



City of Pensacola

Agenda Conference

Agenda

City of Pensacola
222 W. Main Street
Pensacola, FL 32502

April 7, 2025, 3:30 PM

Hagler-Mason Conference Room, 2nd Floor

The meeting can be watched via live stream at cityofpensacola.com/video.

ROLL CALL

PRESENTATION ITEMS

REVIEW OF CONSENT AGENDA ITEMS

1. 25-342 APPOINTMENTS - AFFORDABLE HOUSING ADVISORY COMMITTEE

Recommendation: That City Council approve the following Escambia County appointees as members of the Affordable Housing Advisory Committee for a term of three years, expiring December 31, 2028.

Ed Brown
Laura Gilmore
Deborah Mays
Maya Moss
Melody Neal
Robert Strickland
Charles Thornton

Sponsors: Jared Moore, Council President

Attachments: *AHAC Application - Ed Brown*
AHAC Application - Laura Gilmore
AHAC Application - Deborah Mays
AHAC Application - Maya Moss
AHAC Application - Melody Neal
AHAC Application - Robert Strickland
AHAC Application - Charles Thornton

2. 25-278 APPOINTMENT - ZONING BOARD OF ADJUSTMENT

Recommendation: That City Council appoint one individual, who is a resident or property owner of the City, to the Zoning Board of Adjustment to fill an unexpired term, ending July 14, 2026.

Sponsors: Jared Moore, Council President

Attachments: *Member List*
Nomination Form - Nannette Chandler
Application of Interest - Nannette Chandler

3. 25-149 AWARD OF CONTRACT RFQ NO. 25-011 - LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES

Recommendation: That the City Council award contract(s) for RFQ No. 25-011 for landscape installation and maintenance continuing services to Outer Spaces, LLC, Rotolo Consultants, Inc., and Wallace Sprinkler & Supply, Inc. Further, that City Council authorize the Mayor to take those actions necessary to negotiate, execute and administer these contracts and complete the work, consistent with the contracting documents and the Mayor's Executive Powers as granted in the City Charter.

Sponsors: DC Reeves, Mayor

Attachments: *RFQ No. 25-011*
Written Submittals Evaluation
OUTER SPACES LLC Contract - RFQ - LLC_3.20.2025
ROTOLO Contract - RFQ - Corps 3.18.2025_3.20.2025
WALLACE Contract - RFQ - Corps 3.18.2025_3.20.2025

4. 25-368 DISCRETIONARY FUNDING ALLOCATION - CITY COUNCIL MEMBER DELARIAN WIGGINS - DISTRICT 7

Recommendation: That City Council approve funding of \$500 to Jack and Jill of America from the City Council Discretionary Funds for District 7.

Sponsors: Delarian Wiggins, Council Member

Attachments: *None*

5. 25-446 DISCRETIONARY FUNDING ALLOCATION - CITY COUNCIL MEMBER TENIADE BROUGHTON - DISTRICT 5

Recommendation: That City Council approve funding of \$2,000 to The Watson Family Foundation and \$500 to the Ella L. Jordan African American History Museum from the City Council Discretionary Funds for District 5.

Sponsors: Teniade Broughton, Council Member

Attachments: *None*

REVIEW OF REGULAR AGENDA ITEMS

6. 25-331 FY 2024 CITY OF PENSACOLA ANNUAL COMPREHENSIVE FINANCIAL AUDIT

Recommendation: The City Council accept the City of Pensacola Annual Comprehensive

Financial Report for the year ending September 30, 2024, as prepared by the Financial Services Department and the Independent Auditors Report issued there upon.

Sponsors: DC Reeves, Mayor

Attachments: *FY 2024 Financial Statements*
SAS 114 Letter FY 2024

7. 25-418 CITY COUNCIL CONSENT TO THE MAYOR'S APPOINTMENT OF REAR ADMIRAL LANCE SCOTT, USN (RETIRED) AS PORT DIRECTOR FOR THE CITY OF PENSACOLA

Recommendation: That City Council consent to the Mayor's appointment of RDML Lance Scott, USN (Ret), as Port Director of the City of Pensacola in accordance with the City Charter Section 4.01(a)(7).

Sponsors: DC Reeves, Mayor

Attachments: *Lance Scott Biography*
Lance G Scott - Resume

8. 25-388 RESOLUTION NO. 2025-17: RELATED TO THE PENSACOLA DOWNTOWN IMPROVEMENT BOARD'S (DIB'S) EXEMPTION FROM THE OBLIGATION TO ANNUALLY CONTRIBUTE TAX INCREMENT REVENUES TO THE REDEVELOPMENT TRUST FUND.

Recommendation: That City Council adopt Resolution No. 2025-17.

A RESOLUTION OF THE CITY OF PENSACOLA, FLORIDA AMENDING RESOLUTION NO. 33-09; REVISING THE DEFINITION OF THE TERM "TAX INCREMENT REVENUES" SET FORTH THEREIN TO REFLECT EXEMPTION OF THE PENSACOLA DOWNTOWN IMPROVEMENT BOARD FROM THE OBLIGATION TO ANNUALLY CONTRIBUTE TAX INCREMENT REVENUES TO THE REDEVELOPMENT TRUST FUND ESTABLISHED FOR THE URBAN CORE COMMUNITY REDEVELOPMENT AREA; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

Sponsors: DC Reeves, Mayor

Attachments: *Resolution No. 25-17*

9. 25-19 SUPPLEMENTAL BUDGET RESOLUTION NO. 2025-3 - DR. MARTIN LUTHER KING, JR./ALCANIZ STREET AND DAVIS HIGHWAY TWO-WAY CONVERSION PROJECT

Recommendation: That City Council adopt Supplemental Budget Resolution No. 2025-3.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

Sponsors: DC Reeves, Mayor

Attachments: *Supplemental Budget Resolution No. 2025-3*
Supplemental Budget Explanation No. 2025-3
ILA City of Pensacola / Escambia County

- 10. 25-400** SUPPLEMENTAL BUDGET RESOLUTION NO. 2025-19 - LAW ENFORCEMENT TRUST FUND (LETF) EXPENDITURE FOR A BEARCAT VEHICLE

Recommendation: That City Council adopt Supplemental Budget Resolution No. 2025-19.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

Sponsors: DC Reeves, Mayor

Attachments: *Supplemental Budget Resolution No. 2025-19*
Supplemental Budget Explanation No. 2025-19

- 11. 25-324** AMENDMENT TO LEASE AGREEMENT WITH AMERICAN MAGIC FOR PREPAID RENTAL TERMS

Recommendation: That City Council approve the amendment to the existing lease agreement between the City of Pensacola and American Magic to adjust the financial terms by prepaying a portion of the lease. Further, that City Council authorize the Mayor to take those actions necessary to finalize, execute, and administer this lease amendment, consistent with the terms outlined in the amendment and the Mayor's Executive Powers as granted in the City Charter.

Sponsors: DC Reeves, Mayor

Attachments: *American Magic Lease*
American Magic Lease amendment

- 12. 25-341** SUPPLEMENTAL BUDGET RESOLUTION NO. 2025-16 - AMENDMENT TO LEASE AGREEMENT WITH AMERICAN MAGIC FOR PREPAID RENTAL TERMS

Recommendation: That City Council adopt supplemental Budget Resolution No. 2025-16:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

Sponsors: DC Reeves, Mayor

Attachments: *Supplemental Budget Resolution No. 2025-16*
Supplemental Budget Explanation No. 2025-16
Pensacola AM Lease amendment

CONSIDERATION OF ANY ADD-ON ITEMS

DISCUSSION ITEMS

13. 25-429 CRA BOARDS - EASTSIDE, WESTSIDE, AND URBAN CORE

Recommendation: That City Council hold a discussion regarding the CRA Boards and thoughts of combining the Eastside/Westside while leaving the Urban Core as a stand alone.

Sponsors: Jennifer Brahier, Council Member

Attachments: *None*

READING OF ITEMS FOR COUNCIL AGENDA

CITY ADMINISTRATOR'S COMMUNICATION

CITY ATTORNEY'S COMMUNICATION

CITY COUNCIL COMMUNICATION

ADJOURNMENT

Any opening invocation that is offered before the official start of the Council meeting shall be the voluntary offering of a private person, to and for the benefit of the Council. The views or beliefs expressed by the invocation speaker have not been previously reviewed or approved by the City Council or the city staff, and the City is not allowed by law to endorse the religious or non-religious beliefs or views of such speaker. Persons in attendance at the City Council meeting are invited to stand during the invocation and to stand and recite the Pledge of Allegiance. However, such invitation shall not be construed as a demand, order, or any other type of command. No person in attendance at the meeting shall be required to participate in any opening invocation that is offered or to participate in the Pledge of Allegiance. You may remain seated within the City Council Chambers or exit the City Council Chambers and return upon completion of the opening invocation and/or Pledge of Allegiance if you do not wish to participate in or witness the opening invocation and/or the recitation of the Pledge of Allegiance.

If any person decides to appeal any decision made with respect to any matter considered at such meeting, he will need a record of the proceedings, and that for such purpose he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

The City of Pensacola adheres to the Americans with Disabilities Act and will make reasonable accommodations for access to City services, programs and activities. Please call 435-1606 (or TDD 435-1666) for further information. Request must be made at least 48 hours in advance of the event in order to allow the City time to provide the requested services.



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-342

Agenda Conference

4/7/2025

LEGISLATIVE ACTION ITEM

SPONSOR: Jared Moore, Council President

SUBJECT:

APPOINTMENTS - AFFORDABLE HOUSING ADVISORY COMMITTEE

RECOMMENDATION:

That City Council approve the following Escambia County appointees as members of the Affordable Housing Advisory Committee for a term of three years, expiring December 31, 2028.

Ed Brown
Laura Gilmore
Deborah Mays
Maya Moss
Melody Neal
Robert Strickland
Charles Thornton

HEARING REQUIRED: No Hearing Required

SUMMARY:

Under Section 420.9076, Florida Statutes, local governments that receive State Housing Initiatives Partnership (SHIP) Program funds must establish an Affordable Housing Advisory Committee (AHAC) and appoint members to serve on that committee. The City and Escambia County have established a joint AHAC through an Interlocal Agreement that outlines committee membership. The AHAC is an advisory committee that makes recommendations to City Council and the Board of County Commissioners regarding initiatives to encourage and facilitate affordable housing.

Under Florida Statute, membership of the AHAC must consist of at least eight, but not more than eleven members that represent the criteria below as well as a locally elected official.

- (a) A citizen who is actively engaged in the residential home building industry in connection with affordable housing.
- (b) A citizen who is actively engaged in the banking or mortgage banking industry in

connection with affordable housing.

(c) A citizen who is a representative of those areas of labor actively engaged in home building in connection with affordable housing.

(d) A citizen who is actively engaged as an advocate for low-income persons in connection with affordable housing.

(e) A citizen who is actively engaged as a for-profit provider of affordable housing.

(f) A citizen who is actively engaged as a not-for-profit provider of affordable housing.

(g) A citizen who is actively engaged as a real estate professional in connection with affordable housing.

(h) A citizen who actively serves on the local planning agency pursuant to s. 163.3174. If the local planning agency is comprised of the governing board of the county or municipality, the governing board may appoint a designee who is knowledgeable in the local planning process.

(i) A citizen who resides within the jurisdiction of the local governing body making the appointments.

(j) A citizen who represents employers within the jurisdiction.

(k) A citizen who represents essential services personnel, as defined in the local housing assistance plan, charged with evaluating

Under the current SHIP Interlocal Agreement with the County, the City appoints a citizen that resides within the jurisdiction, a citizen on the local planning board, and a locally elected official. Each local government must acknowledge and approve AHAC appointments made by the respective local government. The County approved the recent City appointees at its March 6, 2025 meeting. The County also approved its seven committee appointments at the March 6, 2025 Board of County Commissioners meeting.

