



CITY OF ST. PETERSBURG, FLORIDA POPULAR ANNUAL FINANCIAL REPORT

Fiscal Year 2020
October 1, 2019 - September 30, 2020

CITY OF ST. PETERSBURG, FLORIDA

City Mayor and Council Members as of September 30, 2020



**DISTRICT 1
ROBERT
BLACKMON**



**DISTRICT 2
BRANDI
GABBARD**



**MAYOR
RICK
KRISEMAN**



**DEPUTY MAYOR
KANIKA
TOMALIN**



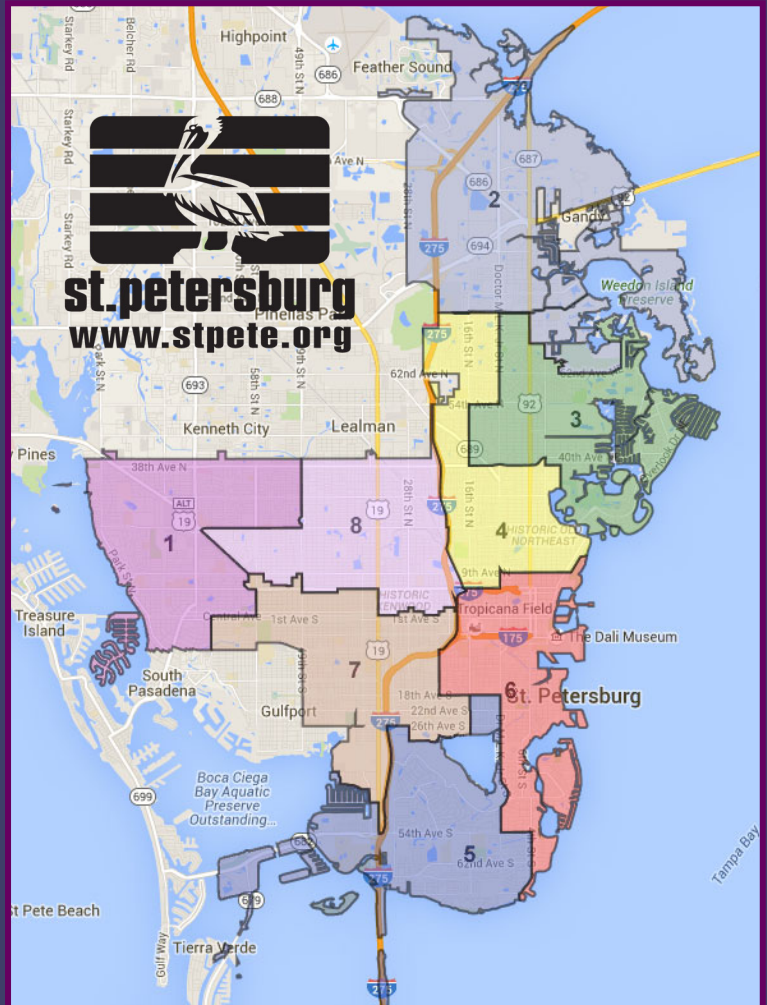
**DISTRICT 3
ED
MONTANARI**



**DISTRICT 4
DARDEN
RICE**



**DISTRICT 5
DEBORAH
FIGGS-SANDERS**



**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, 2020

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A MESSAGE FROM THE CITY



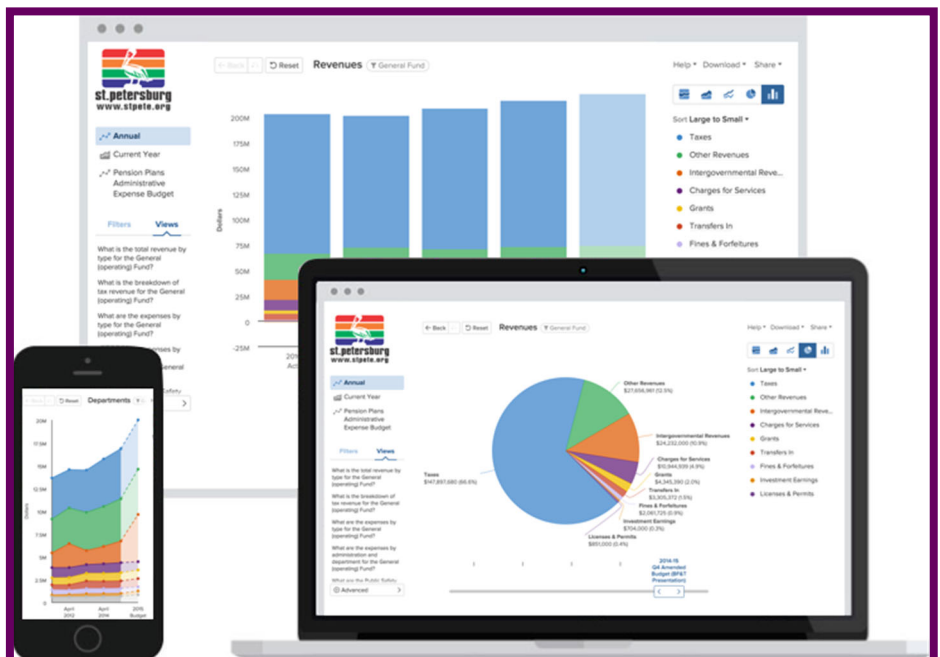
We understand the importance of being accountable for the proper management of public funds and are pleased to present the City's Popular Annual Financial Report (PAFR) for the year ended September 30, 2020. The report provides you, the citizens, a brief analysis of the City's fiscal operations and showcases 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, 2020

