funds

For financial reporting the City operates 14 enterprise funds that are primarily supported by “business” charges for services such as water, stormwater, sanitation, and other charges, and are shown using the economic resources measurement and accrual basis of accounting. Enterprise funds are set apart from other revenue sources and governmental funds as they are designed to highlight the extent to which fees and charges are sufficient to cover the cost of providing goods and services.

The major enterprise funds at the City are the Water Resources, Stormwater, Sanitation and Tropicana Field Funds. The other enterprise funds at the City are the Airport, Port, Marina, Golf Courses, Jamestown Complex, Parking, Pier, Mahaffey Theater, Coliseum and Sunken Gardens.

MAJOR ENTERPRISE FUNDS:

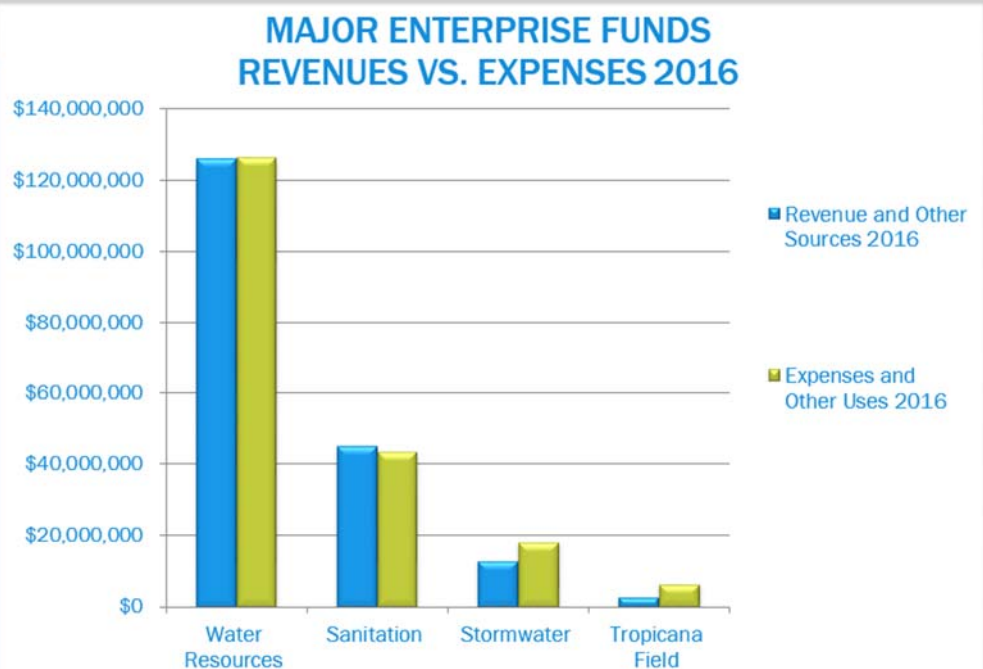
The revenues versus expenses comparison demonstrates if funds have sufficient resources to pay operating costs and debt and interest payments during the year to operate as self-supporting enterprise funds.

Water resources experienced a slight decrease in net position in 2016 (expenses and other uses were approximately \$480,000 higher than revenues and other sources) due to increased costs of operations, maintenance and additional interest expense. As compared to the prior year, total expenses and other uses were held to a small increase of \$400,000 while revenues increased compared to the prior year increased by \$10 million.

Sanitation results show an increase in net position as user charges for services are sufficient to cover operating and debt and interest costs of the enterprise. Fiscal year 2016 was the first full year of the City recycling program.

Stormwater and Tropicana Field results show a decrease in net position in 2016 due to significant depreciation expense recognized on capital assets. The Stormwater and Tropicana Field depreciation expense included in expenses and other uses is \$6 million and \$3.5 million, respectively.

