

City Mayor and Council Members as of September 30, 2022



DISTRICT 1
COPLEY
GERDES



DISTRICT 2 BRANDI GABBARD





MAYOR KEN WELCH



DISTRICT 3 ED MONTANARI



DISTRICT 4
LISSET
HANEWICZ



DISTRICT 5 DEBORAH FIGGS-SANDERS



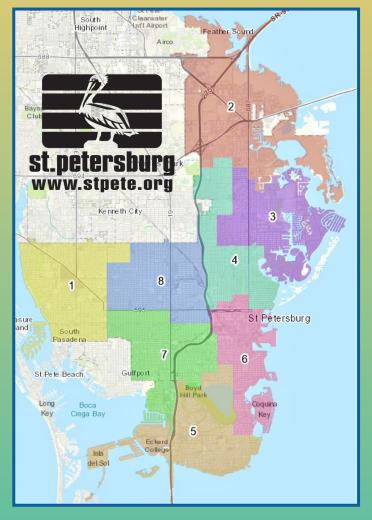
DISTRICT 6
GINA
DRISCOLL



DISTRICT 7 JOHN MUHAMMAD



DISTRICT 8
RICHIE
FLOYD



Popular Annual Financial Report • For the Year Ended September 30, 2022

INSIDE THIS REPORT:

City Mayor and Council Members	1
A Message From The City	2
PAFR Award for Fiscal Year 2021	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
City Vision: We Are St. Pete	15

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, 2022. 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. Continual 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 Finance Department
Email: Finance@stpete.org

Popular Annual Financial Report • For the Year Ended September 30, 2022

ABOUT THE POPULAR ANNUAL FINANCIAL REPORT

The financial information presented in the PAFR is derived from the City's Annual Comprehensive Financial Report ("Annual Report") and is presented here in summarized form. The Annual Report outlines the City's financial position and operating activities for fiscal year 2022 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).



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, 2021

Christopher P. Morrill

Executive Director/CEO

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 Annual Report. The PAFR does not include all funds of the City or 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 a modified basis of accounting that focuses on more short-term financial information. The enterprise funds such as water, stormwater and sanitation are primarily supported by charges for services and are shown using the standard accrual basis of accounting that includes both short and longterm financial information.

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 Annual Report & PAFR are available to be viewed and downloaded at the City's web site at www.stpete.org/Finance.





About Our City



Area of Land: 61.8 square miles

Median Age: 42.9

Population 18+ with Bachelor's Degree or Higher: 29.7%

<u>Median Household Income</u>: \$64,375 <u>Average Household Size:</u>: 2.26

Median Housing Value: \$315,200

Source: City of St. Petersburg Economic Development Department, GIS, US Census Bureau, and Bureau of Labor Statistics.

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. During fiscal 2022 net position increased from the prior year by \$65.3 million for governmental activities and \$18.5 million for business-type activities.

	Summary of Net Position					
	Governmental Activities	Business-Type Activities	Total Primary Government			
Current and Other Assets	\$668,005,104	\$548,540,951	\$1,216,546,055			
Capital Assets	449,352,914	1,146,497,692	1,595,850,606			
Total Assets	1,117,358,018	1,695,038,643	2,812,396,661			
Deferred Outflows of Resources	80,841,752	38,473,630	119,315,382			
Other Liabilities	74,578,117	45,545,681	120,123,798			
Long Term Liabilities	398,745,275	853,754,833	1,252,500,108			
Total Liabilities	473,323,392	899,300,514	1,372,623,906			
Deferred Inflows of Resources	131,019,372	33,976,032	164,995,404			
Net investment in capital assets	355,647,261	563,170,391	918,817,652			
Nonexpendable	418,620	200,000	618,620			
Restricted	81,650,845	8,083,998	89,734,843			
Unrestricted	156,140,280	228,781,338	384,921,618			
Total Net Position	\$593,857,006	\$800,235,727	\$1,394,092,733			

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.