ABOUT THE POPULAR ANNUAL FINANCIAL REPORT

The financial information presented in the PAFR is derived from the City's Comprehensive Annual 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 2020 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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of St. Petersburg
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

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 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 a modified basis of accounting that focuses on more short-term financial information. The enterprise funds are primarily supported by charges for services such as water, stormwater and sanitation and are shown using the standard accrual basis of accounting that includes both short and long-term financial information.

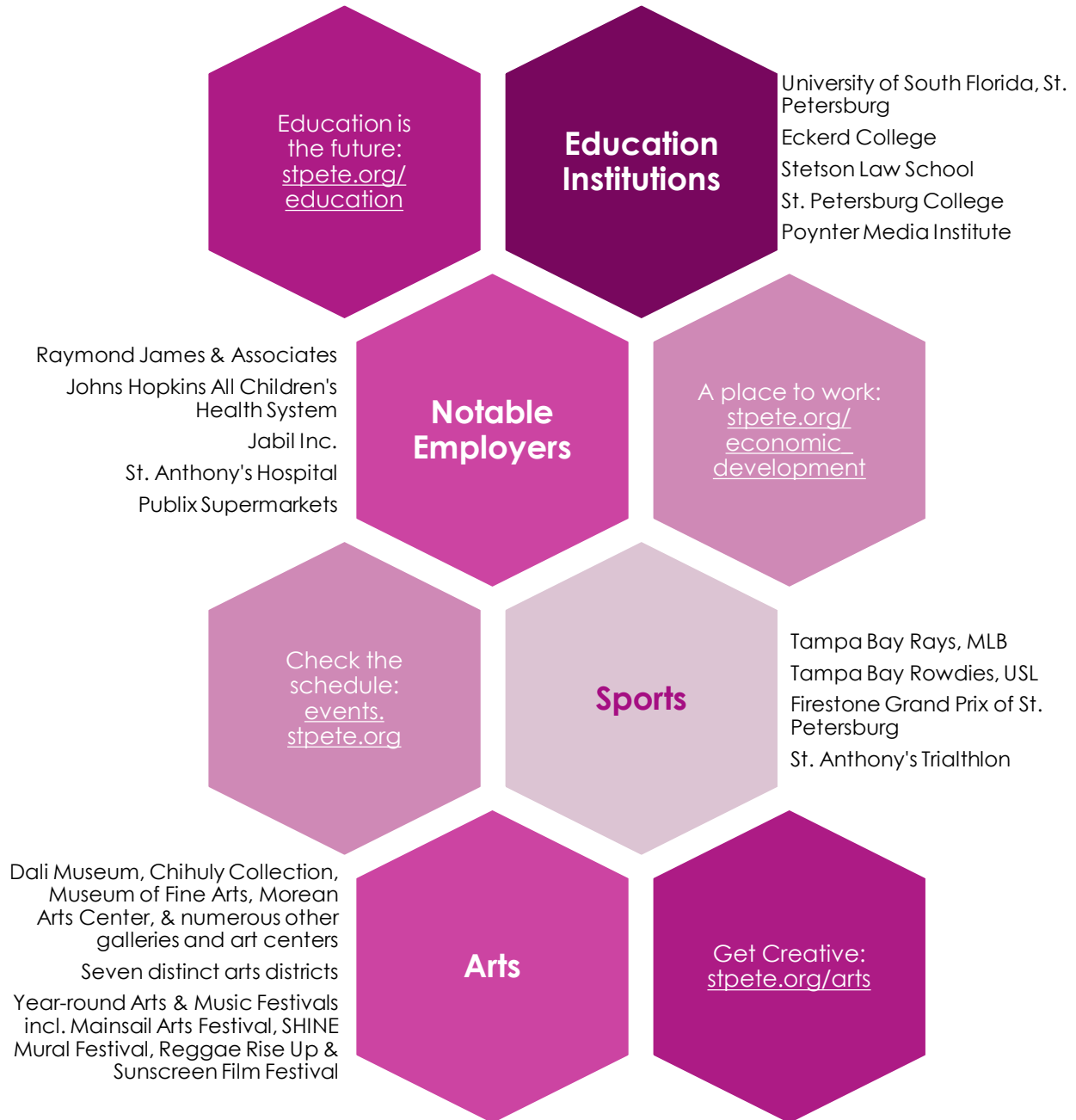
The PAFR is a means of increasing public awareness about the City's financial condition through a more user-friendly presentation. It is unaudited and not presented in GAAP format. The Annual Report & PAFR are available to be viewed and downloaded at the City's web site at www.stpete.org/Finance.



