

CITY OF ST. PETERSBURG, FLORIDA

POPULAR ANNUAL FINANCIAL REPORT

Fiscal Year 2019

October 1, 2018 - September 30, 2019



CITY OF ST. PETERSBURG, FLORIDA

City Mayor and Council Members as of September 30, 2019



DISTRICT 1
CHARLIE
GERDES



DISTRICT 2
BRANDI
GABBARD



MAYOR
RICK
KRIEMAN



DEPUTY MAYOR
KANIKA
TOMALIN



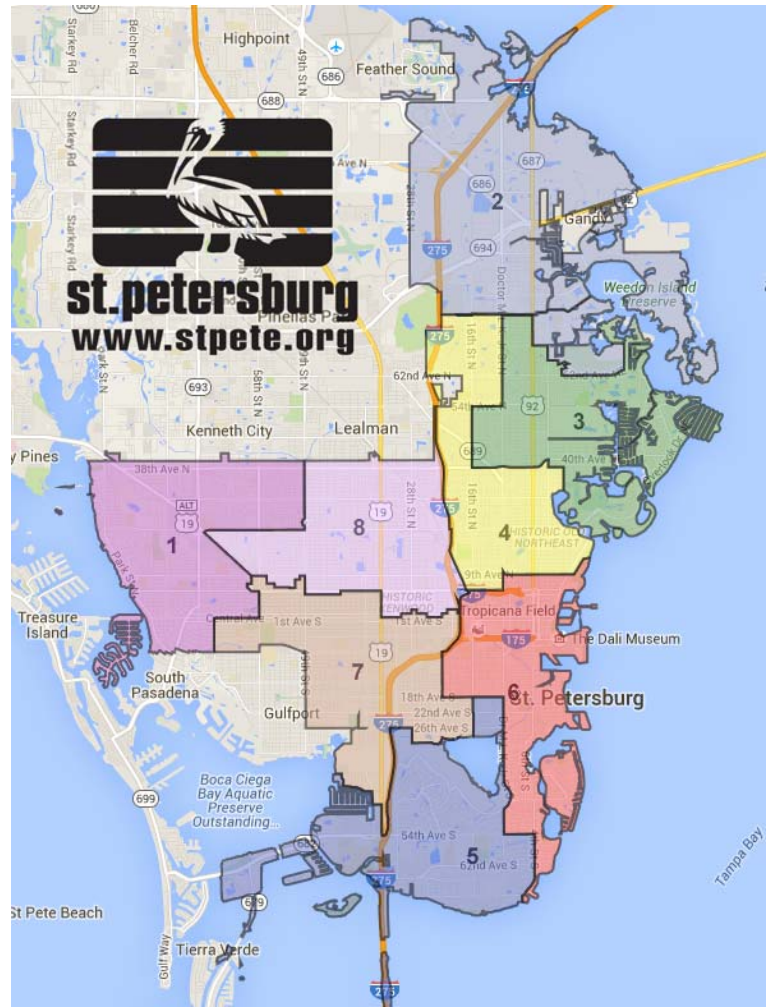
DISTRICT 3
ED
MONTANARI



DISTRICT 4
DARDEN
RICE



DISTRICT 5
STEVE
KORNELL



DISTRICT 6
GINA
DRISCOLL



DISTRICT 7
LISA WHEELER
BOWMAN



DISTRICT 8
AMY
FOSTER

CITY OF ST. PETERSBURG, FLORIDA

Popular Annual Financial Report • For the Year Ended September 30, 2019

INSIDE THIS REPORT:

City Mayor and Council Members	1
A Message From The City	2
PAFR Award for Fiscal Year 2018	3
About Our City	4
Summary of Net Position	5
Ratios and Trends	6
Understanding Property Taxes	7
Where the Money Comes From	8
Where the Money Goes	9
Enterprise Funds	10
Debt	12