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:		2022		2021		2020		2019	2018
Available Fund Balance to Expenditures	;	30.74%)	25.56%	, D	21.86%		15.51%	12.21%
Quick Ratio	2	,363.16%	2	,296.67%	<u>,</u> 1	,428.16%	1	,263.26%	747.21%
Operational Liquidity	1	,293.88%	1	,116.09%	, D	903.63%		831.89%	907.46%
Debt per Population	\$	565	\$	631	\$	701	\$	669	\$ 749
Revenue per Population	\$	1,230	\$	1,253	\$	1,255	\$	1,150	\$ 1,133
Expenditure per Population	\$	1,143	\$	1,228	\$	1,306	\$	1,285	\$ 1,385

<u>Available Fund Balance to Expenditures</u>: 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 24.25% in fiscal year 2021 (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 1,196.90% in fiscal year 2021 (1).

<u>Operational Liquidity</u>: 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 978.57% in fiscal year 2021 (1).

<u>Debt per Population</u>: 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 \$948 for fiscal year 2021 (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 \$1,469 for fiscal year 2021 (1).

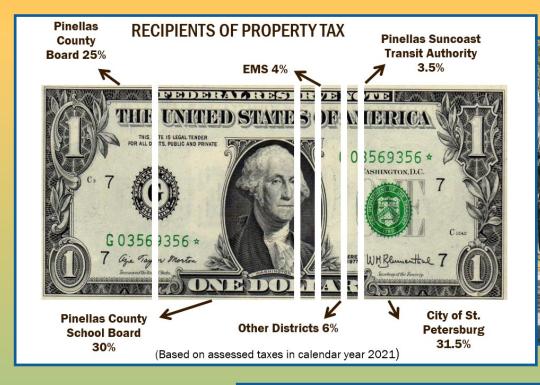
<u>Expenditures per Population</u>: Increasing results may indicate that the cost of providing services is outstripping the City's ability to pay (i.e., the City may be unable to maintain services at current levels.) The benchmark in Florida for comparable cities was \$1,447 for fiscal year 2021 (1).

1) 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 2022 position the City to continue to improve the quality of city services and remain fiscally solid in the near future.

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 then \$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 2021 operating millage rate collected during fiscal year 2022 was 6.6550 mills.







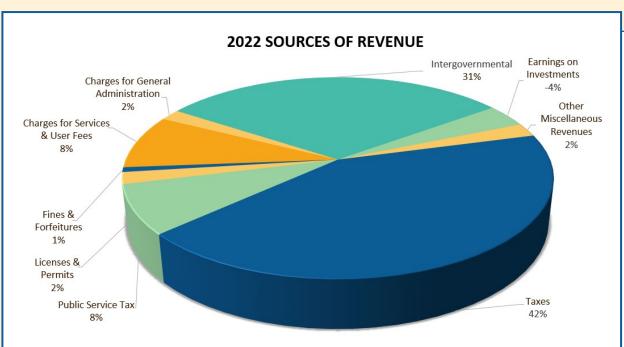


Your City taxes will make up less than one-third of your total property tax bill.

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.

Where The Money Comes From • Governmental Funds Revenues

For financial reporting the City maintains 33 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:	2022	2021
Taxes	\$ 182,864,707	\$ 171,861,215
Public Service Tax	33,942,329	32,446,057
Licenses & Permits	8,158,892	6,854,843
Fines & Forfeitures	3,271,111	2,697,099
Charges for Services & User Fees	37,432,770	31,894,540
Charges for General Administration	7,786,895	7,634,208
Intergovernmental	132,422,268	115,683,494
Earnings on Investments	(15,956,211)	3,638,094
Other Miscellaneous Revenues	9,343,581	7,383,622
	\$ 399,266,342	\$ 380,093,172

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.)