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.



Population: 271,044

Median Age: 43.8

Population with Bachelor's Degree or Higher: 38.9%

Median Household Income: \$61,631

Average Household Size:: 2.48

Median Housing Value: \$242,700

Source: US Census Bureau and UF Bureau of Economic and Business Research

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. During fiscal 2020 net position increased from the prior year by \$19.3 million for governmental activities and \$36.2 million for business-type activities, despite the immediate impacts of the COVID-19 pandemic.

	Summary of Net Position		
	Governmental Activities	Business-Type Activities	Total Primary Government
Current and Other Assets	\$ 502,035,131	\$ 481,868,957	\$ 983,904,088
Capital Assets	442,286,305	1,106,283,613	1,548,569,918
Total Assets	944,321,436	1,588,152,570	2,532,474,006
Deferred Outflows of Resources	79,209,787	31,518,994	110,728,781
Other Liabilities	41,137,663	33,243,309	74,380,972
Long Term Liabilities	461,486,624	819,424,652	1,280,911,276
Total Liabilities	502,624,287	852,667,961	1,355,292,248
Deferred Inflows of Resources	37,186,421	10,746,024	47,932,445
Net investment in capital assets	349,912,523	563,604,621	913,517,144
Nonexpendable	17,247,825	-	17,247,825
Restricted	19,402,437	13,892,544	33,294,981
Unrestricted	97,157,730	178,760,414	275,918,144
Total Net Position	\$ 483,720,515	\$ 756,257,579	\$ 1,239,978,094

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:	2020	2019	2018	2017	2016
Available Fund Balance to Expenditures	21.86%	15.51%	12.21%	14.73%	18.72%
Quick Ratio	798.63%	736.46%	631.44%	927.82%	851.83%
Operational Liquidity	903.63%	831.89%	907.46%	1280.74%	1053.89%
Debt per Population	\$ 701	\$ 669	\$ 749	\$ 786	\$ 603
Revenue per Population	\$ 1,255	\$ 1,150	\$ 1,133	\$ 1,103	\$ 1,082
Expenditure per Population	\$ 1,306	\$ 1,285	\$ 1,385	\$ 1,130	\$ 1,109

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 18.22% in fiscal year 2019 (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 834.84% in fiscal year 2019 (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 731.47% in fiscal year 2019 (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 \$1,110 for fiscal year 2019 (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 \$1,486 for fiscal year 2019 (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 \$1,488 for fiscal year 2019 (1).

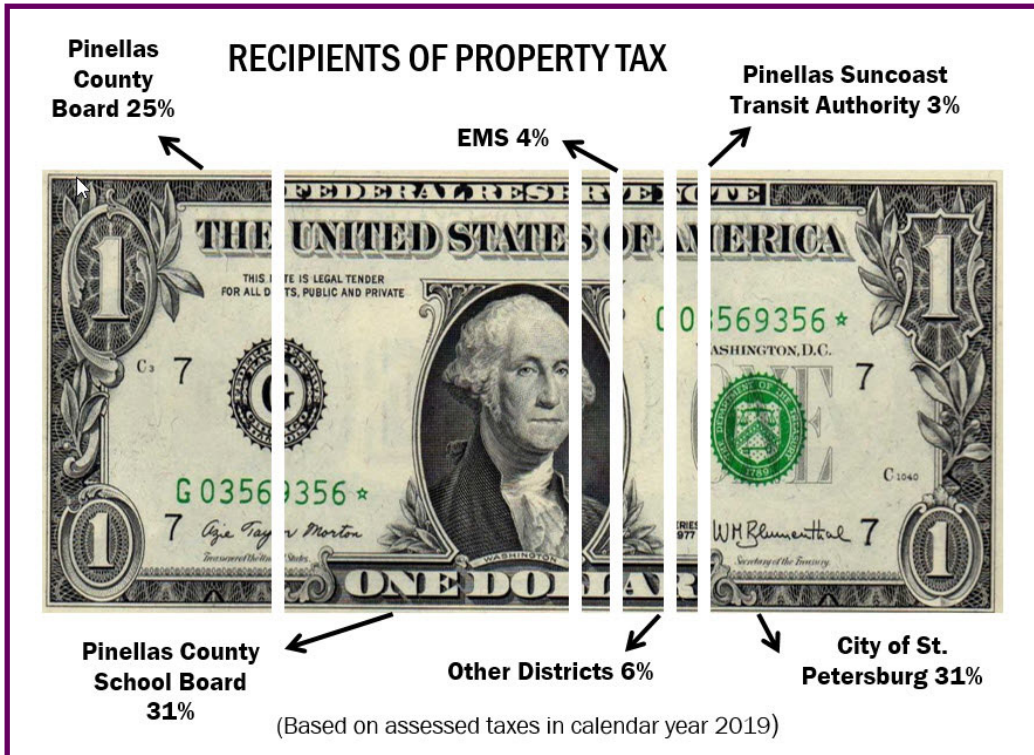
1) Benchmark information obtained from the State of Florida Auditor General Financial Condition Assessment workbooks for comparable municipalities.