A MESSAGE FROM THE CITY



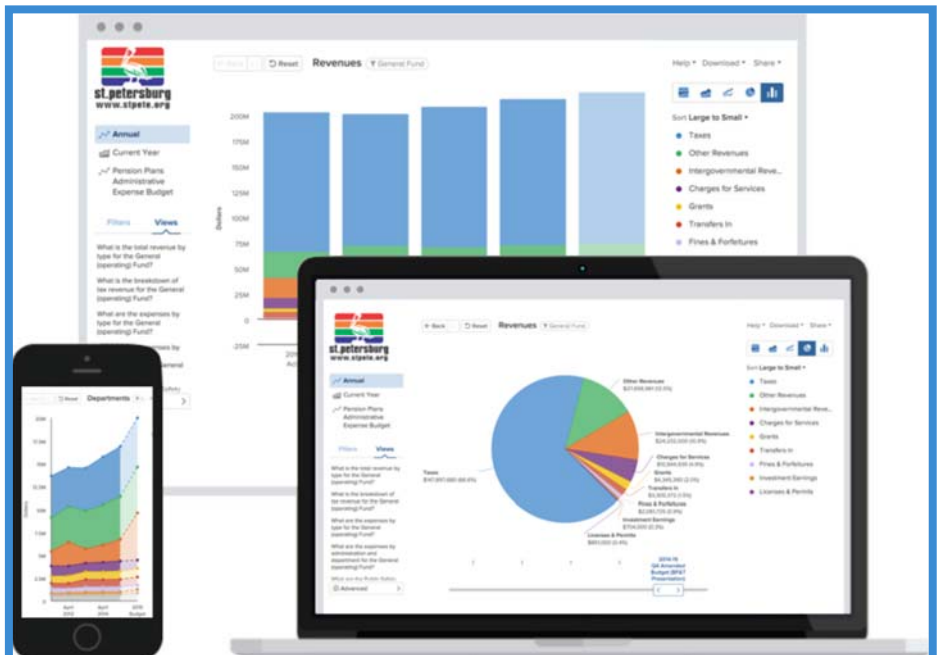
We understand the importance of being accountable for the proper management of public funds and are pleased to present the City's Popular Annual Financial Report (PAFR) for the year ended September 30, 2019. The report provides you, the citizens, a brief analysis of the City's fiscal operations and showcases 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. 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.

We also invite you to visit our Online transparency reporting tool at www.stpetersburgfl.opengov.com to explore budget and financial data online in various graphical formats. 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,

Anne A. Fritz Erika R. Langhans
Chief Financial Officer Controller



CITY OF ST. PETERSBURG, FLORIDA

Popular Annual Financial Report • For the Year Ended September 30, 2019

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 2019 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>.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**City of St. Petersburg
Florida**