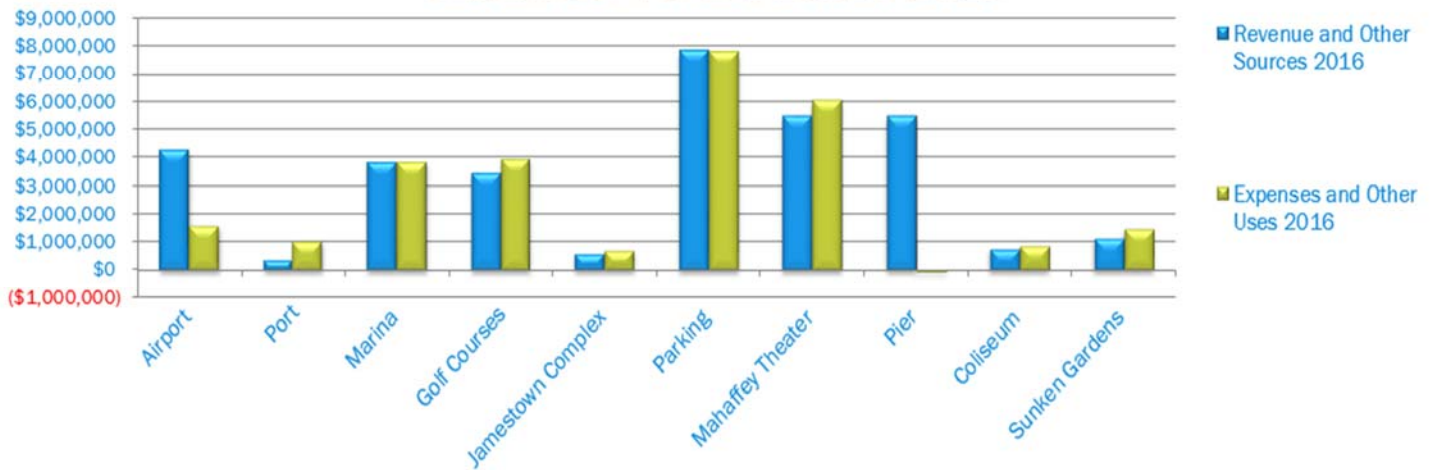
Each of the major enterprise funds have a positive unrestricted net position at the end of 2016, noting any one year deficiencies were able to be absorbed by the fund’s resources accumulated over the long term.



CITY OF ST. PETERSBURG, FLORIDA

Enterprise Funds • Nonmajor Funds

NONMAJOR ENTERPRISE FUNDS REVENUES VS. EXPENSES 2016



NONMAJOR ENTERPRISE FUNDS:

Many of the nonmajor enterprise funds at the City have experienced rising costs of providing services due to inflation or increased healthcare costs and have not been able to pass on the increase through charges for services. In many instances the City has continued to “subsidize” some of these enterprise funds through transfers and loans, as needed, to continue operations and provide services to residents.

In 2016, the Parking and Marina funds had sufficient revenues and other sources to cover the costs of providing services.

The Port, Sunken Gardens, Coliseum, Mahaffey Theater, Golf Courses and Jamestown funds all receive transfers or loans from the General Fund to support operations.

The Airport and the Pier funds had both received significant contributions of capital assets that is factored into the total for revenues and other sources.

The new Pier construction is funded by the Downtown tax increment financing district and the airport construction is funded by federal and state grants.

In 2016, the Pier reported a negative amount of expenses due to a recapture of prior year expenses from employee related liabilities.



CITY OF ST. PETERSBURG, FLORIDA

Ratios and Trends

PURPOSE: Analyzing key financial ratios and trends over several years enables the City to have a clearer picture of where it has been and where it is going. All ratios are based on governmental funds financial data.

CITY TRENDS AND RATIOS:	2016	2015	2014	2013	2012
Available Fund Balance to Expenditures	18.72%	16.65%	13.84%	11.86%	10.74%
Quick Ratio	851.83%	842.37%	677.59%	726.79%	628.28%
Operational Liquidity	1053.89%	821.63%	764.41%	708.49%	588.88%
Debt per Population	\$ 603	\$ 435	\$ 435	\$ 468	\$ 520
Revenue per Population	\$ 1,082	\$ 1,098	\$ 984	\$ 963	\$ 942
Expenditure per Population	\$ 1,109	\$ 1,095	\$ 1,049	\$ 968	\$ 1,110

Available Fund Balance to Expenditure Trend: Percentages decreasing over time may indicate unstructured budgets that could lead to future budgetary problems for the City, even if the current fund balance is positive. The benchmark for comparable cities in Florida is 15.04% in fiscal year 2015 ⁽¹⁾.

Quick Ratio: Percentages decreasing over time may indicate that the City has overextended itself in the long run or may be having difficulty raising the cash needed to meet its current needs. A ratio of 100% or higher is desired. The benchmark for comparable cities in Florida is 803.85% in fiscal year 2015 ⁽¹⁾.

Operational Liquidity Trend: Decreasing results over time may indicate that the City has overextended itself in the long run or may be having difficulty raising the cash needed to meet its current needs. The benchmark for comparable cities in Florida is 742.16% in fiscal year 2015 ⁽¹⁾.

Debt per Population: Increasing results over time may indicate that the City has a decreasing level of flexibility in how resources are allocated or decreasing ability to pay its long-term debt. The benchmark in Florida for comparable cities was \$1,386 for fiscal year 2015 ⁽¹⁾.