PRIOR ACTION:

February 24, 2022 - City Council approved Escambia County appointees to the AHAC for three year terms

August 17, 2023 - City Council re-appointed Councilman Delarian Wiggions to the AHAC as a locally elected official for a three year term

December 12, 2024 - City Council approved the re-appointment of Paul Ritz and Crystal Scott as the City's representatives for a three year term

FUNDING:

N/A

FINANCIAL IMPACT:

The establishment of an Affordable Housing Advisory Committee is required for eligible municipalities to receive SHIP funds.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No

STAFF CONTACT:

Tim Kinsella, City Administrator
Meredith Reeves, Housing Administrator

ATTACHMENTS:

1. AHAC Application - Ed Brown
2. AHAC Application - Laura Gilmore
3. AHAC Application - Deborah Mays
4. AHAC Application - Maya Moss
5. AHAC Application - Melody Neal
6. AHAC Application - Robert Strickland
7. AHAC Application - Charles Thornton

PRESENTATION: No

AFFORDABLE HOUSING ADVISORY COMMITTEE

Application for Appointment

This application form is for consideration by the Escambia County Board of County Commissioners for appointment to the Affordable Housing Advisory Committee.

Please return this application to: Escambia County Neighborhood & Human Services Department
Neighborhood Enterprise Division
Attention: Garrett Griffin
221 Palafox Place, Suite 305
Pensacola, FL 32502

Applications must be received at the above address by 3:00 p.m., Jan. 6, 2025.

Important: Please fill in all items requested completely. All information will be Public Record if appointed.

By Florida Statutes, the committee must be made up of at least six people represented from the following different interests and professions (Note: The City of Pensacola will appoint two representatives). Please mark the position that you believe you could represent on the Committee. Please note that each category below may have only one representative.

INTEREST	POSITION
	One citizen who is actively engaged in the residential home building industry in connection with affordable housing
X	One citizen who is actively engaged in the banking or mortgage industry
	One citizen who is a representative of those areas of labor actively engaged in home building in connection with affordable housing
	One citizen who is actively engaged as an advocate for low-income persons in connection with affordable housing
	One citizen who is actively engaged as a for-profit provider of affordable housing
	One citizen who is actively engaged as a real estate professional in connection with affordable housing
	One citizen who is actively engaged as a not-for-profit provider of affordable housing
X	One citizen who resides within Escambia County
X	One citizen who represents employers within the jurisdiction
	One citizen who actively serves on the local planning agency
	One citizen that represents essential personnel, which is defined as individuals permanently employed by a company or organization located within Escambia County, the City of Pensacola or the Town of Century as: *Local or State Law Enforcement; Fire, Rescue, & Emergency Services; Public Safety & Emergency Management *Teachers, Educators, and School District Personnel in the public, private, or university systems *Health Care professionals and support personnel *Tourism Industry professionals and employees *Judicial/Court System management and support personnel *Skilled building trades personnel

PERSONAL DATA

Mr. George Ed Brown Jr.
 Salutation First Name Middle Initial Last Name
 10383 MC Arthur Lane Pensacola FL 32534.
 Street Address City, State, Zip
 N/A 850-324-2976 g.brown9519@gmail.com
 Home Phone Cell Phone Email Address

EMPLOYMENT DATA

Gulf Winds Credit Union
 Name of Employer
 220 E Nine Mile Rd. Pensacola, FL 32534
 Street Address City, State, Zip
 Work Phone Work Email Address

Which method do you prefer to be contacted? Personal Info.

If you have ever held any Professional or Occupational Licenses, Registrations, or Certifications, please provide the Title, Issue Date, and Issuing Authority:

TITLE	ISSUE DATE	ISSUING AUTHORITY
NMLS #416348		

Have you, members of your immediate family, or businesses of which you or members of your immediate family been an owner, officer or employee, held any contractual or had any other dealing during the last three years with any Escambia County agency, including the Board to which you seek appointment?

Yes ☒ No ☐

If yes, please explain:

I have been on AHAC Board for 9 years.

Name any businesses, professional, civic or fraternal organizations of which you are a member, and the dates of your membership:

DATE	ORGANIZATION
1998	ESCAMBIA MASONIC Lodge #15
2000	HADJI SHRINERS / Shriners International

Are you a resident of Escambia County? (Members *MUST* be a resident of Escambia County)

Yes ☒ No ☐

If yes, continuous resident since (year) _____

Are you currently serving, or have you ever served, on a board or committee?

Yes ☒ No ☐

If yes, please state the name of the Board or Committee and the dates served:

DATES SERVED	BOARD/COMMITTEE
CURRENT	AHAC

Does your field of employment (or last employment) or any volunteer activities in which you engage (or have engaged) involve work or experience in the following categories? (Check as many as apply.)

- ☒ Agriculture and/or land-ownership interest
- ☒ Banking
- ☒ Business/Industry
- ☒ Building, Development and/or Real Estate
- ☐ Civic Activism
- ☐ Community Design, Planning, and/or Engineering
- ☐ Education and Academia
- ☐ Engineering/Surveying
- ☐ Environmental and/or Conservation
- ☐ Land Use Law
- ☒ Neighborhood and/or Civic Associations
- ☐ Planning
- ☒ Recreation
- ☒ Rural Development
- ☐ Transportation
- ☐ Water Resources

Please state your experience, interest, or elements of your personal history that you think qualify you for appointment to this committee; specifically your qualifications to represent your selected position above:

20+ years in mortgage + banking industry
Served on AHAC for 9+ years.

Can you attend meetings if they are held (check all that apply):

☒ Mornings

☒ Afternoons

☒ Evenings

Why do you want to serve on the Committee?

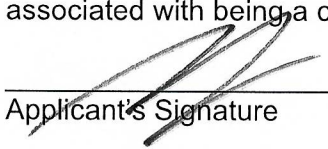
I am very active with 1st time home buyers
and feel this is an important committee to
try and help create affordable housing for them

What do you hope to accomplish by serving on this Committee?

I hope to improve the ability for ~~younger~~ 1st time home
buyers + ~~fixed~~ income members of our community
to purchase a home.

Attach Additional Sheets as Necessary

By submitting this form for consideration, I acknowledge the following: I understand the responsibilities associated with being a committee member, and I have adequate time to serve on the committee.


Applicant's Signature

1-3-25.
Date

AFFORDABLE HOUSING ADVISORY COMMITTEE

Application for Appointment

This application form is for consideration by the Escambia County Board of County Commissioners for appointment to the Affordable Housing Advisory Committee.

Please return this application to: Escambia County Neighborhood & Human Services Department
 Neighborhood Enterprise Division
 Attention: Garrett Griffin
 221 Palafox Place, Suite 305
 Pensacola, FL 32502

Applications must be received at the above address by 3:00 p.m., Jan. 27, 2025.

Important: Please fill in all items requested completely. All information will be Public Record if appointed.

By Florida Statutes, the committee must be made up of at least six people represented from the following different interests and professions (Note: The City of Pensacola will appoint two representatives). Please mark the position that you believe you could represent on the Committee. Please note that each category below may have only one representative.

INTEREST	POSITION
X	One citizen who is actively engaged in the residential home building industry in connection with affordable housing
x	One citizen who is actively engaged in the banking or mortgage industry
X	One citizen who is a representative of those areas of labor actively engaged in home building in connection with affordable housing
X	One citizen who is actively engaged as an advocate for low-income persons in connection with affordable housing
	One citizen who is actively engaged as a for-profit provider of affordable housing
	One citizen who is actively engaged as a real estate professional in connection with affordable housing
	One citizen who is actively engaged as a not-for-profit provider of affordable housing
x	One citizen who resides within Escambia County
x	One citizen who represents employers within the jurisdiction
	One citizen who actively serves on the local planning agency
	One citizen that represents essential personnel, which is defined as individuals permanently employed by a company or organization located within Escambia County, the City of Pensacola or the Town of Century as: *Local or State Law Enforcement; Fire, Rescue, & Emergency Services; Public Safety & Emergency Management *Teachers, Educators, and School District Personnel in the public, private, or university systems *Health Care professionals and support personnel *Tourism Industry professionals and employees *Judicial/Court System management and support personnel *Skilled building trades personnel

PERSONAL DATA

Mrs. Laura L Gilmore

Salutation	First Name	Middle Initial	Last Name
3561 Mayhaw Rd, McDavid FL 32568			
Street Address		City, State, Zip	
850-501-4817 Laurag@fairwaymc.com			
Home Phone	Cell Phone	Email Address	

EMPLOYMENT DATA

Fairway Independent Mortgage Corporation

Name of Employer	
1550 Creighton Rd Unit 8, Pensacola FL 32504	
Street Address	City, State, Zip
850-501-4817 Laurag@fairwaymc.com	
Work Phone	Work Email Address

Which method do you prefer to be contacted? Either

If you have ever held any Professional or Occupational Licenses, Registrations, or Certifications, please provide the Title, Issue Date, and Issuing Authority:

TITLE	ISSUE DATE	ISSUING AUTHORITY
Mortgage Loan Originator	6/10/2010	NMLS

Have you, members of your immediate family, or businesses of which you or members of your immediate family been an owner, officer or employee, held any contractual or had any other dealing during the last three years with any Escambia County agency, including the Board to which you seek appointment?

Yes _____ No ☒ _____

If yes, please explain:

Name any businesses, professional, civic or fraternal organizations of which you are a member, and the dates of your membership:

DATE	ORGANIZATION
2014	Home Builders Association of West Florida

Are you a resident of Escambia County? (*Members MUST be a resident of Escambia County*)

Yes^x_____ No_____

If yes, continuous resident since (year) 2003

Are you currently serving, or have you ever served, on a board or committee?

Yes^x_____ No_____

If yes, please state the name of the Board or Committee and the dates served:

DATES SERVED	BOARD/COMMITTEE
2017 (i think)	Escambia County AHAC

Does your field of employment (or last employment) or any volunteer activities in which you engage (or have engaged) involve work or experience in the following categories? (Check as many as apply.)

- ☐ Agriculture and/or land-ownership interest
- ☐ Banking
- ☐ Business/Industry
- ☐ Building, Development and/or Real Estate
- ☐ Civic Activism
- ☐ Community Design, Planning, and/or Engineering
- ☐ Education and Academia
- ☐ Engineering/Surveying
- ☐ Environmental and/or Conservation
- ☐ Land Use Law
- ☐ Neighborhood and/or Civic Associations
- ☐ Planning
- ☐ Recreation
- ☐ Rural Development
- ☐ Transportation
- ☐ Water Resources

Please state your experience, interest, or elements of your personal history that you think qualify you for appointment to this committee; specifically your qualifications to represent your selected position above:

I have been originating mortgages for 18 years helping families achieve the dream of homeownership while participating in homebuyer assistance programs to help make those homes more affordable.

Can you attend meetings if they are held (check all that apply):

☒ Mornings

☒ Afternoons

☒ Evenings

Why do you want to serve on the Committee?

I would like to continue to be voice for the citizens of Escambia County to ensure that all affordable strategies for affordable housing is utilized.

What do you hope to accomplish by serving on this Committee?

I would like the conversation and implementation of affordable housing to be a normal topic for discussion within Escambia county and would like to see our county continue to do all we can to help the citizens of Escambia County to make housing more affordable

Attach Additional Sheets as Necessary

By submitting this form for consideration, I acknowledge the following: I understand the responsibilities associated with being a committee member, and I have adequate time to serve on the committee.

Laura Gilmore
Applicant's Signature

1/16/2025
Date

AFFORDABLE HOUSING ADVISORY COMMITTEE

Application for Appointment

This application form is for consideration by the Escambia County Board of County Commissioners for appointment to the Affordable Housing Advisory Committee.

Please return this application to: Escambia County Neighborhood & Human Services Department
Neighborhood Enterprise Division
Attention: Garrett Griffin
221 Palafox Place, Suite 305
Pensacola, FL 32502

Applications must be received at the above address by 3:00 p.m., Jan. 6, 2025.

Important: Please fill in all items requested completely. All information will be Public Record if appointed.

By Florida Statutes, the committee must be made up of at least six people represented from the following different interests and professions (Note: The City of Pensacola will appoint two representatives). Please mark the position that you believe you could represent on the Committee. Please note that each category below may have only one representative.