For its Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

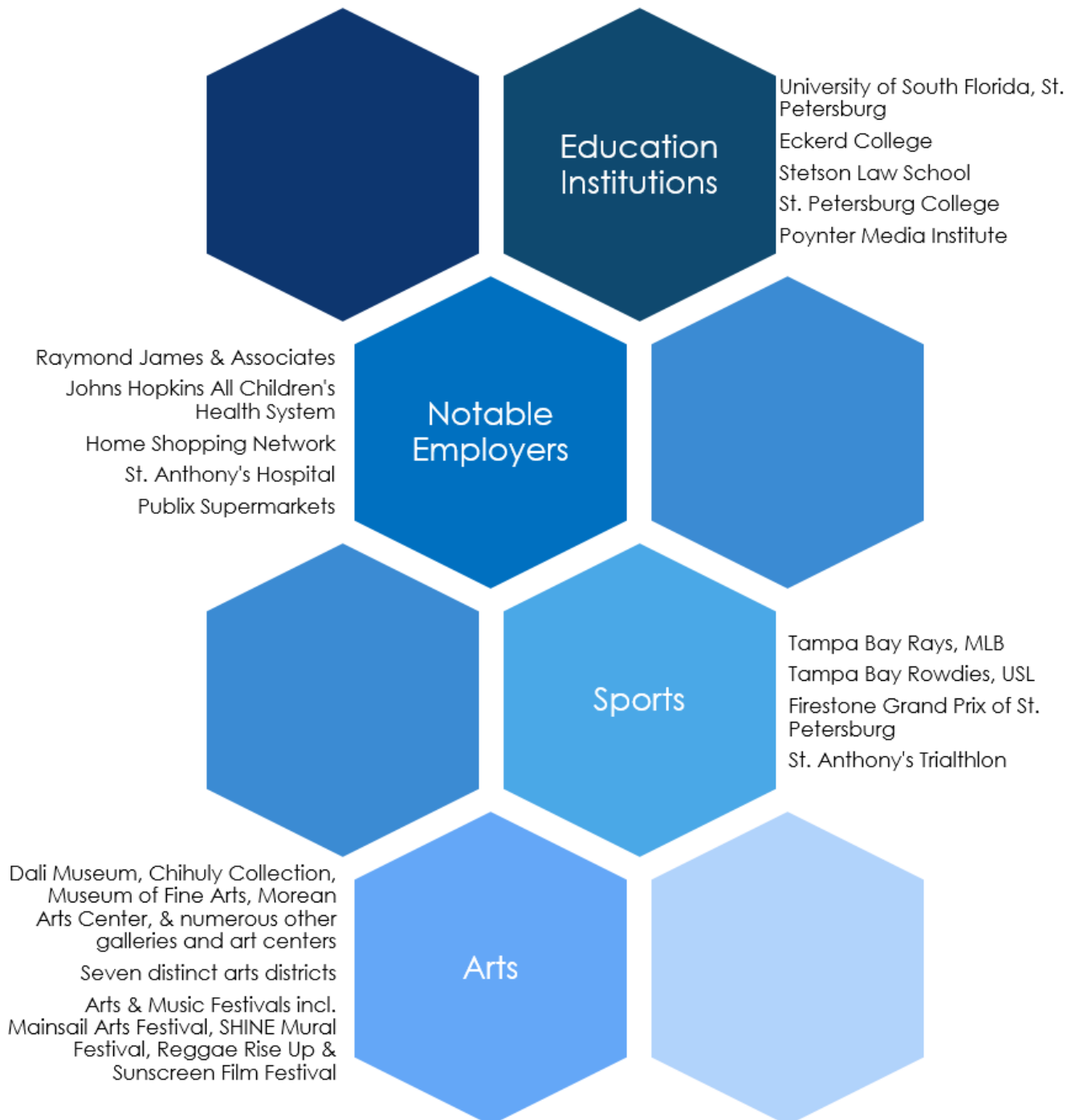
Christopher P. Morill

Executive Director/CEO

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.



CITY OF ST. PETERSBURG, FLORIDA

Government-Wide Summary of Net Position

The summary of net position presents information on all of the City's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

Summary of Net Position			
	Governmental Activities	Business- Type Activities	Total Primary Government
Current and Other Assets	\$ 462,555,888	\$ 440,186,293	\$ 902,742,181
Capital Assets	<u>442,333,797</u>	<u>1,065,370,323</u>	<u>1,507,704,120</u>
Total Assets	<u>904,889,685</u>	<u>1,505,556,616</u>	<u>2,410,446,301</u>
Deferred Outflows of Resources	<u>60,556,636</u>	<u>17,886,548</u>	<u>78,443,184</u>
Other Liabilities	64,584,496	48,077,050	112,661,546
Long Term Liabilities	<u>374,074,346</u>	<u>739,736,257</u>	<u>1,113,810,603</u>
Total Liabilities	<u>438,658,842</u>	<u>787,813,307</u>	<u>1,226,472,149</u>
Deferred Inflows of Resources	62,404,661	15,532,105	77,936,766
Net investment in capital assets	335,033,969	543,953,177	878,987,146
Nonexpendable	23,331,292	-	23,331,292
Restricted	23,243,222	19,662,021	42,905,243
Unrestricted	82,774,335	156,482,554	239,256,889
Total Net Position	<u>\$ 464,382,818</u>	<u>\$ 720,097,752</u>	<u>\$ 1,184,480,570</u>

Government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, community and economic development, public works, public safety and recreation, culture and social. The business-type activities of the City include Water Resources, Stormwater, Sanitation, Airport, Port, Marina, Golf Courses, the Jamestown Housing Complex, Tropicana Field, Coliseum, Mahaffey Theater, Pier, Sunken Gardens and Parking.

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:	2019	2018	2017	2016	2015
Available Fund Balance to Expenditures	15.51%	12.21%	14.73%	18.72%	16.65%
Quick Ratio	736.46%	631.44%	927.82%	851.83%	842.37%
Operational Liquidity	831.89%	907.46%	1280.74%	1053.89%	821.63%
Debt per Population	\$ 669	\$ 749	\$ 786	\$ 603	\$ 435
Revenue per Population	\$ 1,150	\$ 1,133	\$ 1,103	\$ 1,082	\$ 1,098
Expenditure per Population	\$ 1,285	\$ 1,385	\$ 1,130	\$ 1,109	\$ 1,095

Available Fund Balance to Expenditures: 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 15.79% in fiscal year 2018 (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 700.00% in fiscal year 2018 (1).