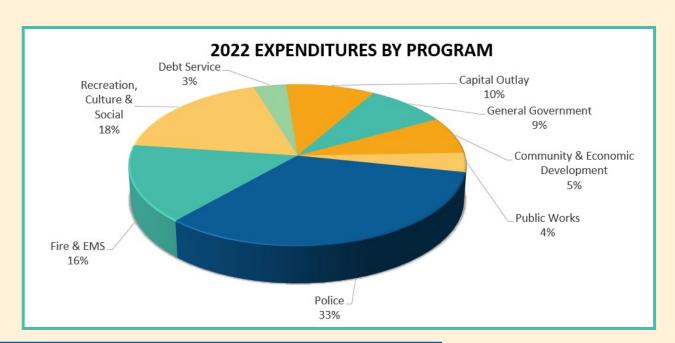
CHARGES FOR GENERAL ADMINISTRATION • Revenue collected from the City's business-type funds for general governmental services rendered

INTERGOVERNMENTAL • 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 remained consistent year over year, and continue to increase. However, earnings from investments reported a loss for fiscal year 2022 due to market value conditions as of the reporting date of September 30, 2022 which includes the effect of rapidly rising interest rates. The City maintains a buy and hold to maturity investment strategy and will not experience actual market value gains or loss fluctuations. City taxable values continued to rise, increasing property tax revenues by \$9.4 million. Governmental revenues continued to benefit from ongoing commercial development, construction permitting, and expansion of events and recreational programs.

Where The Money Goes • Governmental Funds Expenditures

The City governmental funds expenditures have experienced an \$1.3 million decrease in total expenditures from fiscal year 2021 to 2022. Public Safety is always a community priority and consistently ranks as the largest outlay. Police expenditures increased primarily as a result of increased workloads, salary increases, and hiring and equipping additional personnel. Recreation & Culture increased primarily due to the reopening of parks, facilities and libraries and the return of events following the pandemic. Decreases in Debt Service were due to principal payments, while Capital Outlay decreased with the completion of various capital improvement projects.



Expenditure by Program	2022	2021
General Government	\$ 32,235,896	\$ 30,008,099
Community & Economic Development	27,578,486	25,325,484
Public Works	14,164,359	13,485,320
Police	123,556,732	114,567,607
Fire & EMS	57,679,995	56,365,430
Recreation & Culture	67,508,743	60,297,629
Debt Service	12,938,053	25,120,900
Capital Outlay	 35,415,170	47,232,006
	\$ 371,077,434	\$ 372,402,475

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.



Enterprise Funds • Major Funds

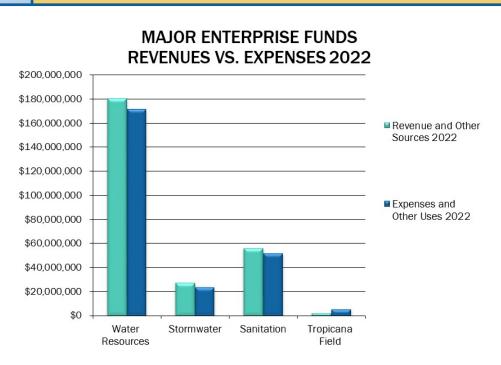
For financial reporting the City operates 14 enterprise funds that are primarily supported by "business" charges for services such as water, stormwater, sanitation, and other charges, and are shown using the economic resources measurement and accrual basis of accounting. Enterprise funds are set apart 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 2022 (revenues and other sources were approximately \$8.8 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 fund significant utility system capital improvements and related future debt service payments. As compared to the prior year, total expenses and other uses experienced an increase of \$11.7 million while revenues and other sources decreased by \$0.8 million, with the decrease attributable to the change in investment market values as of September 30, 2022.

Sanitation results show an increase in net position of \$4.0 million in 2022 due to the rate increases which will be used to invest in planned facility, service and equipment improvements and additional operating expenses. Compared to the prior year, total revenues and other sources increased \$3.1 million, while expenses and other uses experienced an increase of \$2.0 million.

Stormwater experienced an increase in net position of \$3.6 million in 2022 primarily due to the rate increases for funding planned projects in the upcoming capital plan. Compared to the prior year, total revenues and other sources increased \$3.9 million, while expenses and other uses remained consistent.

Tropicana Field results showed a \$3.1 million decrease in net position in 2022 compared to a decrease of \$2.4 million in the prior year. Decreases are primarily due to significant depreciation expense on capital assets, which was \$3.0 million of the overall \$5.5 million of expenses and other uses in 2022.