INTEREST	POSITION
	One citizen who is actively engaged in the residential home building industry in connection with affordable housing
	One citizen who is actively engaged in the banking or mortgage industry
	One citizen who is a representative of those areas of labor actively engaged in home building in connection with affordable housing
	One citizen who is actively engaged as an advocate for low-income persons in connection with affordable housing
	One citizen who is actively engaged as a for-profit provider of affordable housing
X	One citizen who is actively engaged as a real estate professional in connection with affordable housing
	One citizen who is actively engaged as a not-for-profit provider of affordable housing
	One citizen who resides within Escambia County
	One citizen who represents employers within the jurisdiction
	One citizen who actively serves on the local planning agency
	One citizen that represents essential personnel, which is defined as individuals permanently employed by a company or organization located within Escambia County, the City of Pensacola or the Town of Century as: *Local or State Law Enforcement; Fire, Rescue, & Emergency Services; Public Safety & Emergency Management *Teachers, Educators, and School District Personnel in the public, private, or university systems *Health Care professionals and support personnel *Tourism Industry professionals and employees *Judicial/Court System management and support personnel *Skilled building trades personnel

PERSONAL DATA

Mrs.	Deborah	L	Mays
Salutation	First Name	Middle Initial	Last Name
1701 E Lee St	Pensacola, FL 32503		
Street Address		City, State, Zip	
	850-529-3998	debbie.mays.pns@gmail.com	
Home Phone	Cell Phone	Email Address	

EMPLOYMENT DATA

RE/MAX Horizons Realty	
Name of Employer	
1335 Creighton Rd, Pensacola, FL 32504	
Street Address	City, State, Zip
850-476-6000	deborahmays@remax.net
Work Phone	Work Email Address

Which method do you prefer to be contacted? Personal email

If you have ever held any Professional or Occupational Licenses, Registrations, or Certifications, please provide the Title, Issue Date, and Issuing Authority:

TITLE	ISSUE DATE	ISSUING AUTHORITY
Sales Associate - SL3102601	09/09/2024	Florida Department of Business and Professional Regulation

Have you, members of your immediate family, or businesses of which you or members of your immediate family been an owner, officer or employee, held any contractual or had any other dealing during the last three years with any Escambia County agency, including the Board to which you seek appointment?

Yes ☒ No ☐

If yes, please explain:

Member of Affordable Advisory Committee from 2020 - 2023

Name any businesses, professional, civic or fraternal organizations of which you are a member, and the dates of your membership:

DATE	ORGANIZATION
2004 - Present	Pensacola Association of REALTORS, Florida Association of REALTORS, National Association of REALTORS
2005 - Present	Womens Council of REALTORS
- Present	Residential Real Estate Council
- Present	Krewe of Wrecks (Pensacola Mardi Gras 501e - Treasurer)

Are you a resident of Escambia County? (*Members MUST be a resident of Escambia County*)

Yes XXX No

If yes, continuous resident since (year) 2004

Are you currently serving, or have you ever served, on a board or committee?

Yes No

If yes, please state the name of the Board or Committee and the dates served:

DATES SERVED	BOARD/COMMITTEE
2020 2023	Member of Affordable Advisory Committee

Does your field of employment (or last employment) or any volunteer activities in which you engage (or have engaged) involve work or experience in the following categories? (Check as many as apply.)

- ☐ Agriculture and/or land-ownership interest
- ☐ Banking
- ☐ Business/Industry
- ☐ Building, Development and/or Real Estate
- ☐ Civic Activism
- ☐ Community Design, Planning, and/or Engineering
- ☐ Education and Academia
- ☐ Engineering/Surveying
- ☐ Environmental and/or Conservation
- ☐ Land Use Law
- ☐ Neighborhood and/or Civic Associations
- ☐ Planning
- ☐ Recreation
- ☐ Rural Development
- ☐ Transportation
- ☐ Water Resources

Please state your experience, interest, or elements of your personal history that you think qualify you for appointment to this committee; specifically your qualifications to represent your selected position above:

Licensed REALTOR since 2004, Served on Pensacola Association of Realtors (PAR) board 2013-2015, 2017-2020, beginning another term 2025

President of Pensacola Association of Realtors 2018 Currently on the Governmental Affairs Committee of PAR

I am a Pensacola native, living in the house where I grew up in East Hill. I have watched how the area is no longer affordable for those who grew up here, nor our children and grandchildren.

Can you attend meetings if they are held (check all that apply):

☒ Mornings

☐ Afternoons

☐ Evenings

Why do you want to serve on the Committee?

To offer a real estate perspective.

What do you hope to accomplish by serving on this Committee?

Fulfillment of all state requirements to maintain participation in affordable housing programs while making suggestions to the city and county that will positively impact affordable housing options. The dream of owning a 3 bedroom 2 bath home is getting harder to attain.

Currently there are potential buyers looking for homes under \$200,000 (this was \$150,000 3 years ago) who have few or no options. As of today there are only 56 listing in MLS that are 3/2 under \$200,000 in Escambia county that indicate financing options of FHA, Bond, USDA, or VA (includes single family, residential attached, condos, etc.) and if you remove the as-is listings that number shrinks to 32.

Attach Additional Sheets as Necessary

By submitting this form for consideration, I acknowledge the following: I understand the responsibilities associated with being a committee member, and I have adequate time to serve on the committee.

Deborah L Mays

Applicant's Signature

01/27/2025

Date

AFFORDABLE HOUSING ADVISORY COMMITTEE

Application for Appointment

This application form is for consideration by the Escambia County Board of County Commissioners for appointment to the Affordable Housing Advisory Committee.

Please return this application to: Escambia County Neighborhood & Human Services Department
Neighborhood Enterprise Division
Attention: Garrett Griffin
221 Palafox Place, Suite 305
Pensacola, FL 32502

Applications must be received at the above address by 3:00 p.m., Jan. 6, 2025.

Important: Please fill in all items requested completely. All information will be Public Record if appointed.

By Florida Statutes, the committee must be made up of at least six people represented from the following different interests and professions (Note: The City of Pensacola will appoint two representatives). Please mark the position that you believe you could represent on the Committee. Please note that each category below may have only one representative.

INTEREST	POSITION
	One citizen who is actively engaged in the residential home building industry in connection with affordable housing
	One citizen who is actively engaged in the banking or mortgage industry
	One citizen who is a representative of those areas of labor actively engaged in home building in connection with affordable housing
	One citizen who is actively engaged as an advocate for low-income persons in connection with affordable housing
	One citizen who is actively engaged as a for-profit provider of affordable housing
	One citizen who is actively engaged as a real estate professional in connection with affordable housing
	One citizen who is actively engaged as a not-for-profit provider of affordable housing
✓	One citizen who resides within Escambia County
	One citizen who represents employers within the jurisdiction
	One citizen who actively serves on the local planning agency
✓	One citizen that represents essential personnel, which is defined as individuals permanently employed by a company or organization located within Escambia County, the City of Pensacola or the Town of Century as: *Local or State Law Enforcement; Fire, Rescue, & Emergency Services; Public Safety & Emergency Management *Teachers, Educators, and School District Personnel in the public, private, or university systems *Health Care professionals and support personnel *Tourism Industry professionals and employees *Judicial/Court System management and support personnel *Skilled building trades personnel

PERSONAL DATA

Mrs Maya Moss
Salutation First Name Middle Initial Last Name
224 E Garden St Apt 412 Pensacola FL 32502
Street Address City, State, Zip
850407039 mayaamoss@gmail.com
Home Phone Cell Phone Email Address

EMPLOYMENT DATA

MOSS ENTERPRISES LLC
Name of Employer
Pangaea FL
Street Address City, State, Zip
850407039
Work Phone Work Email Address

Which method do you prefer to be contacted? Home phone

If you have ever held any Professional or Occupational Licenses, Registrations, or Certifications, please provide the Title, Issue Date, and Issuing Authority:

TITLE	ISSUE DATE	ISSUING AUTHORITY
NO FEE	2023	South Carolina

Have you, members of your immediate family, or businesses of which you or members of your immediate family been an owner, officer or employee, held any contractual or had any other dealing during the last three years with any Escambia County agency, including the Board to which you seek appointment?

Yes ☒ No ☐

If yes, please explain:

MEMBER AAAC COMMITTEE / REAPPLYING 3
MORE YEARS

Name any businesses, professional, civic or fraternal organizations of which you are a member, and the dates of your membership:

DATE	ORGANIZATION
2/2018	Hagga Ceret #175 Shriners
1/2014	Vander Chapter #173 Eastern Star

Are you a resident of Escambia County? (Members *MUST* be a resident of Escambia County)

Yes ☒ No ☐

If yes, continuous resident since (year) 6/2018

Are you currently serving, or have you ever served, on a board or committee?

Yes ☒ No ☐

If yes, please state the name of the Board or Committee and the dates served:

DATES SERVED	BOARD/COMMITTEE
AAAC 22-24	AAAC

Does your field of employment (or last employment) or any volunteer activities in which you engage (or have engaged) involve work or experience in the following categories? (Check as many as apply.)

- ☐ Agriculture and/or land-ownership interest
- ☐ Banking
- ☒ Business/Industry
- ☒ Building, Development and/or Real Estate
- ☒ Civic Activism
- ☒ Community Design, Planning, and/or Engineering
- ☒ Education and Academia
- ☐ Engineering/Surveying
- ☐ Environmental and/or Conservation
- ☐ Land Use Law
- ☒ Neighborhood and/or Civic Associations
- ☐ Planning
- ☐ Recreation
- ☐ Rural Development
- ☐ Transportation
- ☐ Water Resources

Please state your experience, interest, or elements of your personal history that you think qualify you for appointment to this committee; specifically your qualifications to represent your selected position above:

I am interested serving for better of my community making Pascagoula a safe affordable town for all citizens

Can you attend meetings if they are held (check all that apply):

☒ Mornings

☐ Afternoons

☐ Evenings

Why do you want to serve on the Committee?

To better serve my Pascagoula Community make affordable for less fortunate citizens.

What do you hope to accomplish by serving on this Committee?

Affordable Housing Opportunity

Attach Additional Sheets as Necessary

By submitting this form for consideration, I acknowledge the following: I understand the responsibilities associated with being a committee member, and I have adequate time to serve on the committee.

Mae Moss
Applicant's Signature

4/10/25
Date

AFFORDABLE HOUSING ADVISORY COMMITTEE

Application for Appointment

This application form is for consideration by the Escambia County Board of County Commissioners for appointment to the Affordable Housing Advisory Committee.

Please return this application to: Escambia County Neighborhood & Human Services Department
 Neighborhood Enterprise Division
 Attention: Garrett Griffin
 221 Palafox Place, Suite 305
 Pensacola, FL 32502

Applications must be received at the above address by 3:00 p.m., Jan. 6, 2025.

Important: Please fill in all items requested completely. All information will be Public Record if appointed.

By Florida Statutes, the committee must be made up of at least six people represented from the following different interests and professions (Note: The City of Pensacola will appoint two representatives). Please mark the position that you believe you could represent on the Committee. Please note that each category below may have only one representative.

INTEREST	POSITION
	One citizen who is actively engaged in the residential home building industry in connection with affordable housing
	One citizen who is actively engaged in the banking or mortgage industry
	One citizen who is a representative of those areas of labor actively engaged in home building in connection with affordable housing
	One citizen who is actively engaged as an advocate for low-income persons in connection with affordable housing
	One citizen who is actively engaged as a for-profit provider of affordable housing
	One citizen who is actively engaged as a real estate professional in connection with affordable housing
	One citizen who is actively engaged as a not-for-profit provider of affordable housing
X	One citizen who resides within Escambia County
	One citizen who represents employers within the jurisdiction
	One citizen who actively serves on the local planning agency
	One citizen that represents essential personnel, which is defined as individuals permanently employed by a company or organization located within Escambia County, the City of Pensacola or the Town of Century as: *Local or State Law Enforcement; Fire, Rescue, & Emergency Services; Public Safety & Emergency Management *Teachers, Educators, and School District Personnel in the public, private, or university systems *Health Care professionals and support personnel *Tourism Industry professionals and employees *Judicial/Court System management and support personnel *Skilled building trades personnel

PERSONAL DATA

Melody L. Neal

Salutation	First Name	Middle Initial	Last Name
4311 Bayou Blvd., Apartment J107, Peensacola, FL, 32504			
Street Address		City, State, Zip	
850-407-0278	Neal.melody@icloud.com		
Home Phone	Cell Phone	Email Address	

EMPLOYMENT DATA

disabled/Full time student

Name of Employer	
Street Address	City, State, Zip
Work Phone	Work Email Address

Which method do you prefer to be contacted? _____

If you have ever held any Professional or Occupational Licenses, Registrations, or Certifications, please provide the Title, Issue Date, and Issuing Authority:

TITLE	ISSUE DATE	ISSUING AUTHORITY

Have you, members of your immediate family, or businesses of which you or members of your immediate family been an owner, officer or employee, held any contractual or had any other dealing during the last three years with any Escambia County agency, including the Board to which you seek appointment?