Operational Liquidity: 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 694.23% in fiscal year 2018 (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 \$1,193 for fiscal year 2018 (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 \$1,416 for fiscal year 2018 (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 \$1,475 for fiscal year 2018 (1).

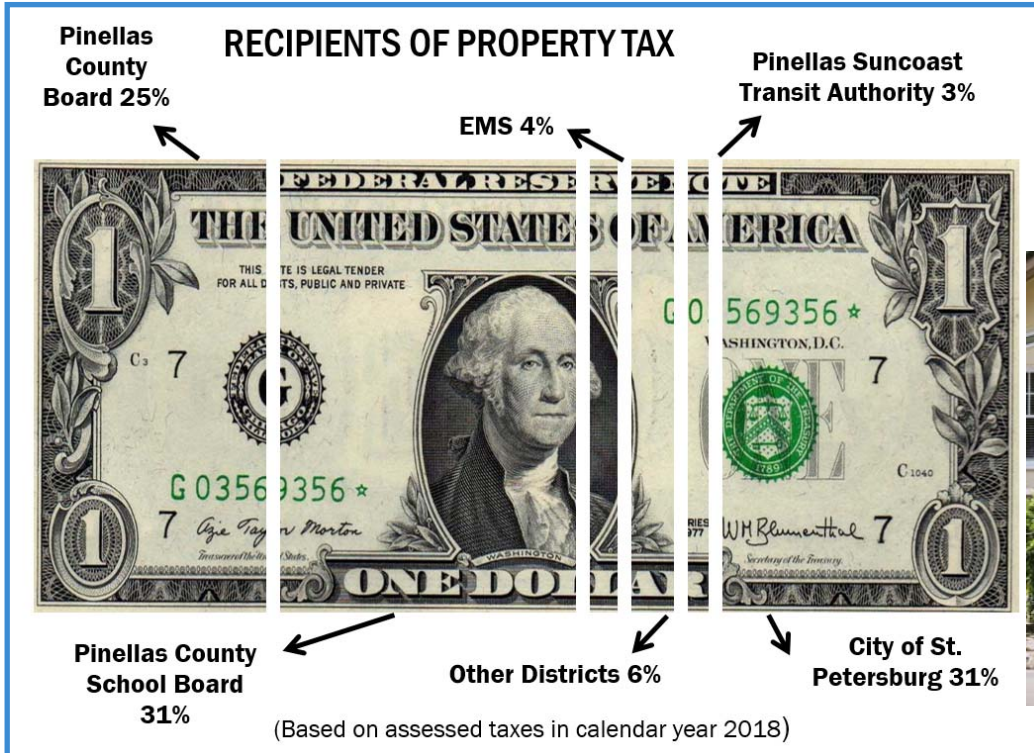
1) Benchmark information obtained from the State of Florida Auditor General Financial Condition Assessment workbooks for comparable municipalities.

SUMMARY: The City has continuing 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 2019 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

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 2018 operating millage rate collected during fiscal year 2019 was 6.7550 mills.