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 2020 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 2019 operating millage rate collected during fiscal year 2020 was 6.7550 mills.



City of St. Peterburg Property Tax Rate History 2011 to 2020



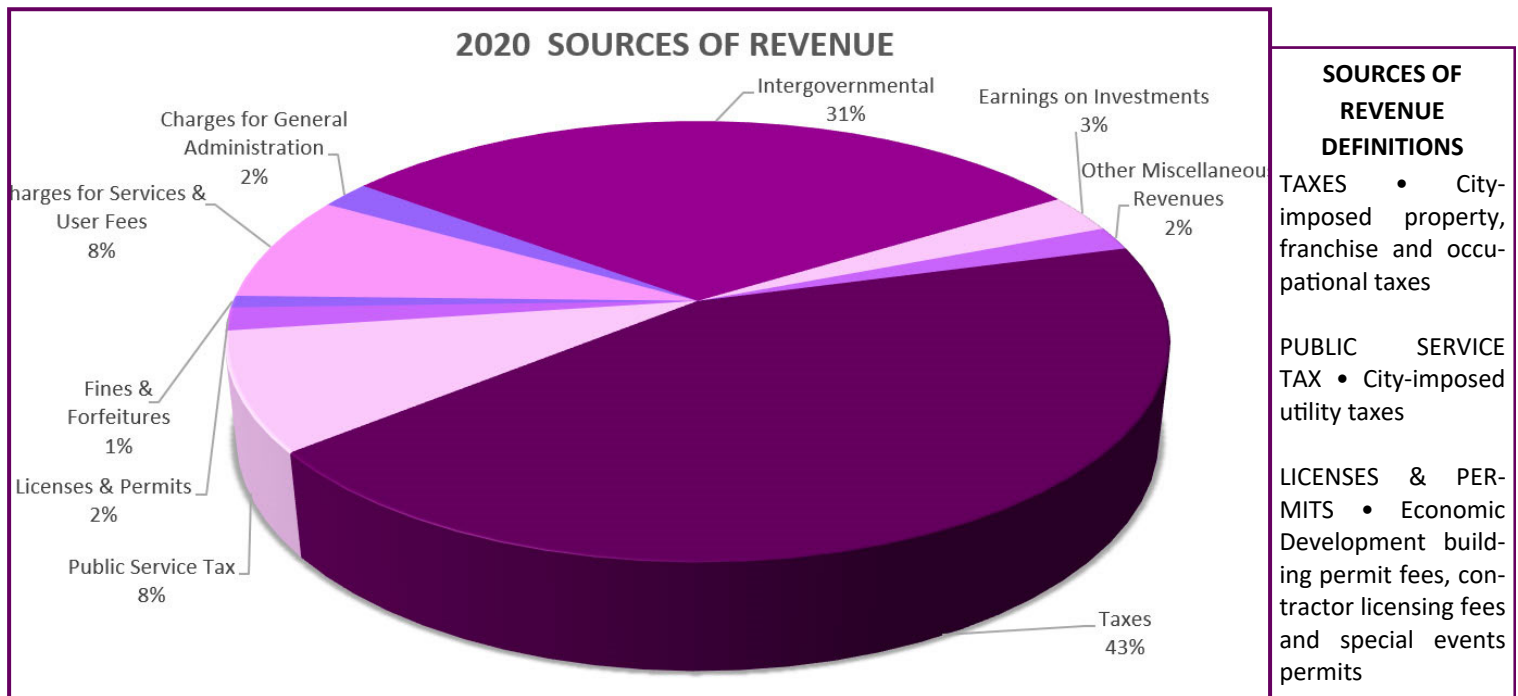
Your City taxes will make up less than one-third of your total property tax bill.