Yes _____ No X _____

If yes, please explain:

Name any businesses, professional, civic or fraternal organizations of which you are a member, and the dates of your membership:

DATE	ORGANIZATION
2023-Present	Robinson Honors Program
2023-Present	Alpha Thata Kappa Honor Society

Are you a resident of Escambia County? (*Members MUST be a resident of Escambia County*)

Yes ☒ No ☐

If yes, continuous resident since (year) 2020

Are you currently serving, or have you ever served, on a board or committee?

Yes ☐ No ☒

If yes, please state the name of the Board or Committee and the dates served:

DATES SERVED	BOARD/COMMITTEE

Does your field of employment (or last employment) or any volunteer activities in which you engage (or have engaged) involve work or experience in the following categories? (Check as many as apply.)

- ☐ Agriculture and/or land-ownership interest
- ☐ Banking
- ☐ Business/Industry
- ☐ Building, Development and/or Real Estate
- ☐ Civic Activism
- ☐ Community Design, Planning, and/or Engineering
- ☐ Education and Academia
- ☐ Engineering/Surveying
- ☐ Environmental and/or Conservation
- ☐ Land Use Law
- ☐ Neighborhood and/or Civic Associations
- ☐ Planning
- ☐ Recreation
- ☐ Rural Development
- ☐ Transportation
- ☐ Water Resources

Please state your experience, interest, or elements of your personal history that you think qualify you for appointment to this committee; specifically your qualifications to represent your selected position above:

The only requirement for the position I am qualified for is to be a citizen of Escambia County, which I am. I do, however, have several qualifications that enhance my application. I live inside the city limits and am a full-time student at PSC participating in several Honors Organizations. I am on disability working in correlation with Workforce Development through The Ticket To Work Program to regain my financial independence. I have received Section 8 housing for the past year, so I have first hand knowledge of the need for safe and affordable housing in the Pensacola/Escambia County area.

Can you attend meetings if they are held (check all that apply):

☐ Mornings

☒ Afternoons

☒ Evenings

Why do you want to serve on the Committee?

I am set to graduate with Honors from PSC in the Spring and plan on transferring to UWF in the fall. I am majoring in Social Work with a minor in Psychology. I have Level 1 Autism, ADHD, and CPTSD. I have completed a research project concerning the difficulties 'high-functioning', Level 1, Autistic adults face in our community and being a recipient of housing assistance, I feel like my knowledge and understanding of the housing system, would be a valuable asset to have.

What do you hope to accomplish by serving on this Committee?

I am 50 years old, with a good deal of experience and an opportunity that many adults fail to take advantage of. This is an excellent opportunity to receive experience in my field of study that I will be able to build on once I graduate from UWF. Since moving to Pensacola, I have lived on the West and East side. I currently reside at Cordova Regency apartments and would like to help set up systems to make it easier to navigate. I would also like to help with a process to weed out candidates that abuse and take advantage of the system, which makes it difficult for the rest of recipients. I know I have the ability, if given the opportunity, to make a difference in our community.

Attach Additional Sheets as Necessary

By submitting this form for consideration, I acknowledge the following: I understand the responsibilities associated with being a committee member, and I have adequate time to serve on the committee.

Applicant's Signature

Date

2-2-25

AFFORDABLE HOUSING ADVISORY COMMITTEE

Application for Appointment

This application form is for consideration by the Escambia County Board of County Commissioners for appointment to the Affordable Housing Advisory Committee.

Please return this application to: Escambia County Neighborhood & Human Services Department
Neighborhood Enterprise Division
Attention: Garrett Griffin
221 Palafox Place, Suite 305
Pensacola, FL 32502

Applications must be received at the above address by 3:00 p.m., Jan. 6, 2025.

Important: Please fill in all items requested completely. All information will be Public Record if appointed.

By Florida Statutes, the committee must be made up of at least six people represented from the following different interests and professions (Note: The City of Pensacola will appoint two representatives). Please mark the position that you believe you could represent on the Committee. Please note that each category below may have only one representative.

INTEREST	POSITION
✓	One citizen who is actively engaged in the residential home building industry in connection with affordable housing
✓	One citizen who is actively engaged in the banking or mortgage industry
✓	One citizen who is a representative of those areas of labor actively engaged in home building in connection with affordable housing
✓	One citizen who is actively engaged as an advocate for low-income persons in connection with affordable housing
✓	One citizen who is actively engaged as a for-profit provider of affordable housing
	One citizen who is actively engaged as a real estate professional in connection with affordable housing
✗	One citizen who is actively engaged as a not-for-profit provider of affordable housing
✓	One citizen who resides within Escambia County
	One citizen who represents employers within the jurisdiction
	One citizen who actively serves on the local planning agency
	One citizen that represents essential personnel, which is defined as individuals permanently employed by a company or organization located within Escambia County, the City of Pensacola or the Town of Century as: *Local or State Law Enforcement; Fire, Rescue, & Emergency Services; Public Safety & Emergency Management *Teachers, Educators, and School District Personnel in the public, private, or university systems *Health Care professionals and support personnel *Tourism Industry professionals and employees *Judicial/Court System management and support personnel *Skilled building trades personnel

PERSONAL DATA

MR. ROBERT E. STRICKLAND, JR.
 Salutation First Name Middle Initial Last Name
 4412 Chantilly Way, Pensacola, FL 32505
 Street Address City, State, Zip
 N/A 850-572-3727 RSTRICKLANDJR@yahoo.com
 Home Phone Cell Phone Email Address

EMPLOYMENT DATA

① CIRCLE, INC PENSACOLA, FL 32505
 Name of Employer Street Address
 939 MASSACHUSETTS AVE.
 Street Address City, State, Zip
 850-572-3727 RSTRICKLANDJR@yahoo.com
 Work Phone Work Email Address
 ② DIVERSITY PROGRAM ADVISORS
 2625 JASON INDUSTRIAL PKWY
 WINSTON, GA. 300187
 City, State, Zip

Which method do you prefer to be contacted? EMAIL / TEXT

If you have ever held any Professional or Occupational Licenses, Registrations, or Certifications, please provide the Title, Issue Date, and Issuing Authority:

TITLE	ISSUE DATE	ISSUING AUTHORITY
DONOR RECRUITMENT PROFESSIONAL	JUNE 2000	ASSOCIATE OF DONOR RECRUITMENT PROFESSIONAL

Have you, members of your immediate family, or businesses of which you or members of your immediate family been an owner, officer or employee, held any contractual or had any other dealing during the last three years with any Escambia County agency, including the Board to which you seek appointment?

Yes _____ No ☒

If yes, please explain:

N/A

Name any businesses, professional, civic or fraternal organizations of which you are a member, and the dates of your membership:

DATE

ORGANIZATION

JUNE 2000

ADRP

Are you a resident of Escambia County? (Members *MUST* be a resident of Escambia County)

Yes ☒ No ☐

If yes, continuous resident since (year) _____

Are you currently serving, or have you ever served, on a board or committee?

Yes ☒ No ☐

If yes, please state the name of the Board or Committee and the dates served:

DATES SERVED

JUNE 2008

BOARD/COMMITTEE

AHAC

Does your field of employment (or last employment) or any volunteer activities in which you engage (or have engaged) involve work or experience in the following categories? (Check as many as apply.)

- ☒ Agriculture and/or land-ownership interest
- ☒ Banking
- ☐ Business/Industry
- ☒ Building, Development and/or Real Estate
- ☒ Civic Activism
- ☒ Community Design, Planning, and/or Engineering
- ☐ Education and Academia
- ☐ Engineering/Surveying
- ☐ Environmental and/or Conservation
- ☐ Land Use Law
- ☒ Neighborhood and/or Civic Associations
- ☒ Planning
- ☒ Recreation
- ☒ Rural Development
- ☐ Transportation
- ☐ Water Resources

Please state your experience, interest, or elements of your personal history that you think qualify you for appointment to this committee; specifically your qualifications to represent your selected position above:

- DIRECTOR ROLE IN COMMUNITY DEVELOPMENT CIRCLE, INC.
- COMMUNITY DEVELOPMENT CONSULTANT - DIVERSITY PROGRAM ADVISORS
- COMMUNITY ENTERPRISE ZONE - GRASSROOT BUSINES INCUBATOR
- COMMUNITY ACCESS TO AFFORDABLE HEALTHCARE
- DEVELOPMENT OF LOW-INCOME MULTI-FAMILY AFFORDABLE HOUSING IN ESCAMBIA COUNTY.

Can you attend meetings if they are held (check all that apply):

☒ Mornings

☐ Afternoons

☒ Evenings

Why do you want to serve on the Committee?

TO HELP IN RECOMMENDATIONS TO ALLOW BETTER FLOW IN WORKING IN THE COUNTY AND CITY IN PROVIDING AFFORDABLE HOUSING.

What do you hope to accomplish by serving on this Committee?

- STREAMLINE GUIDELINES TO FUNDING AFFORDABLE HOUSING
- GUIDELINES FOR AFFORDABLE HOUSING
- IDENTIFYING LAND OPPORTUNITY FOR AFFORDABLE HOUSING

Attach Additional Sheets as Necessary

By submitting this form for consideration, I acknowledge the following: I understand the responsibilities associated with being a committee member, and I have adequate time to serve on the committee.

Applicant's Signature

Date

01-8/2025

AFFORDABLE HOUSING ADVISORY COMMITTEE

Application for Appointment

This application form is for consideration by the Escambia County Board of County Commissioners for appointment to the Affordable Housing Advisory Committee.

Please return this application to: Escambia County Neighborhood & Human Services Department
Neighborhood Enterprise Division
Attention: Garrett Griffin
221 Palafox Place, Suite 305
Pensacola, FL 32502

Applications must be received at the above address by 3:00 p.m., Feb. 21, 2025.

Important: Please fill in all items requested completely. All information will be Public Record if appointed.

By Florida Statutes, the committee must be made up of at least six people represented from the following different interests and professions (Note: The City of Pensacola will appoint two representatives). Please mark the position that you believe you could represent on the Committee. Please note that each category below may have only one representative.

INTEREST	POSITION
	One citizen who is actively engaged in the residential home building industry in connection with affordable housing
	One citizen who is actively engaged in the banking or mortgage industry
	One citizen who is a representative of those areas of labor actively engaged in home building in connection with affordable housing
X	One citizen who is actively engaged as an advocate for low-income persons in connection with affordable housing
	One citizen who is actively engaged as a for-profit provider of affordable housing
	One citizen who is actively engaged as a real estate professional in connection with affordable housing
	One citizen who is actively engaged as a not-for-profit provider of affordable housing
X	One citizen who resides within Escambia County
	One citizen who represents employers within the jurisdiction
	One citizen who actively serves on the local planning agency
	One citizen that represents essential personnel, which is defined as individuals permanently employed by a company or organization located within Escambia County, the City of Pensacola or the Town of Century as: *Local or State Law Enforcement; Fire, Rescue, & Emergency Services; Public Safety & Emergency Management *Teachers, Educators, and School District Personnel in the public, private, or university systems *Health Care professionals and support personnel *Tourism Industry professionals and employees *Judicial/Court System management and support personnel *Skilled building trades personnel

PERSONAL DATA

Mr. Charles D. Thornton, Sr.