City of St. Peterburg Property Tax Rate History 2010 to 2019



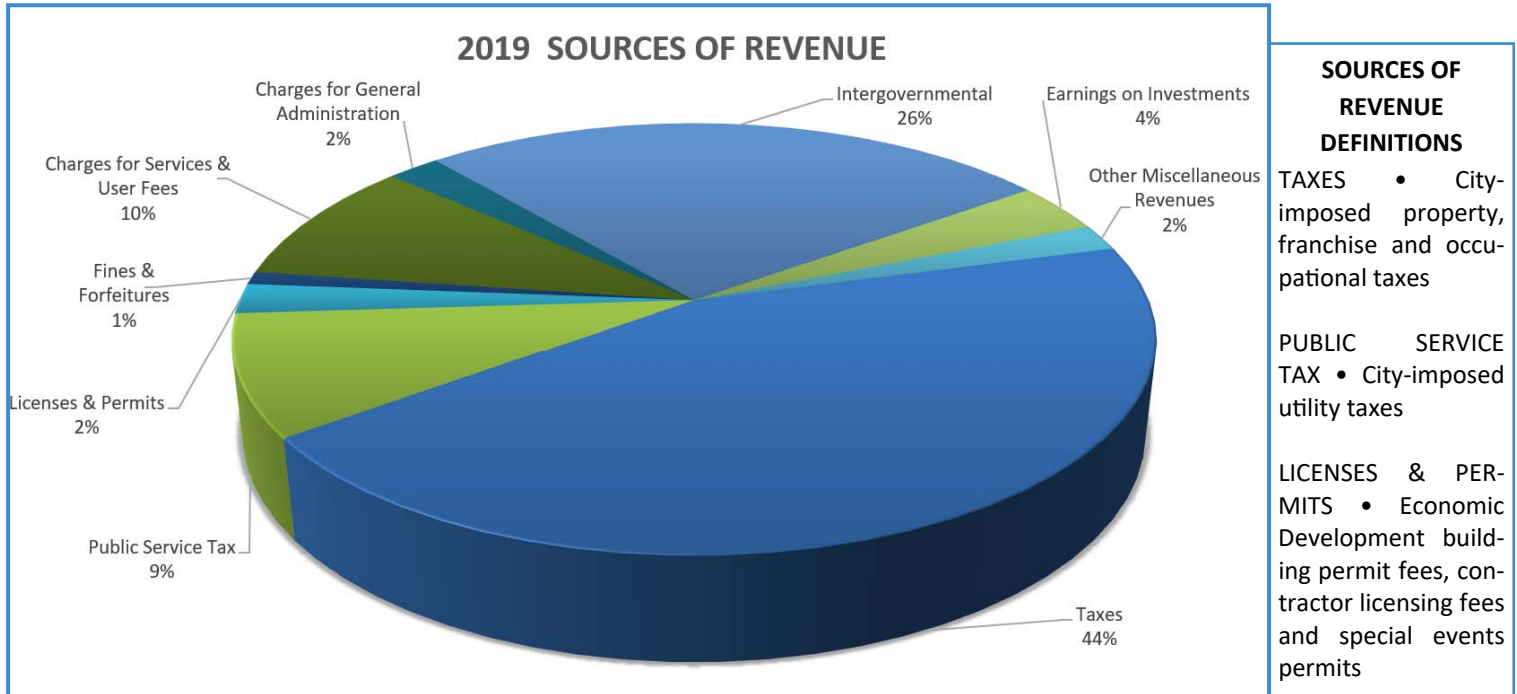
Your City taxes will make up less than one-third of your total property tax bill.

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.

CITY OF ST. PETERSBURG, FLORIDA

Where The Money Comes From • Governmental Funds Revenues

For financial reporting the City maintains 32 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.



SOURCES OF REVENUE:	2019	2018
Taxes	\$ 148,110,094	\$ 136,131,669
Public Service Tax	30,717,497	28,476,230
Licenses & Permits	7,505,380	6,834,401
Fines & Forfeitures	3,183,112	3,236,956
Charges for Services & User Fees	31,566,066	29,314,716
Charges for General Administration	7,337,760	7,193,880
Intergovernmental	88,612,944	89,464,251
Earnings on Investments	12,624,130	2,589,906
Other Miscellaneous Revenues	6,596,781	6,353,246
	<u>\$ 336,253,764</u>	<u>\$ 309,595,255</u>

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 • 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.