Enterprise Funds • Nonmajor Funds

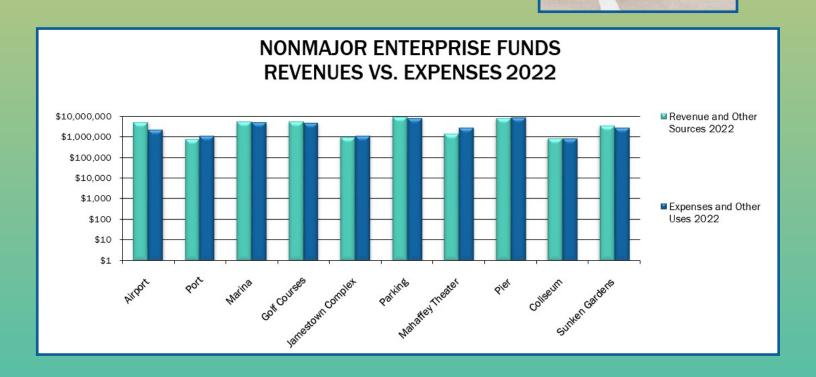
NONMAJOR ENTERPRISE FUNDS:

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 entirely passed-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 2022, the Parking, Golf, Marina and Sunken Gardens funds had sufficient operating revenues and other sources to

cover the costs of providing services. The Port, Jamestown Complex, Mahaffey Theater, Coliseum and Pier funds all receive transfers or loans from the General Fund to support operations. The Airport and Port funds also 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.





Debt Outstanding

As of September 30, 2022, the total gross indebtedness of the City was \$822.1 million. A comparison of gross debt of \$852.6 million as of September 30, 2021, shows a decrease of \$30.5 million during the year. Governmental debt had a net decrease of \$10.6 million in gross debt due to principal payments. Enterprise debt had a net decrease of \$19.9 million in gross debt due to principal payments and no net impact from the \$40.0 million in debt issuance that exchanged Public Utility Series 2020 for Series 2022A.

On July 6, 2022, the City executed \$40,035,000 in Public Utility Refunding Revenue Bonds, Series 2022A. The Public Utility Refunding Revenue Bonds, Series 2022A proceeds are being used to exchange (current refund) the City's outstanding Public Utility Refunding Taxable Revenue Bonds, Series 2020 which mature on or after October 1, 2033. The difference in cash flows is \$1,212,475. The Series 2022A refunding generated \$927,604 of net present value savings.

The City continues to monitor for opportunities to refinance or refund existing long term debt as regulatory and market conditions permit. The City had two subsequent debt issuances. In October 2022, the City issued Non-Ad Valorem Refunding Revenue Note, Series 2022 ("2022 Note") for \$15.3 million at a fixed interest rate of 3.230%. The 2022 Note will finance the cost of capital projects for infrastructure and buildings, including, a sanitation administrative building. On November 10, 2022, the City executed \$35,590,000 in

Public Utility Revenue Bonds, Series 2022B. The Public Utility Revenue Bonds, Series 2022B proceeds are being used to finance and/or reimburse the costs of the acquisition, construction and erection of additions, improvements and extensions to the City public utility system.

The City has the following Debt Ratings:			
	Moody s	Fitch	
Issuer Default Rating/Underlying Rating	Aa2	AA+	
Public Service Tax Revenue Bonds	Aa3	AA+	
Public Utility Revenue Bonds	Aa2	AA	



Debt Outstanding

Combined Schedule of Outstanding Debt Governmental Debt

Date of Issue	Debt Description	Interest Rate	Maturity Date	Outstanding Debt
	Revenue Bonds			
3/9/2016	Public Service Tax Revenue Bonds, Series 2016A	2.52%	10/1/2031	\$ 34,855,000
3/9/2016	Public Service Tax Revenue Bonds, Series 2016B	2.52%	10/1/2031	13,930,000
	Total Revenue Bonds			48,785,000
	Notes Payable			
5/12/2017	TD Bank Non Ad Valorem Revenue Note, Series 2017D	1.84%	12/1/2022	2,595,000
5/12/2017		3.87%	12/1/2032	2,020,000
2/27/20	JPMorgan Non-Ad Valorem Revenue Note, Series 2020	1.70%	12/1/29	20,785,000
1/25/2020	Key Government Finance Non-Ad Valorem Revenue Note, Series 2020A	0.96%	11/1/23	2,010,000
3/25/2021	· · · · · · · · · · · · · · · · · · ·	0.93%	10/1/25	7,120,000
	Total Notes Payable			34,530,000
	Lease			
6/1/2020	Motorola Solutions, Inc. Equipment Lease	0% to 1.70% with OID 2.15%	12/1/2025	4,081,834
	Total Lease			4,081,834
	Total Governmental Debt			\$ 87,396,834