Salutation First Name Middle Initial Last Name

640 Bullard Avenue Pensacola, Florida 32514

Street Address City, State, Zip
850-346-0231 charlesdthornton@gmail.com

Home Phone Cell Phone Email Address

EMPLOYMENT DATA

Retired: U.S. Military (Uniform) Service & US Federal Civilian Service

Name of Employer

Military: US Marine Corps, Florida (US) National Guards, US Air Force

Street Address City, State, Zip

Civilian Service: Naval Air Station, Pensacola, FL, US Army Garrison, Bamberg Germany

Work Phone Work Email Address

Which method do you prefer to be contacted? Email /Text

If you have ever held any Professional or Occupational Licenses, Registrations, or Certifications, please provide the Title, Issue Date, and Issuing Authority:

TITLE **ISSUE DATE** **ISSUING AUTHORITY**

Have you, members of your immediate family, or businesses of which you or members of your immediate family been an owner, officer or employee, held any contractual or had any other dealing during the last three years with any Escambia County agency, including the Board to which you seek appointment?

Yes _____ No X _____

If yes, please explain:

Name any businesses, professional, civic or fraternal organizations of which you are a member, and the dates of your membership:

DATE

ORGANIZATION

Alpha Phi Alpha Fraternity, Inc (Vice President Theta Theta Lambda Chapter, Frankfurt Germany, 2011), North East Pensacola Sertoma Club (Member)

President NAACP Pensacola Branch (2015), Vice Commander, American Legion Post 193 (2019-2021)

Are you a resident of Escambia County? (*Members MUST be a resident of Escambia County*)

Yes ☒ No ☐

If yes, continuous resident since (year) 1954

Are you currently serving, or have you ever served, on a board or committee?

Yes ☒ No ☐

If yes, please state the name of the Board or Committee and the dates served:

DATES SERVED

BOARD/COMMITTEE

November 2022-Present	Santa Rosa Island Authority (Currently Vice-Chairman)
January 2022-Present	Pensacola Civitan Club (Currently President Elect)
August 2021-August 2024	American Red Cross, Northwest Florida (Board Member)
September 2015-August 2024)	One-Half Cent Sale Tax Watchdog Committee, Escambia County Schools
2022-2024	Rotary Club of Pensacola (Board Member)

Does your field of employment (or last employment) or any volunteer activities in which you engage (or have engaged) involve work or experience in the following categories? (Check as many as apply.)

- ☒ Agriculture and/or land-ownership interest
- ☒ Banking
- ☒ Business/Industry
- ☒ Building, Development and/or Real Estate
- ☒ Civic Activism
- ☒ Community Design, Planning, and/or Engineering
- ☒ Education and Academia
- ☒ Engineering/Surveying
- ☒ Environmental and/or Conservation
- ☒ Land Use Law
- ☒ Neighborhood and/or Civic Associations
- ☒ Planning
- ☒ Recreation
- ☒ Rural Development
- ☒ Transportation
- ☒ Water Resources

Please state your experience, interest, or elements of your personal history that you think qualify you for appointment to this committee; specifically your qualifications to represent your selected position above:

Please see enclosed attachment: AFFORDABLE HOUSING ADVISOR COMMITTEE Application for Appointment Attachment 1

Can you attend meetings if they are held (check all that apply):

☒ Mornings

☒ Afternoons

☒ Evenings

Why do you want to serve on the Committee?

Please see enclosed attachment: AFFORDABLE HOUSING ADVISOR COMMITTEE Application for Appointment Attachment 2

What do you hope to accomplish by serving on this Committee?

By submitting this application to serve on the committee I expect to bring my residential experience of growing up and living in the Escambia County/Pensacola community, academic and military experience, and community service background to the AFFORDABLE HOUSING ADVISORY COMMITTEE.

Attach Additional Sheets as Necessary

By submitting this form for consideration, I acknowledge the following: I understand the responsibilities associated with being a committee member, and I have adequate time to serve on the committee.

Applicant's Signature

Date

2/19/2025

AFFORDABLE HOUSING ADVISOR COMMITTEE
Application for Appointment
Attachment 1

I currently serve as a Board Member on the Santa Rosa Island Authority (Vice-Chairman). I also serve as President Elect, Pensacola Civitan Club. I have served on the following Boards and Committees: Escambia County Public Schools Half Cents Sales Tax Watchdog Committee, (9) years, Escambia County Mass Transit Advisory Committee (7) years, American Red Cross Northwest Florida Chapter (3) years. Board Member, Rotary Club of Pensacola (2 years), President, NAACP (Pensacola Branch) (1 year), Vice Commander, American Legion Post 193 (3 years), and First Vice President, Alpha Phi Alpha Fraternity, Inc., Theta Theta Lambda Chapter, Frankfurt Germany (1 year).

I developed solid servant leadership skills through my extensive military career. I served two years active-duty United States Marine Corps, three years Florida National Guard, and 19 years US Air Force Reserve and is a proud veteran of Operation Desert Storm. I retired with twenty-four (24) years of honorable service as a Master Sergeant, US Air Force. My federal civilian employment includes a background in Equal Employment Opportunity. During my 34 years federal civilian service career I served as an Equal Employment Opportunity Specialist (28 years) Naval Air Stations Pensacola and Equal Employment Opportunity Manager, US Army Garrison, Bamberg Germany (6 years).

I am a strong community organizer respected as a credible voice and a valued radio personality and news analyst for WRNE Radio. I am also a member of Northeast Pensacola Sertoma Club.

I graduated from Booker T. Washington High School and continued my education at Pensacola Junior College (AA Degree Business), Career College of The Air Force (AS Degree Logistics), and University of West Florida (BS Degree, Management).

Born in Dothan, Alabama and raised in Pensacola, Florida, I am an avid reader, musician, and a die-hard New Orleans Saints fan.

*** Charles D. Thornton, Sr.

AFFORDABLE HOUSING ADVISOR COMMITTEE
Application for Appointment
Attachment 2

I grew up in Pensacola during a time when we did not have the homeliness and affordable housing challenges we have today. Housing was plentiful and affordable. During the years because of the area's success with commercial, population growth (Local and out-of-towners), favorable cost of living, wonderful weather, and environment, we somehow lost focus on housing for low-income residents. To address these issues, the Affordable Housing Advisory Committee must continue to position itself to make feasible and doable recommendations to the Mayor, City Council, County Commissioners, and other stakeholders to address the area affordable housing challenges. The good thing is we have not reached a crisis point. There is still time left to work on and improve these challenges. The reason I am submitting this application to serve on the committee is to bring my residential experience of growing up and living in the Escambia County/Pensacola community, academic and military experience, and community service background to the committee.



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-278

Agenda Conference

4/7/2025

LEGISLATIVE ACTION ITEM

SPONSOR: Jared Moore, Council President

SUBJECT:

APPOINTMENT - ZONING BOARD OF ADJUSTMENT

RECOMMENDATION:

That City Council appoint one individual, who is a resident or property owner of the City, to the Zoning Board of Adjustment to fill an unexpired term, ending July 14, 2026.

HEARING REQUIRED: No Hearing Required

SUMMARY:

This board reviews and grants or denies application for variances, waivers, and special exceptions to the Land Development Code. The board also hears and decides appeals when it is alleged that there is error in any order, requirement, decision, or determination made by an administrative officer in the enforcement of the Land Development Code.

The following has been nominated:

Nominee:	Nominated by:
Nannette Chandler	Patton

PRIOR ACTION:

City Council makes appointments to this board annually.

FUNDING:

N/A

FINANCIAL IMPACT:

None.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No

STAFF CONTACT:

Ericka L. Burnett, City Clerk

ATTACHMENTS:

1. Member List
2. Nomination Form - Nannette Chandler
3. Application of Interest - Nannette Chandler

PRESENTATION: No

Zoning Board of Adjustment

Name	Profession	Appointed By	No. of Terms	Year	Exp Date	First Appointed	Term Length	Comments
Dittmar, John "Drew" A.	Educator Const Trades	Council	0	2025	7/14/2025	8/18/2022	3	
Price, Kirwan B.		Council	0	2025	7/14/2026	7/20/2023	3	
Sebold, Steven	Real Estate	Council	2	2025	7/14/2027	7/19/2018	3	
Shelley, Steven M.	Business owner	Council	3	2025	7/14/2025	11/17/2016	3	
Stepherson, Troy	Office & Mkting Mgr	Council	2	2025	7/14/2027	7/13/2017	3	
VACANT, VACANT		Council	0	2025	7/14/2026	3/10/2022	3	
Weeks, William	Retired Bldg Official	Council	1	2025	7/14/2027	6/14/2021	3	
White, Boyce T.	Business	Council	3	2025	7/14/2026	7/17/2014	3	
Williams, Robby	Project Manager/Constr	Council	4	2025	7/14/2025	7/17/2014	3	

Term Length: THREE YEAR TERMS

NINE (9) MEMBERS APPOINTED BY THE CITY COUNCIL. NO MEMBER SHALL BE AN ELECTED OFFICIAL OR EMPLOYEE OF THE CITY. MEMBERS MUST BE RESIDENTS OR PROPERTY OWNERS OF THE CITY OF PENSACOLA.

CITY OF PENSACOLA, FLORIDA

NOMINATION FORM

I, Allison Patton, do nominate Nannette Chandler
(Nominee)

(Home Address)

(Phone)

(Business Address)

(Phone)

(Email Address)

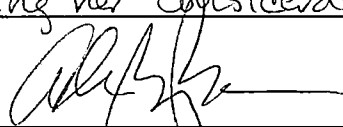
City Resident: YES NO
Property Owner within the City: YES NO

for appointment by the City Council for the position of:

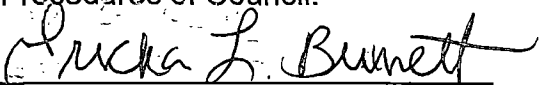
**MEMBER
ZONING BOARD OF ADJUSTMENT
(Unexpired term ending 7/14/2026)**

Provide a brief description of nominee's qualifications:

Nannette is a local general contractor who has invested her time and talents in thoughtful development with a focus on restoring historic homes and creating more attainable housing in Pensacola. She has a deep understanding of the Land Development Code and will bring her considerable knowledge to this Board.


City Council Member or Mayor

I hereby certify that the above nomination was submitted to my office within the time limitations prescribed by the Rules and Procedures of Council.


Ericka L. Burnett, City Clerk

Ericka Burnett

From: noreply@civicplus.com
Sent: Monday, March 24, 2025 5:42 PM
To: Ericka Burnett; Robyn Tice
Subject: [EXTERNAL] Online Form Submittal: Application for Boards, Authorities, and Commissions - City Council Appointment

⚠ THIS EMAIL IS FROM AN EXTERNAL EMAIL ACCOUNT ⚠

Application for Boards, Authorities, and Commissions - City Council Appointment

This application will be utilized in considering you for appointment to a City Council board, authority, or commission. Pursuant to Florida Statutes, Chapter 119, all information provided on or with this form becomes a public record and is subject to disclosure, unless otherwise exempted by law.

Completed applications will be kept on file for a period of one (1) year from the date received in the Office of the City Clerk.

It is necessary to contact a member of Council to obtain a nomination in order to be placed on the ballot for consideration. Please go to cityofpensacola.com/council for Council Member contact information. If you have any questions, contact the City Clerk's Office.

(Section Break)

Personal Information

Name	NANNETTE CHANDLER
------	-------------------

Home Address	313 E. Jackson St.
--------------	--------------------

Business Address	1100 N. Davis Hwy
------------------	-------------------

To which address do you prefer we send correspondence regarding this application?	Home
---	------

Preferred Contact Phone Number(s)	8505163863
-----------------------------------	------------

Email Address	nchandler10@gmail.com
---------------	--

Upload Resume (optional) *Field not completed.*

(Section Break)

Details

Are you a City resident? Yes

If yes, which district? 6

If yes, how long have you been a City resident? PENSACOLA

Do you own property within the City limits? Yes

Are you a registered voter in the city? Yes

Board(s) of interest: Zoning, Planning

Please list the reasons for your interest in this position: I'm a Building Contractor and Developer who's heavily involved in the downtown area and I have an interest in seeing Pensacola be the best place to live.

Do you currently serve on a board? No

If yes, which board(s)? *Field not completed.*

Do you currently hold a public office? No

If so, what office? *Field not completed.*

Would you be willing to resign your current office for the appointment you now seek? N/A

(Section Break)

Diversity

In order to encourage diversity in selections of members of government committees, the following information is required by Florida Statute 760.80 for some committees.

Gender	Female
Race	Caucasian
Physically Disabled	No
(Section Break)	
Acknowledgement of Terms	I accept these terms.