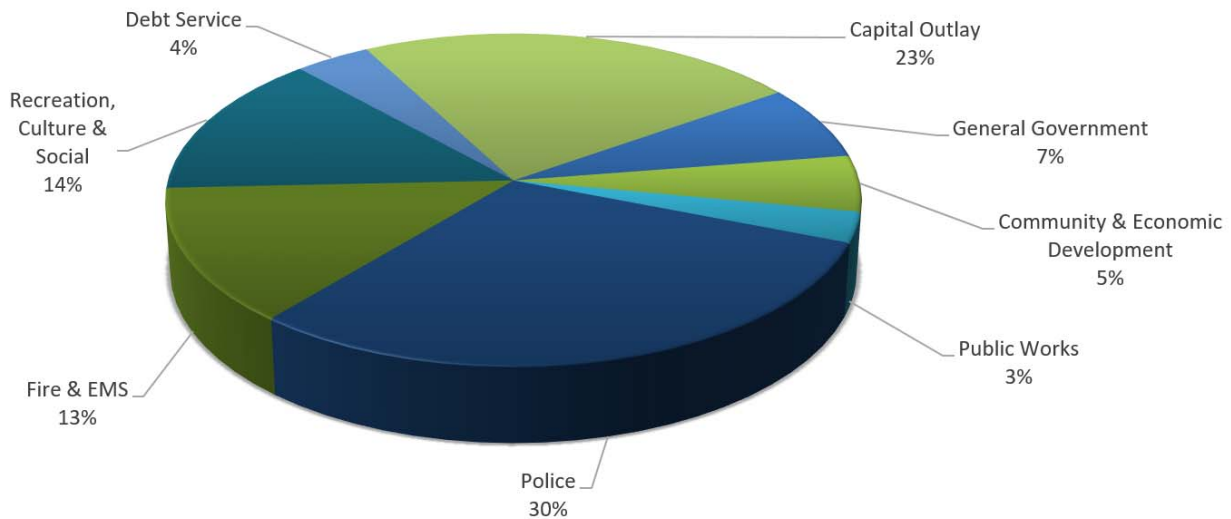
Governmental revenues in general were consistent year over year, however the revenue sources individually had some variance. During 2019 the City experienced an overall increase in taxable values within the City, increasing property tax revenues by \$10.7 million. The City of St. Petersburg has benefited from continued commercial growth and experienced its seventh consecutive increase in real property taxable values in fiscal year 2019 after five years of declining taxable values. Earnings on investments also saw an increase of \$10 million in fiscal year 2019.

CITY OF ST. PETERSBURG, FLORIDA

Where The Money Goes • Governmental Funds Expenditures

The City governmental funds expenditures have experienced a \$2.51 million decrease in total expenditures from fiscal year 2018 to 2019. 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. The majority of Capital Outlay includes large-scale upgrades and the construction of the Pier, Pier Approach and new police headquarters. Many of the other programs are overall consistent to fiscal year 2018.

2019 EXPENDITURES BY PROGRAM



Expenditure by Program

	2019
General Government	\$ 27,294,628
Community & Economic Development	20,491,077
Public Works	11,100,228
Police	113,177,078
Fire & EMS	49,722,300
Recreation & Culture	52,471,436
Debt Service	14,853,189
Capital Outlay	86,712,279
	<u>\$ 375,822,215</u>

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.



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.

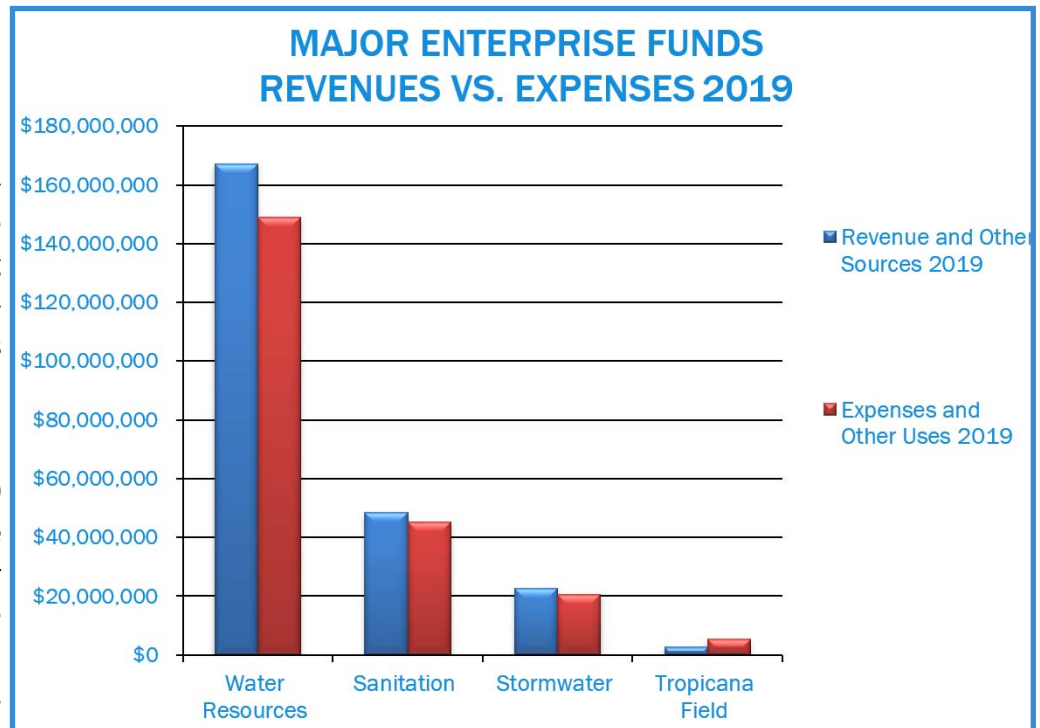
Water resources experienced an increase in net position in 2019 (revenues and other sources were approximately \$5.3 million higher than expenses and other uses) due primarily to utility rate increases. The utility rate increases (and thus excess revenues over expenditures)