Revenue per Population: Decreasing results indicate that the City may be unable to maintain existing service levels with current revenue sources. The benchmark in Florida for comparable cities was \$1,295 for fiscal year 2015 ⁽¹⁾.

Expenditures per Population: Increasing results may indicate that the cost of providing services is outstripping the City's ability to pay (i.e., the City may be unable to maintain services at current levels.) The benchmark in Florida for comparable cities was \$1,311 for fiscal year 2015 ⁽¹⁾.

1) Benchmark information obtained from the State of Florida Auditor General Financial Condition Assessment workbooks for comparable municipalities.

SUMMARY: After the economic downturn in 2010, the City has been putting forth efforts to improve its overall condition and is living within its financial means, improving its liquidity and ability to pay its obligations when due. These measures along with consistent revenue sources in fiscal year 2016 position the City to continue to improve the quality of city services and remain fiscally solid in the near future.

CITY OF ST. PETERSBURG, FLORIDA

Spotlight On: Sunken Gardens



Sunken Gardens is a botanical paradise in the midst of a bustling city. As St. Petersburg's oldest living museum, this 100-year-old garden is home to some of the oldest tropical plants in the region.

Unwind as you stroll through meandering paths, lush with exotic plants from around the world. Explore cascading waterfalls, beautiful demonstration gardens, more than 50,000 tropical plants and flowers. Sunken Gardens provides garden tours, horticultural programs, special events, field trips, weddings, private and corporate rentals.

After more than three years of fundraising efforts by citizens and City support, a new flock of 20 flamingos arrived at their new home at the Sunken Gardens in April 2016.

They were welcomed by George and Lucy, the last two original flamingos from 1956.

In August 2015 the City agreed to construct a new enclosure for the flock — a \$30,000 project — and, in January 2016, they reached an agreement with the San Antonio Zoo to purchase the 20 birds using funds raised by community members through the “Flamingos Forever” nonprofit.



CITY OF ST. PETERSBURG, FLORIDA

Spotlight On: North Shore Aquatic Complex

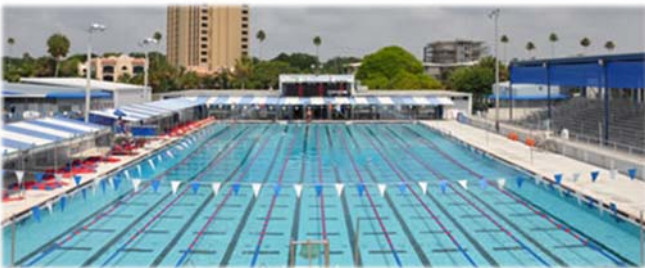
Built in 1964, North Shore Aquatic Complex is located on the St. Petersburg waterfront. Open year round, the complex features a 50 meter pool with diving board, 25 yard training pool, a play pool with a giant flume slide, splash pad, accessible zero depth entry and is home to St. Petersburg's Olympic, triathlon and master swim training programs.



As part of the mayor's commitment to sustainability and green initiatives, North Shore Pool features a new geothermal and solar renewable energy system. Replacing electric and gas pumps and heaters, the geothermal pool pump and heat exchanger works by using the constant temperature of groundwater running through pipes to both heat or cool the water to maintain a constant temperature of 83 degrees.

Additional new features continue the City's sustainability, accessibility and cost-savings initiatives. These include a \$1 million renovation replacing gang showers with individual changing and shower stalls, family restrooms, locker rooms, new plumbing, climate control and accessibility improvements.

Additionally, a new filtration system drastically reduced wastage of water and lowers the consumption of chemicals and electricity.