Email not displaying correctly? [View it in your browser.](#)



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-149

Agenda Conference

4/7/2025

LEGISLATIVE ACTION ITEM

SPONSOR: DC Reeves, Mayor

SUBJECT:

AWARD OF CONTRACT RFQ NO. 25-011 - LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES

RECOMMENDATION:

That the City Council award contract(s) for RFQ No. 25-011 for landscape installation and maintenance continuing services to Outer Spaces, LLC, Rotolo Consultants, Inc., and Wallace Sprinkler & Supply, Inc. Further, that City Council authorize the Mayor to take those actions necessary to negotiate, execute and administer these contracts and complete the work, consistent with the contracting documents and the Mayor's Executive Powers as granted in the City Charter.

HEARING REQUIRED: No Hearing Required

SUMMARY:

This action will advance City of Pensacola Strategic Plan Goal #4: Resilient Waterfronts & Neighborhoods and Goal #6: Public Spaces that Connect Communities.

Historically, the City of Pensacola has utilized outside landscaping vendors to install and maintain landscaping projects and to supplement the city's limited landscaping crew capacity. On December 27, 2024, a Request for Qualifications (RFQ) was issued for continuing professional landscaping installation and maintenance services. Five (5) responses to the RFQ were received. However, two were found to be nonresponsive.

A selection committee was formed to review the RFQ responses, rank the firms and provide recommendations for the award of contracts. The committee was comprised of Bill Kimball, Robert Slayton, Wendy Gavin, Caitlin Cerame, and Hilary Halford.

The committee recommended contracts be awarded to each of the qualified firms as follows:

- Outerspaces, LLC
- Wallace Sprinkler & Supply, Inc.

- Rotolo Consultants, Inc.

Once the continuing service contracts are executed, individual Service Authorizations (SA's) will be generated administratively detailing scope and terms for any proposed projects with approved funding.

PRIOR ACTION:

None

FUNDING:

Funding for landscape maintenance is included annually in the CRA budget.

FINANCIAL IMPACT:

Approval of award of contracts to Outer Spaces, LLC, Wallace Sprinkler and Supply, Inc., and Rotolo Consultants, Inc. has no financial impact. Once the contracts are executed, staff will obtain appropriate authorization of the individual work/task orders providing detailed information for projects.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No

3/20/2025

STAFF CONTACT:

Tim Kinsella, City Administrator
Ercia Grancagnolo, Economic Development Director
Victoria D'Angelo, CRA Division Manager
Hilary Halford, Assistant CRA Division Manager

ATTACHMENTS:

1. RFQ No. 25-011
2. Written Submittals Evaluation
3. OUTER SPACES LLC Contract - RFQ - LLC_3.20.2025
4. ROTOLO Contract - RFQ - Corps 3.18.2025_3.20.2025
5. WALLACE Contract - RFQ - Corps 3.18.2025_3.20.2025

PRESENTATION: No

**CITY OF PENSACOLA
REQUEST FOR QUALIFICATIONS**

**RFQ NO.: 25-011
LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES**

The City of Pensacola is requesting sealed statements of interest and qualifications from companies with experience in landscape installation and maintenance services for a three (3) year contract term with provisions for two (2) one-year extensions upon mutual agreement of the Contractor and City. Work may continue under the contracts until all projects assigned have been completed, at the discretion of the City.

Sealed and complete hardcopy statements of interest and qualifications **with original or electronic signature and five (5) additional copies, plus one (1) complete electronic copy (SINGLE PDF) on flash drive or CD**, must be received no later than, **December 30, 2024, 2:30 P.M.**, local time, at the following location.

**City Hall (lobby)
222 West Main Street
Pensacola, Florida, 32502
Attention: Purchasing**

The OUTER FACE of the sealed submittal package shall **identify the respondent, the RFQ title, and the RFQ number** (whether hand-delivered, mailed, or via UPS/FedEx or other courier service). Submittals received after the closing time will not be accepted. Multiple submittals from the same entity will not be accepted. After the submittal deadline those submittals received will be opened and publicly acknowledged. Interested parties may attend.

Alternatively, electronic bids may be submitted to [Demandstar](#) or [Central Bidding](#). Both sites require registration and varying fees for notifications and document downloads. **If submitting electronic bids and a bid/proposal bond is required, that bond must be delivered separately to the address above.**

Specifications will be posted to the City's website at www.cityofpensacola.com/bids.aspx. Addenda will be posted to the City's website. **Bidders are responsible for obtaining addenda and are advised to check the website frequently.** There is no cost to view or download documents from the City website.

A tabulation of qualifications and/or a Notice of Intent to Award will be posted to the City's website at www.cityofpensacola.com/bids.aspx. Respondents are advised to check the website frequently.

Any questions concerning the RFQ should be addressed and submitted in writing **no later than December 16, 2024, at 10:00 A.M., local time, to:**

Dedria Lunderman, Purchasing Manager
City Hall 6th Floor
222 West Main Street
Pensacola, Florida 32502
purchasing@cityofpensacola.com

The City of Pensacola adheres to the Americans with Disabilities Act and will make reasonable accommodations for access to City services, programs, and activities. Please email ADACoordinator@cityofpensacola.com or call (850) 436-5600. Requests must be made at least 48 hours in advance of the event in order to allow the City time to provide the requested services.

The City reserves the right to accept or reject any or all submittals, to waive any submittal informalities and to re-advertise for submittals when deemed in the best interest of the City.

Attest:
Ericka L. Burnett
City Clerk

CITY OF PENSACOLA
D. C. Reeves
Mayor

The City of Pensacola provides equal access in employment and public services.

SECURITY NOTICE

Visitors to City Hall may be required to stay in the lobby unless otherwise directed.

Late submittals will not be accepted.

GENERAL INSTRUCTIONS

- A. Companies responding to the RFQ must be available for formal presentations/interviews to the Selection Committee. These will be held in person at City Hall, 1st Floor Whibbs Room, 222 West Main Street, Pensacola, FL 32502.
- B. Submittals should respond to each item noted in the Submittal Format and Evaluation Criteria in the order noted. Identify responses with the same paragraph notation as this RFQ. [Example: When completing Section III. Submittal subsection A. Introduction please provide a page divider or tab divider indication A. Introduction and include all components of that identified section behind the labeled divider.]
- C. Submittals must be typed or printed. All corrections made by the respondent prior to the opening must be initialed and dated by the respondent. No changes or corrections will be allowed after submittals are opened.
- D. **Any addendum issued will be made available on the City's website at <http://www.cityofpensacola.com/bids.aspx>. Interested bidders are advised to check the site frequently.**
- E. The City of Pensacola is not liable for any costs incurred by any interested party in responding to this RFQ.
- F. By responding to this RFQ you are giving permission for the City to contact anyone you name as an associate, sub-contractor or reference to confirm information provided.

SCHEDULE OF EVENTS (dates subject to change)

Date	Activity
November 29, 2024	Publish RFQ
December 16, 2024, 10:00 a.m.	Questions due
December 30, 2024, 2:30 p.m.	Submittals due
January 6, 2025	Distribution of Materials for Review
January 9, 2025, 9:00 a.m. City Hall 6 th floor conference room 222 West Main Street, Pensacola, FL 32502	Evaluation Committee Meeting Ranking / Shortlisting Qualifications
January 21, 2025, 9:00 a.m. City Hall 1st floor conference room 222 West Main Street, Pensacola, FL 32502	Evaluation Committee Meeting Oral Presentations Recommendation of Continuing Services Contract Awards

All times are local time.

I. PURPOSE

The purpose of this RFQ is to identify multiple highly qualified companies who can provide exceptional high quality landscape installation and maintenance services for city and/or CRA owned and maintained areas.

Contracts offered through this RFQ process are intended to augment City of Pensacola (City) staff in areas where additional expertise and work force are needed when workload will not permit the timely completion of landscape installation or maintenance. These contracts will allow the City to solicit proposals directly from the contractor for individual landscaping projects, or tasks, and to procure needed services without soliciting separate competitive proposals for every project or task.

The City reserves the right to at any time solicit separate competitive proposals for any and all projects or tasks, regardless of fee or value. Selection by the City as a landscape installation/maintenance contractor does not guarantee that the contractor will be called on a regular basis during the contract term, nor does it guarantee a minimum level of compensation with respect to volume of work or fees.

Qualifications:

Companies will be required to demonstrate, as a condition precedent to award, that the respondent has the qualifications and is capable of performing all of the services described herein. **WITH THE EXCEPTION OF ARBORICULTURAL, SUBCONTRACTING SHALL ONLY BE ALLOWED WITH THE PRIOR WRITTEN CONSENT OF THE CITY.** The minimum requirements for respondents shall be as follows:

- A. Commercial landscaping **MUST** be the primary business of the bidder. Primary is defined as providing no less than 51% of the respondent's annual income.
- B. Bidders must possess, or have on staff at least one permanent senior employee who possesses, one or more of the following degrees and/or certifications (proof of such credentials shall be required):
 - 1. Landscape Architecture or Design
 - 2. Environmental Horticulture
 - 3. Horticulture
 - 4. Agribusiness
 - 5. Landscape Technology
 - 6. Certification with the Florida Nursery, Growers, and Landscape Association
 - 7. Certification as a Florida Master Gardener
- C. Bidders or at least one member of staff must be certified in accordance with Florida Law to provide the required lawn and ornamental pest control services.

- D. Bidders or at least one member of staff must hold a LCFAC license in accordance with Florida Law (effective January 2014) to apply fertilizer commercially to provide the required fertilizer services.
- E. Bidders or at least one member of staff must be licensed to provide commercial irrigation system troubleshooting and repair services in order to provide the required irrigation system services.
- G. Bidders or at least one member of staff must be an International Society of Arboriculture (ISA) Certified Arborist.
- H. Bidders must have a minimum of five (5) years' experience in commercial landscape maintenance services.
- I. Bidders must have performed a contract with similar scope of services and of a size and complexity within the past three (3) years. Please see the sample projects listed below for more information regarding potential complexity of existing and future projects.
- J. Respondents must be able to provide a **Performance and Payment Bond**. The bond shall be in a form and with a surety acceptable to the City and shall insure the full and faithful performance of the contractor of all terms and conditions of certain projects and stand as security for payment by the contractor of all valid claims by the City. Respondents must be able to provide proof of their ability to provide this bond in the amount up to **one million** dollars (\$1,000,000).

Sample Projects:

The following sample projects are examples of high visibility project areas that the company may be selected to maintain. The company will be expected to exhibit the skills and qualifications necessary to provide ongoing maintenance for projects of a similar scale and scope.

1. Bruce Beach Park - 601 W Main Street

Once a thriving industrial hub serving the early 20th-century maritime industry, and later a neighborhood gathering place for Pensacola's black community, a 10-acre property along Pensacola's waterfront known as Bruce Beach was a littered homeless camp by the mid-1970's. This all changed with the recent completion of the park by the Pensacola CRA to create a connected, accessible public realm along the water's edge. Today Bruce Beach is transformed into a waterfront park with a central plaza, native plants, cultural exhibits, wildlife-friendly lighting, shade structures, learning garden, volleyball court, kayak launch and pedestrian bridge that overlooks historic Washerwoman Creek.

The park was professionally designed by SCAPE landscape architecture and HDR

Engineering and includes a wide variety of native plantings and a lush, but developing, tree canopy. This park represents a significant CRA investment valued at over \$11 million in a harsh waterfront environment. Therefore, skillful landscape management methods must be applied to achieve full establishment and mitigate plant loss.

Design plans for these projects may be found in Attachments A1 and A 2.

2. Garden Street Median Improvements – “A” Street to Alcaniz Street

The Garden Street corridor beginning at Alcaniz Street serves as the gateway into Downtown Pensacola for many residents, workers and tourists entering downtown from the I-110 interstate. The corridor features a wide median which contains a mixture of mature trees and shrubs and recently installed ground cover (grass, jasmine and perennial peanut), and variety of plants, trees and a substantially new irrigation system and well which was installed in 2022. The project was partially funded by an FDOT Beautification grant and must adhere to the standards expected by the state. This high-visibility gateway must be maintained with the utmost care to provide a welcoming entry to downtown.

Design plans for these projects may be found in Attachments B1 and B2.