are to be used to invest in water resources utility system upgrades and related future debt service payments. As compared to the prior year, total expenses and other uses experienced an increase of \$12.4 million while revenues increased compared to the prior year by \$17.7 million.

Sanitation results show an increase in net position of \$3.2 million in 2019 due to rate increases which will be used to invest in planned facility, service and equipment improvements and additional operating expenses.

Stormwater experienced an increase in net position of \$2.1 million primarily due to increases in Stormwater fees that will be used to fund upcoming capital improvements and future debt service payments. Total revenues and other sources decreased \$1.4 million compared to the prior year, however operating revenues increased \$2.3 million.

Tropicana Field results are consistent compared to 2018 but still show a decrease in net position in 2019 due to significant depreciation expense recognized on capital assets. Tropicana Field depreciation expense included in expenses and other uses was \$3.2 million in 2019.



CITY OF ST. PETERSBURG, FLORIDA

Enterprise Funds • Nonmajor Funds

NONMAJOR ENTERPRISE FUNDS:

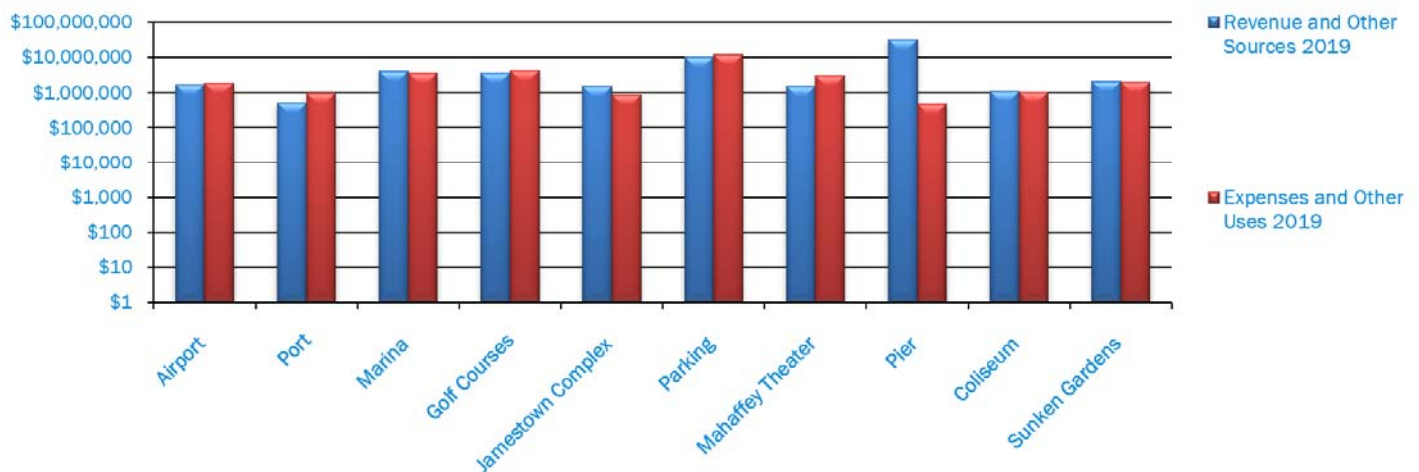
Many of the nonmajor enterprise funds at the City have experienced rising costs of providing services due to inflation or increased healthcare costs and have not been able to pass on the increase through charges for services. In many instances the City has continued to “subsidize” some of these enterprise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

In 2019, 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, Pier and Jamestown funds all receive transfers or loans from the General Fund to support operations. The Airport and Pier received capital assets (construction in progress) from governmental-activities-sponsored funding sources, such as tax increment financing and grants, that is included in the total for revenues and other sources.