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:	2020	2019
Taxes	\$ 159,754,610	\$ 148,110,094
Public Service Tax	32,010,333	30,717,497
Licenses & Permits	6,236,132	7,505,380
Fines & Forfeitures	3,215,178	3,183,112
Charges for Services & User Fees	28,904,688	31,566,066
Charges for General Administration	7,484,544	7,337,760
Intergovernmental	114,237,726	88,612,944
Earnings on Investments	10,584,846	12,624,130
Other Miscellaneous Revenues	6,418,152	6,596,781
	<u>\$ 368,846,209</u>	<u>\$ 336,253,764</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.

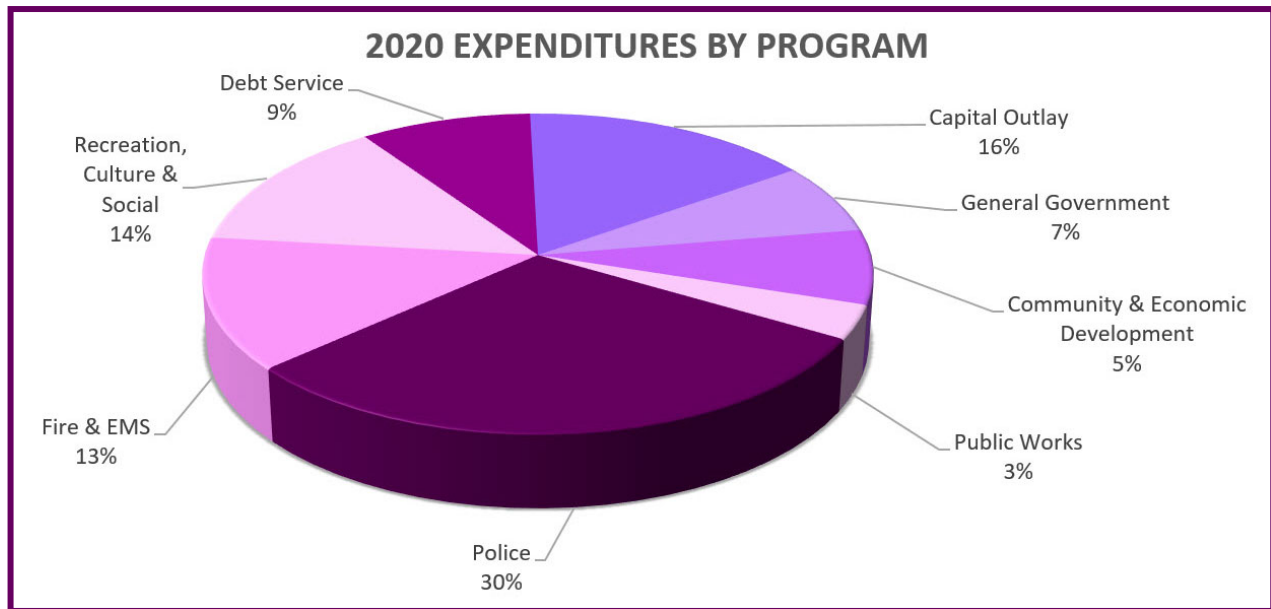
INTERGOVERNMENTAL • includes federal, state and other grant revenues as well as the City's share of taxes

Beginning in March 2020, the COVID-19 pandemic affected City revenues including certain taxes, other general revenues and charges for services due to less demand, closed facilities and cessation of many activities. The City still experienced an overall increase in taxable values within the City, increasing property tax revenues by \$12.2 million. Intergovernmental revenues increases include a one-time \$20 million funding from the County for the new Police Headquarters completed in FY 2019, and tax increment financing increases of \$2.3 million. Earnings from investments decreased due to the dramatic decline in interest rates spurred by Federal Reserve action to stimulate the economy .

CITY OF ST. PETERSBURG, FLORIDA

Where The Money Goes • Governmental Funds Expenditures

The City governmental funds expenditures have experienced a \$9.5 million increase in total expenditures from fiscal year 2019 to 2020. Public Safety, always a community priority, consistently ranks as the largest outlay. Police, Fire and EMS expenditures increased primarily as a result of investment in safety improvements, COVID-19 responsibilities and hiring and equipping additional personnel. Community & Economic Development increases include \$6.2 million from the City's Fighting Chance grant program for COVID assistance and \$2 million relating to the Bus Rapid Transit Program. Public Works increases \$3.6 million for increased maintenance, while Capital Outlay decreased with the completion of various Capital Improvement projects