DeVilliers Streetscape – Cervantes to Main Street

DeVilliers Street connects the historic city neighborhoods of North Hill, Belmont DeVilliers and Tanyard to the Pensacola Bay waterfront and Community Maritime Park. Streetscape improvements including the installation of decorative sidewalk and pedestrian-level streetlighting, street trees, sunshine ligustrum, groundcover, potted trees and irrigation were completed in 2021. An important connection for pedestrians, bicyclists and area residents and visitors, the landscape along this corridor must flourish to provide an inviting and comfortable experience for its users. Unfortunately, this project area needs remedial replanting and irrigation repairs which must be performed to accomplish the goals set for the project.

Design plans for these projects may be found in Attachments C1 and C2.

II. SCOPE OF SERVICES

The City of Pensacola and its Community Redevelopment Agency (CRA), (jointly, the “City”) have constructed a variety of streetscape, park and public space improvements and acquired various properties for redevelopment over the years which require ongoing landscape maintenance services. Additionally new project areas continue to be identified which require landscape maintenance and installation services.

The companies selected through this RFQ process will provide commercial landscape services for the City’s project areas and must demonstrate expertise in commercial

landscape design, installation and long-term maintenance. Installation and maintenance work must be performed according to the highest standards in the industries of horticulture and arboriculture. The selected companies must employ professionalism in both appearance and demeanor when interacting with stakeholders and in the conduct of their work. Companies selected through this RFQ will clearly show, through their submission, their standard of professionalism both in the clarity in writing of the submission and through pictures of company employees and equipment in the community on a daily basis, such as uniformed employees and truck/equipment signage.

As a landscaping specialist, the company will be expected to adequately advise the City on sound installation and maintenance applications that achieve optimal performance and mitigate the loss of plant materials.

Common Services:

The common services expected to be performed under a continuing service contract award are as follows. The actual services required will vary by project area.

1. Mowing
2. Removal of litter and debris
3. Irrigation system installation, testing and maintenance (as required)
4. Sweeping, edging and trimming
5. Pruning shrubs and trees (tree pruning performed by or under the supervision of a certified arborist.)
6. Weeding landscape and hardscape (by hand and by chemical application)
7. Weeds control
8. Disease and insect control
9. Mulching landscape beds
10. Fertilization of shrubs, turf, beds and trees
11. Conducting and analyzing soil testing to determine appropriate soil treatments
12. Soil aeration
13. Installation of a wide variety of plant materials according to design plans and/or specifications. This would include any necessary soil amendments, planting at appropriate depths and widths, and necessary watering to ensure the new plants would become well established and thrive in optimum conditions.
14. Removal and replanting of trees (particularly street trees and trees in urban settings).
15. Maintenance and installation of potted plants and trees.
16. Coordination with landscape design professionals, such as landscape architects and landscape inspectors.
17. Other related landscape services necessary to maintain commercially landscaped areas, right of ways, parks, public spaces and redevelopment sites.

The contractor shall furnish all labor, tools, specialized equipment, material, supplies, supervision and transportation to perform landscape services as specifically outlined in this section.

III. SUBMITTAL FORMAT

Submittals shall be in the format described below. The selection criteria and points that will be used in ranking the submittals are noted in each section.). Submittals shall be limited to forty (40) single-sided 8½ x 11" pages. Page count excludes the cover, cover letter, table of contents, section dividers, and any City-provided form. Qualifications shall be bound with spiral or similar binding that ensures the integrity of the submission. Each section in the submittal should follow the format/organization noted in this section

(Sections A. – I.). Companies may be shortlisted based on the information provided on the forms and in the additional sections and those companies invited to an in-person interview. The City reserves the right to select directly from the Statements of Qualifications.

An Authorized Representative of the company shall sign submittals. All information requested must be submitted. Failure to submit all information may result in a lowered evaluation score of the submittal. At its discretion, the City may waive minor discrepancies or reject submittals substantially incomplete or lacking key information.

A. Introduction

This section will contain a cover letter of no more than two (2) pages, signed by an authorized representative of the offering company. A table of contents will follow the cover letter. This section should also include those required City forms within the RFQ, and acknowledgement of any addenda issued.

- 1) Signature Sheet
- 2) State of Florida Affidavit Regarding the Use of Coercion for Labor and Services Pursuant to Florida Statute 787.06(13)
- 3) 52.209-5 FAR Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters
- 4) 52.209-6 FAR Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment
- 5) Drugfree Workplace Certificate
- 6) Veteran Business Enterprise Statement
- 7) Minority/Women Business Enterprise Participation Form
- 8) Small Business Enterprise Participation Form
- 9) Acknowledgement of addenda (addendum's signature page)

B. Company Information

Briefly describe the company's organization. Address each of the following items:

- 1) Business Structure (Corporation, Joint Venture, Partnership); proper incorporation by the Secretary of State and current Florida Professional Registration Certificate for general contractor certification.

- 2) Number of years in business.
- 3) Total number of employees and upper management's experience profile. This criterion identifies the relative size of the company, including management, technical, and support staff. Technical staff shall be those persons proposed to be associated with the implementation of any project, project managers, engineers, supervisors, estimators, quality control manager, arborist, chemical and pest control applicators, irrigation installers, etc.
- 4) Distance from the Site – Simply, the location in miles of the proposed operating office to City Hall.
- 5) Describe and explain any litigation, major disputes, contract defaults, and liens in the last 10 years.
- 6) Although not every project contracted will require a surety bond the company submitting for consideration under this RFQ must provide evidence of having the capacity to obtain a bond when needed.
- 7) For all arborists intended to be utilized either on staff or as a sub-contractor please provide their name, contact information and credentials for consideration.
- 8) Provide copies of licenses or certifications for all pest control and chemical applicator personnel.
- 9) Provide a list of **all** major contracts within the past 3 years requiring similar tasks listed under the scope of services herein. Include in the contract list the name and contact information of your client's representative who was most directly involved in overseeing the work performed.

1. Submit to the City the following information:

- A.** Copy of Florida certification to provide lawn and ornamental pest control services.
- B.** Copy of the LCFAC license to apply fertilizer commercially.
- C.** Copy of license to provide sprinkler system repair services.
- D.** Copy of ISA Arborist certification.
- E.** Name, location, point-of-contact and telephone number of other entities for which the bidder has performed similar services of a similar size.

- F. Detailed explanation of any contracts revoked and of any contracts awarded but not executed.
- G. Copy of the bidder's current business license with the City of Pensacola or Escambia County enabling them to provide landscape maintenance services, as well as a copy of the current business license of any proposed subcontractor, the State of Florida enabling them to provide services.
- H. Copies of degrees and/or certifications as listed in the Qualifications paragraph above.
- I. Proof of ability to provide performance and payment bond and maintenance bond in an amount of up to one million dollars (\$1,000,000.00) each, respectively.

EVALUATION CRITERIA BEGINS

This section outlines the evaluation information expected to be included within the submission, the order it should be presented and how each section will be evaluated.

C. Company Experience (20 points)

Please provide a concise Statement of Qualifications regarding your company's experience as an introduction to this section.

Major consideration will be given to the successful completion and/or maintenance of previous projects comparable in nature, design, scope, and complexity with projects currently being maintained or installations anticipated by the city soon. To understand the types of landscape maintenance work being procured refer to the sample projects being maintained provided in **Attachments A1 through C2** referenced above.

In addition, major consideration will be given to those contractors who can provide evidence of successful experience in the installation and/or maintenance of corporate/commercial and/or government landscaping projects in USDA Plant Hardiness Zones 8 and/or 9 or within the western Florida panhandle area.

Photos or other evidence of experience will be accepted and encouraged. If photos are provided, please label them clearly as to what project the photo(s) reflects and date of photo.

The city will consider statements of interest from companies that have not previously delivered or maintained a large or complex project, if the company otherwise demonstrates success on delivery of quality projects. Letters of recommendation or other evidence will be accepted and encouraged.

To allow the review committee to thoroughly understand the depth of the

company's experience please provide a list of the projects which best illustrate the experience of the contractor and current staff. (List no more than 10 projects, and no projects which were completed more than 5 years ago.)

For each company on the list provided include the following to illustrate contractor experience:

- Name and location of the project
- Nature of the contractor's responsibility on this project (i.e. design, installation, maintenance, etc.)
- Project owner's name, address and phone number
- Project owner's representative's name, address, and phone number if other than owner (current information)
- Date project was completed or is anticipated to be completed
- Size of project (gross SF of construction or total acreage)
- Cost of project (construction cost)
- Work for which the staff was responsible (List all tasks that apply)
- If the project is not complete, present status of this project (On time, delayed and if delayed, please provide an explanation).
- Please indicate if the identified project was installed by your company or if it is only maintained by your company. If a project was installed by your company, please describe in detail the installation parameters such as:
 - Acreage of project site,
 - Number of different varieties of plant selections installed
 - Quantity of plant selections
 - Was irrigation installed and if so, how many linear feet, sprinkler heads and type
 - Other indicators which will effectively show the complexity of the project being described.
 - Include in the contract list the name and contact information of the person who oversaw the contract execution by your client, if different from those listed above.

In determining the level of quality desired, the city will consider the nature of previous contractual relationships. Please include a list of previous work performed by the company for the City of Pensacola, if applicable, separately from the list requested above. Please include the following:

- Name/location/date of the project
- Nature of the contractor's responsibility on this project (i.e. design, installation, maintenance, etc.)
- Department contracted through and Department contact
- Work for which the staff was responsible (List all tasks that apply)
- If the project is not complete, present status of this project (On time, delayed and if delayed, please provide an explanation)

- Please indicate if the identified project was installed by your company or if it is only maintained by your company. If a project was installed by your company, please describe in detail the installation parameters such as:
 - Acreage of project site,
 - Number of different varieties of plant selections installed
 - Quantity of plant selections
 - Was irrigation installed and if so, how many linear feet, sprinkler heads and type
 - Other indicators which will effectively show the complexity of the project being described.
 - Include in the contract list the name and contact information of the person who oversaw the contract execution by your client, if different from those listed above.

D. Financial Capability (10 points)

Indicate the company's available resources and the necessary working capital to assure financial stability to the complete projects assigned. The financial capability should also include the bonding capacity of the company. Please provide a letter from your bonding agency stating, as of the date of the letter your company can be bonded or obtain a bond for bid, contract, maintenance, etc. and the limits of each.

E. Team Composition (15 points)

The project team is comprised of experienced and qualified staff and on-site employees, or field crews, assigned to specific projects. The company shall provide a letter of commitment for each of the key management staff to be assigned to any project. This letter shall not be counted towards the page limit of the response package.

In addition, please list all upper-level employees as indicated below and include all licenses and/or certifications held by each, if applicable. Also, provide the following information by employee category:

1) Upper level/Office Staff

Describe the general and specific project-related capability of the in-house staff and indicate the adequate depth and abilities of the organization which it can draw upon as needed. This will include management, technical, and support staff. Give a brief résumé of key people to be assigned to city projects, including, but not limited to:

- a) Name and title
- b) How many years with the company
- c) How many years with other similar companies

- d) Experience
 - 1) Type of projects
 - 2) Size of projects (dollar value & SF of project)
 - 3) What was their specific project involvement?
- e) Education
- f) Active Registration (P.E., G.C., etc.)
- g) Other experience and qualifications

2) Field Crew/On-site Employees

Similarly, the ability and experience of the field employees will be evaluated with specific attention to related experience on projects of similar size and scope. Describe the general and specific project-related capability of the supervisors and/or lead crew members that would be assigned to any city project. Give a brief resume of key employees listed to include but not limited to:

- a. Name and title
- b. How many years with the company
- c. How many years with other similar companies
- d. Experience
 - 1) Type of projects
 - 2) Size of projects (dollar value & SF of project)
 - 3) What was their specific project involvement?
- e. Education
- f. Active Registration (P.E., G.C., etc.)
- g. Other experience and qualifications

3) Organization Approach – (Office Staff and On-Site Management)

Provide an organization chart indicating key personnel and their relationships. The organization chart should include a statement committing that the team proposed to the City of Pensacola will be the team that executes any City project contracted.

If the submittal is reflective of a joint venture or prime/subcontractor arrangement of two or more entities, indicate how the work will be distributed among the partners.