NONMAJOR ENTERPRISE FUNDS REVENUES VS. EXPENSES 2019



CITY OF ST. PETERSBURG, FLORIDA

Debt Outstanding

As of September 30, 2019, the total gross indebtedness of the City was \$784 million with reserves of \$46 million for a net debt of \$738 million. A comparison of gross debt of \$716 million as of September 30, 2018, shows an increase of \$68 million during the year. Governmental debt had a net decrease of \$12 million in gross debt due to principal payments. Enterprise debt had a net increase of \$79 million in gross debt due to \$205 million in debt issuance, \$7 million in State Revolving Fund Loans drawdowns, payoff of Public Utility Subordinate Lien Bond Anticipation Note, Series 2017 for \$120 million and \$13 million in principal payments.

On October 2, 2018, the City executed \$205,120,000 in Public Utility Refunding Revenue Bonds, Series 2018. The Public Utility Revenue Bonds, Series 2018 proceeds are being used to currently refund all of the City's outstanding Public Utility Subordinate Lien Bond Anticipation Note, Series 2017 and to finance public utility system projects. The public utility system projects are to replace and rehabilitate existing facilities and Water Treatment Plan Optimization at Water Treatment Plants and pump stations, replacement of existing pipelines and facilities in the Water Treatment and Distribution System, replace and rehabilitate the Wastewater Collection System, rehabilitate existing facilities and enhancement of reliability of treatment processes to Water Reclamation Facilities, improve facility generator power to the Water Resources Complex, and the acquisition, construction and erection of improvements to the System. The Public Utility Refunding Revenue Bonds, Series 2018 has serial bonds due through October 1, 2039 with interest rates varying between 4.00% and 5.00% and two term bonds due October 1, 2043 at 4.00% and due October 1, 2048 at 4.00%. The bonds are secured by the net revenue of the combined water, wastewater, reclaimed water and stormwater systems.

Combined Schedule of Outstanding Debt				
Governmental Debt				
Date of Issue	Debt Description	Interest Rate	Maturity Date	Outstanding Debt
Revenue Bonds				
8/1/2014	Professional Sports Facility Sales Tax Refunding Revenue Bonds, Series 2014	2.63%	10/1/2025	\$ 11,740,000
3/9/2016	Public Service Tax Revenue Bonds, Series 2016 A & B	2.52%	10/1/2031	54,600,000
Total Revenue Bonds				<u>66,340,000</u>
Notes Payable				
3/11/2008	Banc of America N.A. Taxable Non Ad Valorem Revenue Note, Series 2008B	4.79%	2/21/2021	378,000
5/12/2017	TD Bank Non Ad Valorem Revenue Note, Series 2017C	1.83%	12/1/2020	33,530,000
5/12/2017	TD Bank Non Ad Valorem Revenue Note, Series 2017D	1.84%	12/1/2022	10,100,000
5/12/2017	BOA Leasing & Capital LLC Taxable Non Ad Valorem Revenue Note (QECB), Series 2017E	3.87%	12/1/2032	2,440,000
Total Notes Payable				<u>46,448,000</u>
Total Governmental Debt				<u>112,788,000</u>

CITY OF ST. PETERSBURG, FLORIDA

Debt Outstanding

Enterprise Debt

Revenue Bonds

Various Public Utility Revenue Bonds	Various	Various	603,795,000
--------------------------------------	---------	---------	-------------

Total Revenue Bonds

603,795,000

Notes Payable

Various State Revolving Fund Loans	Various	Various	61,664,854
10/7/2014 Hancock Bank Non Ad Valorem Revenue Notes, Series 2014	1.44%	10/1/2022	1,140,000
3/8/2017 TD Bank - 2017A Note - Marina Project	1.98%	7/1/2031	2,525,000
3/8/2017 TD Bank - 2017B Note - Marina Project (Refund 2007)	1.98%	7/1/2022	1,840,000

Total Notes Payable

67,169,854

Total Enterprise Debt

670,964,854

Total Indebtedness September 30, 2019

\$ 783,752,854





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



st.petersburg
www.stpete.org