Expenditure by Program

	2020	2019
General Government	\$ 27,325,173	\$ 27,294,628
Community & Economic Development	28,895,279	20,491,077
Public Works	13,209,752	11,100,228
Police	115,399,543	113,177,078
Fire & EMS	51,197,394	49,722,300
Recreation & Culture	51,963,146	52,471,436
Debt Service	35,465,128	14,853,189
Capital Outlay	60,243,503	86,712,279
	\$ 383,698,918	\$ 375,822,215

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

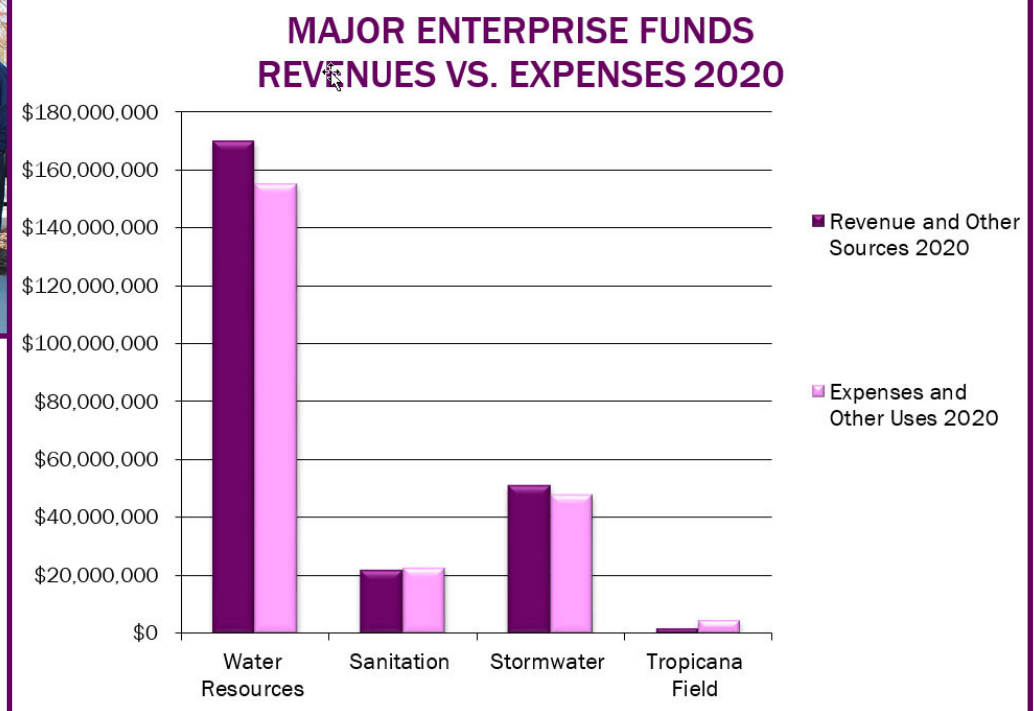
For financial reporting the City operates 14 enterprise funds that are primarily supported by “business” charges for services such as water, stormwater, sanitation, and other charges, and are shown using the economic resources measurement and accrual basis of accounting. Enterprise funds are set apart 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 2020 (revenues and other sources were approximately \$14.9 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 \$6.1 million while revenues and other sources increased by \$2.9 million .

Sanitation results show an increase in net position of \$3.5 million in 2020 due to rate increases which will be used to invest in planned facility, service and equipment improvements and additional operating expenses .

Stormwater experienced an decrease in net position of \$0.9 million in 2020 primarily due to the revenue changes in the Tiered Rate Program enacted in the prior year. Total revenues and other sources decreased \$1.0 million compared to the prior year, however operating revenues increased \$1.2 million .

Tropicana Field results were consistent compared to 2019 showing a decrease in net position in 2020 due to significant depreciation expense recognized on capital assets as well as decreased revenues due to the effects of COVID-19 on game attendance, despite the World Series. Tropicana Field depreciation expense included in expenses and other uses was \$3.1 million in 2020.