www.stpeteparksrec.org/pools

CITY OF ST. PETERSBURG, FLORIDA

City Mayor and Council Members



DISTRICT 1
CHARLIE
GERDES



DISTRICT 2
JIM
KENNEDY



MAYOR
RICK
KRISEMAN



DEPUTY MAYOR
KANIKA
TOMALIN



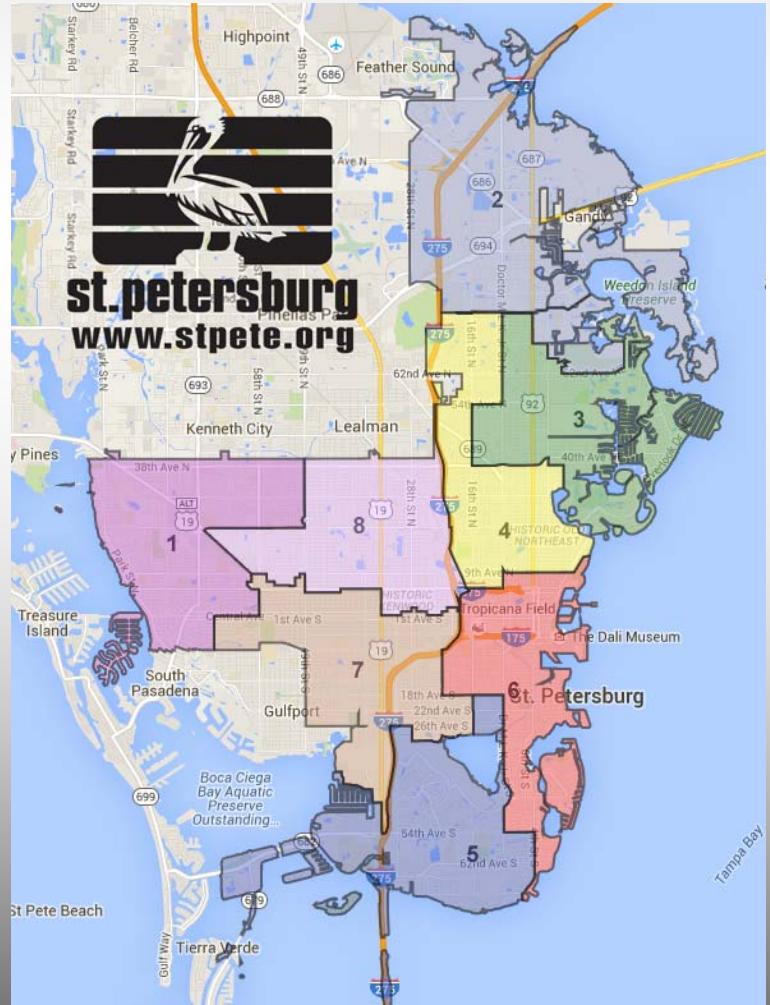
DISTRICT 3
ED
MONTANARI



DISTRICT 4
DARDEN
RICE



DISTRICT 5
STEVE
KORNELL



DISTRICT 6
KARL
NURSE



DISTRICT 7
LISA WHEELER-
BOWMAN



DISTRICT 8
AMY
FOSTER

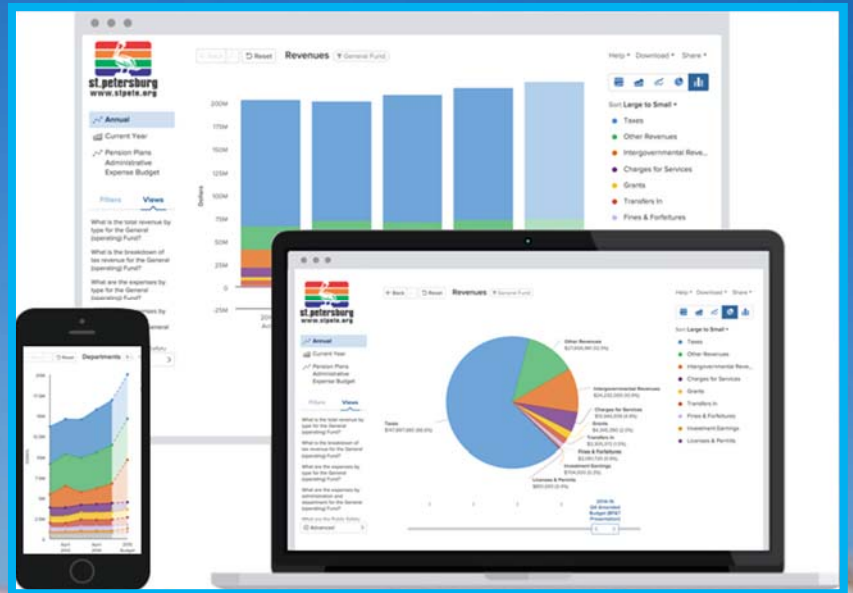
STAY CONNECTED:

FINANCE DEPARTMENT • Telephone: (727) 893-7304 • Fax: (727) 893-7120



Committed to being a "Government in the Sunshine", the City of St. Petersburg offers OpenGov. This interactive reporting tool allows citizens to explore budget and financial data online in various graphical formats selected by the user.

Visit stpetersburgfl.opengov.com to begin!



www.stpete.org



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@StpetePD News and information directly from your local police department

@StPeteParkRec Discover what's going on in our parks and recreation center



For more detailed information on the City's financial position, regulatory reporting and other statistics please read the City's Comprehensive Annual Financial Report which can be viewed or downloaded from the City's web site at <http://www.stpete.org/CAFR>.