Debt Outstanding

Combined Schedule of Outstanding Debt - Enterprise Debt

Date of Issue	Debt Description	Interest Rate	Maturity Date	Outstanding Debt
	Revenue Bonds			
1/15/2013	Public Utility Revenue Bonds,	3.00% - 4.00%	10/1/2042	800,000
1/15/2013	Series 2013A Public Utility Refunding Revenue Bonds, Series	2.50% - 4.00%	10/1/2033	440,000
11/13/2013	2013B Public Utility Revenue Bonds, Series 2013C	4.25% - 5.00%	10/1/2043	1,185,000
10/15/2014	Public Utility Revenue Bonds, Series 2014A	3.00% - 5.00%	10/1/2044	29,725,000
10/15/2014	Public Utility Refunding Revenue Bonds, Series 2014B	3.00% - 5.00%	10/1/2035	37,555,000
11/19/2015	Public Utility Revenue Bonds, Series 2015	2.75%-5%	10/1/2045	26,995,000
8/16/2016	Public Utility Refunding Revenue Bonds, Series 2016A	1.75%	10/1/2028	34,385,000
10/18/2016	Public Utility Refunding Revenue Bonds, Series 2016B	2.50% - 5.00%	10/1/2039	50,605,000
10/26/2016	Public Utility Revenue Bonds, Series 2016C	4.00% - 5.00%	10/1/2046	41,770,000
10/4/2018	Public Utility Refunding Revenue Bonds, Series 2018	4.00% - 5.00%	1/1/2048	198,900,000
11/14/19	Public Utility Revenue Bonds, Series 2019A	5.00%	10/1/2049	52,210,000
11/14/19	Public Utility Refunding Revenue Bonds, Series 2019B	3.00% - 5.00%	10/1/2040	41,565,000
7/15/2021	Public Utility Revenue Bonds, Series 2021A	4.00% - 5.00%	10/1/2050	71,995,000
7/15/2021	Public Utility Refunding Revenue Bonds, Series 2021B	0.10% to 2.70%	10/1/2043	57,440,000
7/6/2022	Public Utility Refunding Revenue Bonds, Series 2022A	1.30%	10/1/2033	40,035,000
	Total Revenue Bonds			\$ 685,605,000
	Notes Payable			
Various 10/7/2014	State Revolving Fund Loans Hancock Bank Non Ad Valorem Revenue Notes,	Various 1.44%	Various 10/12022	46,240,19 290,00
3/25/2021	Series 2014 PNC Taxable Non Ad Valorem Refunding Revenue Notes, Series 2021B	1.86%	7/1/2031	2,560,00
	Total Notes Payable			49,090,19
	Total Enterprise Debt			734,695,19
	Total Indebtedness September 30, 2022			\$ 822,092,02



PILLARS for PROGRESS

IN-TOUCH

Our approach will be hands-on, active in the community, and collaborative with constituents.

INCLUSIVE

Everyone will have a seat at the table, every constituent will be heard, and every employee will be valued.

INNOVATIVE

We will embrace new technologies, new ideas, and creative partnerships to implement effective solutions and improve constituent services.

INFORMED

We will be guided by best practices, facts, science, and our city's history.

IMPACTFUL

We will ask the question: "Will it improve the quality of life for the people of St. Petersburg?"

INTENTIONAL

We will incorporate equity into all policies, to ensure that our growth benefits our entire community.

PRINCIPLES FOR ACCOUNTABLE AND RESPONSIVE GOVERNMENT

KENNETH T. WELCH CITY OF ST. PETERSBURG

St. Petersburg will be a diverse, vibrant city guided by principled progress and intentional inclusivity where innovation, partnerships, and ingenuity create opportunity for all.