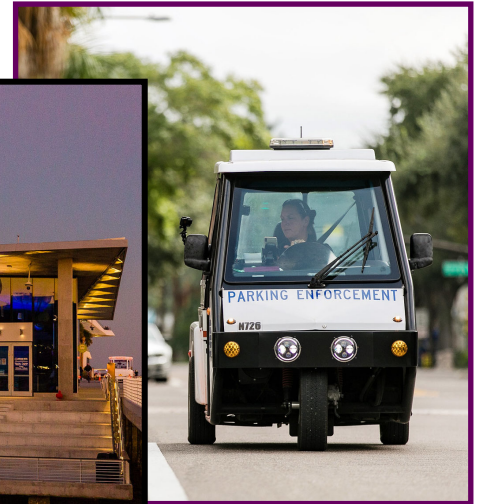
CITY OF ST. PETERSBURG, FLORIDA

Enterprise Funds • Nonmajor Funds

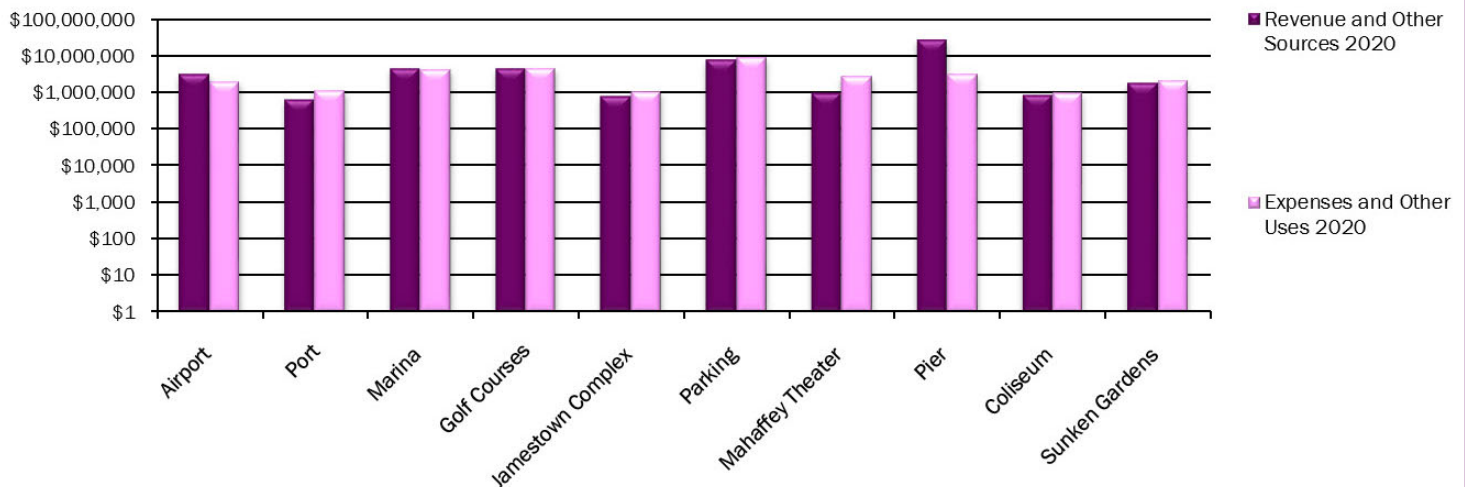
NONMAJOR ENTERPRISE FUNDS:

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 2020, the Parking and Marina funds had sufficient revenues and other sources to cover the costs of providing services. Golf Courses saw strong revenue growth as all three City courses remained open during the 2020 COVID-19 closures. The Pier, Port, Sunken Gardens, Coliseum, Mahaffey Theater and Jamestown funds all receive transfers or loans from the General Fund to support operations. The Airport, Pier Jamestown Apartments, Coliseum and Sunken Gardens 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.



NONMAJOR ENTERPRISE FUNDS REVENUES VS. EXPENSES 2020



CITY OF ST. PETERSBURG, FLORIDA

Debt Outstanding

As of September 30, 2020, the total gross indebtedness of the City was \$821 million with reserves of \$44 million for a net debt of \$777 million. A comparison of gross debt of \$784 million as of September 30, 2019, shows an increase of \$37 million during the year.

Governmental debt had a net increase of \$2 million in gross debt due to (1) \$34 million in debt issuance proceeds for public safety equipment and capital infrastructure and buildings projects; (2) debt service payment of the TD Bank Non-Ad Valorem Revenue Notes, Series 2017C for \$20 million from Penny for Pinellas revenues as agreed upon with Pinellas County; and (3) \$12 million in scheduled debt principal payments.

Enterprise debt had a net increase of \$36 million in gross debt due to (1) \$136 million in debt issuance proceeds related to the Public Utility Series 2019 and 2020 for new projects and refunding of older high interest rate bonds; (2) refunding/payoff of the Public Utility Refunding Revenue Bonds, Series 2010A and 2010B for \$46 million; (3) refunding/payoff of the Public Utility Refunding Revenue Bonds, Series 2013B for \$39 million; and (4) \$15 million in scheduled debt principal payments.

On November 14, 2019, the City executed \$53,035,000 in Public Utility Revenue Bonds, Series 2019A and \$42,544,000 in Public Utility Refunding Revenue Bonds, Series 2019B. The Public Utility Revenue Bonds, Series 2019A proceeds are being used 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 2019B proceeds are being used to advance refund the City's outstanding Public Utility Revenue Bonds, Series 2010A (Federally Taxable - Build America Bonds – Direct Subsidy) and Public Utility Revenue Bonds, Series 2010B (Federally Taxable – Recovery Zone Economic Development Bonds – Direct Subsidy) which mature on or after October 1, 2039 and October 1, 2040, respectively. The Series 2019B refunding generated \$6,750,381 of net present value savings.



For more details, please
download the City's Debt
Supplement Report from
our website:
www.stpete.org/finance



CITY OF ST. PETERSBURG, FLORIDA

Debt Outstanding

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	\$ 10,125,000
3/9/2016	Public Service Tax Revenue Bonds, Series 2016A	2.52%	10/1/2031	37,695,000
3/9/2016	Public Service Tax Revenue Bonds, Series 2016B	2.52%	10/1/2031	16,080,000
Total Revenue Bonds				<u>63,900,000</u>
Notes Payable				
3/11/2008	Banc of America N.A. Taxable Non Ad Valorem Revenue Note, Series 2008B	4.79%	2/21/2021	194,000
5/12/2017	TD Bank Non Ad Valorem Revenue Note, Series 2017C	1.83%	12/1/2020	6,445,000
5/12/2017	TD Bank Non Ad Valorem Revenue Note, Series 2017D	1.84%	12/1/2022	7,645,000
5/12/2017	BOA Leasing & Capital LLC Taxable Non Ad Valorem Revenue Note (QECB), Series 2017E	3.87%	12/1/2032	2,305,000
2/27/20	JPMorgan Non-Ad Valorem Revenue Note, Series 2020	1.70%	12/1/29	25,000,000
1/25/2020	Key Government Finance Non-Ad Valorem Revenue Note, Series 2020A	0.96%	11/1/23	3,000,000
Total Notes Payable				<u>44,589,000</u>
Lease				
1/1/2020	Motorola Solutions, Inc. Equipment Lease	0% to 1.70% with OID 2.15%	1/1/2022	6,146,027
Total Lease				<u>6,146,027</u>
Total Governmental Debt				<u>\$ 114,635,027</u>

CITY OF ST. PETERSBURG, FLORIDA

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, Series 2013A	3.00% - 4.00%	10/1/2042	38,080,000
1/15/2013	Public Utility Refunding Revenue Bonds, Series 2013B	2.50% - 4.00%	10/1/2033	1,290,000
11/13/2013	Public Utility Revenue Bonds, Series 2013C	4.25% - 5.00%	10/1/2043	24,495,000
10/15/2014	Public Utility Revenue Bonds, Series 2014A	3.00% - 5.00%	10/1/2044	31,320,000
10/15/2014	Public Utility Refunding Revenue Bonds, Series 2014B	3.00% - 5.00%	10/1/2035	39,585,000
11/19/2015	Public Utility Revenue Bonds, Series 2015	2.75%-5%	10/1/2045	28,345,000
8/16/2016	Public Utility Refunding Revenue Bonds, Series 2016A	1.75%	10/1/2028	43,465,000
10/18/2016	Public Utility Refunding Revenue Bonds, Series 2016B	2.50% - 5.00%	10/1/2039	52,260,000
10/26/2016	Public Utility Revenue Bonds, Series 2016C	4.00% - 5.00%	10/1/2046	43,525,000
10/4/2018	Public Utility Refunding Revenue Bonds, Series 2018	4.00% - 5.00%	1/1/2048	205,120,000
11/14/19	Public Utility Revenue Bonds, Series 2019A	5.00%	10/1/2049	53,035,000
11/14/19	Public Utility Refunding Revenue Bonds, Series 2019B	3.00% - 5.00%	10/1/2040	42,545,000
8/28/2020	Public Utility Refunding Revenue Bonds, Series 2020	1.60%	10/1/2033	40,150,000
Total Revenue Bonds				<u>\$ 643,215,000</u>
Notes Payable				
Various	State Revolving Fund Loans	Various	Various	58,507,175
10/7/2014	Hancock Bank Non Ad Valorem Revenue Notes, Series 2014	1.44%	10/12/2022	860,000
3/8/2017	TD Bank - 2017A Note - Marina Project	1.98%	7/1/2031	1,925,000
3/8/2017	TD Bank - 2017B Note - Marina Project (Refund 2007)	1.98%	7/1/2022	1,840,000
Total Notes Payable				<u>63,132,175</u>
Total Enterprise Debt				<u>706,347,175</u>
Total Indebtedness September 30, 2020				<u>\$ 820,982,202</u>

FINANCE DEPARTMENT

Telephone: (727) 893-7304 • Email: Finance@StPete.org



st.petersburg
www.stpete.org

YOU *sun* SHINE
ARE MY CITY