Describe how the organizational structure will ensure orderly communication, distribution of information, effective coordination of activities, and accountability.

F. Professionalism (20 points)

Below is a list of 9 characteristics expected to be exhibited by any contractor

selected through this RFQ process. When responding to this section, indicate how the company exhibits these characteristics.

- Proper Demeanor (in person, on-line and over the phone)
- Reliability
- Competency
- Communication
- Poised
- Ethical
- Organized
- Accountable
- Appearance-in addition to any appropriate company policies, if applicable, photos are encouraged to illustrate the company's expected appearance in the field.

G. Trouble Shooting Capabilities (10 points)

In no more than two pages describe a time when you had to troubleshoot a project that resulted in positive outcomes for both you and your client. Be specific in describing the problem, the steps you took, and the final outcomes achieved.

H. Quality of Submittal (10 points).

The quality, clarity, and thoroughness of the submission, including but not limited to the Statement of Qualifications provided in Section C, will be scored based on the reviewer's subjective assessment.

I. Certification as or partnership with an SBE/MBE/WBE (3 points).

Indicate whether or not the firm is itself or is partnered with any Small/Minority/Woman-Owned Business Enterprises as certified by the City of Pensacola.

J. Certification as or partnership with a VBE (2 points).

Indicate whether or not the firm is itself or is partnered with any Veteran-Owned Business Enterprises as certified by the City of Pensacola.

IV. INTERVIEW PROCESS

Companies will be evaluated for short-listing based upon the written material submitted in Sections C-H above to the City in response to this RFQ. The evaluation committee will review the submittals, and the City will schedule formal presentations/interviews for those three to five (3-5) companies short-listed. Companies selected for presentations/interviews will be required to have the proposed project manager present to participate in the presentation/interview. Presentations/interviews will be conducted in-person only.

Each company will be allowed up to 30 minutes for a formal presentation,

consisting of a reiteration of the submitted written qualification demonstrating the company's grasp of the quality expectations of work to be performed. The formal presentation will be followed by up to 15 minutes of Questions & Answers (Q&A).

Any unused formal presentation time will be added to the Q&A period. A projection system is available, but presenters are requested to bring their own laptop and flash drives containing the complete presentation and handouts if desired. The selection committee would prefer a PowerPoint presentation. The presentations are closed to the public. The committee's deliberations following the last presentation will be open to the public.

The evaluation committee will make a recommendation to the Mayor regarding the selection of companies based upon the final scoring after the formal presentations/interviews. The Mayor will then forward his recommendation for Continuing Service contract awards to the City Council for their approval.

V. GENERAL TERMS AND CONDITIONS

A. No Contingency Fees

By responding to this solicitation, each Respondent warrants that it has not and will not employ or retain any company or person, other than a bona fide employee working solely for the company, to solicit or secure an agreement pursuant to this solicitation and that it has not and will not pay or agree to pay any person, company, corporation, individual or company, other than a bona fide employee working solely for the company, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of an agreement.

B. Insurance and Indemnification

Before starting and until termination of work for, or on behalf of, the CITY, the CONTRACTOR and any/all sub-contractor shall procure and maintain insurance of the types and to the limits specified.

The term CITY as used in this section of the Contract is defined to mean the CITY of Pensacola itself, any subsidiaries or affiliates, elected and appointed officials, employees, volunteers, representatives and agents.

Insurance shall be issued by an insurer whose business reputation, financial stability and claims payment reputation is satisfactory to the CITY for the CITY's protection only. Unless otherwise agreed, the amounts, form and type of insurance shall conform to the following minimum requirements, Contractor understands and agrees that increased limits and/or additional types of insurance

may be required depending on the scope of service.

1. WORKERS' COMPENSATION

The CONTRACTOR shall purchase and maintain Worker's Compensation Insurance Coverage for all Workers' Compensation obligations as legally required. Additionally, the policy, or separately obtained policy, must include Employers Liability Coverage of at least \$100,000 each person - accident, \$100,000 each person - disease, \$500,000 aggregate - disease. The policy must include coverage for United States Longshore & Harbor Act (USL&H).

2. COMMERCIAL GENERAL, AUTOMOBILE, PROFESSIONAL LIABILITY AND UMBRELLA LIABILITY COVERAGES

The CONTRACTOR shall purchase coverage on forms no more restrictive than the latest editions of the Commercial General Liability and Business Auto policies filed by the Insurance Services Office. The CITY shall be an Additional Insured for Commercial General Liability and umbrella liability and such coverage shall be at least as broad as that provided to the Named Insured under the policy for the terms and conditions of this Contract. The CITY shall not be considered liable for premium payment, entitled to any premium return or dividend and shall not be considered a member of any mutual or reciprocal company. Minimum limits as outlined below must be provided, with umbrella insurance coverage making up any difference between the policy limits of underlying policies coverage and the total amount of coverage required.

Commercial General Liability coverage must be provided, including bodily injury and property damage liability for premises, operations, products and completed operations, contractual liability and independent contractors. The coverage shall be written on occurrence-type basis. Minimum limits of \$1,000,000 per occurrence and in the aggregate must be provided. The City of Pensacola must be listed as an additional insured.

Business Auto Policy coverage must be provided, including bodily injury and property damage arising out of operation, maintenance or use of owned, non-owned and hired automobiles. Minimum limits of \$1,000,000 CSL must be provided.

Professional Liability insurance coverage must be provided to afford protection for errors and omissions arising out of services provided under, or associated with this contract. Minimum limits of \$1,000,000 per occurrence and \$1,000,000 aggregate must be provided.

Umbrella Liability Insurance coverage shall not be more restrictive than the underlying insurance policy coverages. The coverage shall be written on an occurrence-type basis and the City listed as an additional insured.

CERTIFICATES OF INSURANCE

Required insurance shall be documented in the Certificates of Insurance that lists the specific contract and provides that the CITY shall be notified at least thirty (30) days in advance of cancellation, nonrenewal or adverse change or restriction in coverage. If required by the CITY, the CONTRACTOR shall furnish copies of the CONTRACTOR's insurance policies, forms, endorsements, jackets and other items forming a part of, or relating to such policies. Certificates shall be on the "Certificate of Insurance" form equal to, as determined by the CITY an ACORD 25. Any wording in a Certificate which would make notification of cancellation, adverse change or restriction in coverage to the CITY an option shall be deleted or crossed out by the insurance carrier or the insurance carrier's agent or employee. The CONTRACTOR shall replace any canceled, adversely changed, restricted or non-renewed policies with new policies acceptable to the CITY and shall file with the CITY Certificates of Insurance under the new policies prior to the effective date of such cancellation, adverse change or restriction. If any policy is not timely replaced, in a manner acceptable to the CITY, the CONTRACTOR shall, upon instructions of the CITY, cease all operations under the Contract until directed by the CITY, in writing, to resume operations.

INSURANCE OF THE CONTRACTOR PRIMARY

The CONTRACTOR's required coverage shall be considered primary, and all other insurance shall be considered as excess, over and above the CONTRACTOR's coverage. The CONTRACTOR's policies of coverage will be considered primary as relates to all provisions of the Contract.

LOSS CONTROL AND SAFETY

The CONTRACTOR shall retain control over its employees, agents, servants and subcontractors, as well as control over its invitees, and its activities on and about the subject premises and the manner in which such activities shall be undertaken and to that end, the CONTRACTOR shall not be deemed to be an agent of the CITY. Precaution shall be exercised at all times by the Contractor for the protection of all persons, including employees, and property from harm caused by negligent acts or omissions of the contractor.

HOLD HARMLESS

The Contractor shall indemnify and hold harmless the City of Pensacola, its officers and employees, from any and all liabilities, damages, losses, and costs to the extent caused by the negligence, recklessness or intentional wrongful misconduct of the Contractor and persons employed or utilized by the Contractor in the performance of the contract. The Contractor's obligation shall not be limited by, or in any way to, any insurance coverage or by any provision in or exclusion or omission from any policy of insurance.

PAY ON BEHALF OF THE CITY

The CONTRACTOR agrees to pay on behalf of the CITY, as well as provide a legal defense for the CITY, both of which will be done only if and when requested by the CITY, for all claims as described in the Hold Harmless_paragraph. Such

payment on behalf of the CITY shall be in addition to any and all other legal remedies available to the CITY and shall not be considered to be the CITY's exclusive remedy.

REQUEST FOR QUALIFICATIONS
CONTRACTUALSERVICES
GENERAL CONDITIONS

To ensure acceptance, all respondents submitting qualifications to the City of Pensacola shall be governed by the following conditions, attached specifications, and qualification form(s) unless otherwise specified. Qualifications not submitted on the qualification form(s) provided shall be rejected, and qualifications not complying with these conditions will be subject to rejection. **Multiple submittals from the same entity will not be accepted.**

1. **Alternate Solutions**: During the drafting of written specifications, a sincere effort is made to describe services best suited to the needs of the City. However, the City invites qualifications with alternate solutions to the performance objectives set forth in the specifications, unless a particular specification is expressly identified as mandatory.
2. **Award Determination to be Based on Best Interest of City**: There is no obligation on the part of the City to award a contract to any respondent and the City reserves the right to award a contract to or negotiate a contract with a responsible respondent submitting the most responsive or best alternative qualification for a resulting contract which is most advantageous to and in the best interest of the City. The City shall be the sole judge of the qualification and the resulting contract, and its decision shall be final.
3. **Bond (RFQ)**: None.
4. **E-Verify System (Mandatory)**: In compliance with the provisions of F.S. 448.095, the parties to this contract and any subcontractors engaged in the performance of this contract hereby certify that they have registered with and shall use the E-Verify system of the United States Department of Homeland Security to verify the work authorization status of all newly hired employees, within the meaning of the statute.
5. **Exceptions to Specifications**: In order that equal consideration be given in evaluating qualifications, any exceptions to or deviations from the specifications as written must be noted and fully explained. The Mayor is the final authority in determining the acceptability of any exceptions to specifications.
6. **Intent of Specifications**: It is the intent of the specifications attached hereto to set forth and describe a certain service(s) to be purchased by the City of Pensacola including all labor, materials, equipment, machinery, tools, apparatus, and means of transportation (including freight costs) necessary to provide the service(s).
7. **Interpretations**: All questions concerning the specifications or conditions shall be directed in writing to the Purchasing Office at least ten (10) days prior to submittal deadline, unless otherwise instructed on the Request for Qualifications Page.

Inquiries must reference the proposed service and the date of the qualification submittal deadline. Interpretations will be made in the form of an addendum placed on the City's website. The City shall not be responsible for any other explanation or interpretation.

8. **Legal Requirements:** All applicable provisions of Federal, State, County, and local laws including all ordinances, rules, and regulations shall govern the development, submittal and evaluation of all qualifications received in response to these specifications, and shall govern any and all claims between person(s) submitting a qualification response hereto and the City of Pensacola, by and through its officers, employees and authorized representatives. A lack of knowledge by the respondent concerning any of the aforementioned shall not constitute a cognizable defense against the legal effect thereof. The respondent agrees that it will not discriminate on the basis of race, creed, color, national origin, sex, age or disability.
9. **Licenses, Registration and Certificates:** Each respondent shall possess at the time of submitting its submittal all licenses, registrations and certificates necessary to engage in the business of contracting (or special contracting if the work to be performed necessitates a particular type of specialty contractor) in the City of Pensacola. Respondent must also possess all licenses, registrations and certificates necessary to comply with federal, state and local laws and regulations. The awarded respondent shall be registered at the time of contract execution as an active vendor with the Florida Department of State, Division of Corporations (www.sunbiz.org).
10. **Mistakes:** Respondents are expected to examine the conditions, scope of work, qualification prices, extensions, and all instructions pertaining to the services involved. Failure to do so will be at the respondent's risk. Unit prices will govern in award.
11. **Permits and Taxes:** The respondent shall procure all permits, pay all charges, fees, and taxes, and give all notices necessary and incidental to the due and lawful prosecution of the work.
12. **Pre-RFQ Meetings:** If an RFQ requires a mandatory pre-RFQ meeting, any representative of a company wishing to submit a qualification must sign in with the name of the responding company.
13. **Prohibited Conduct by Respondents:** Upon the publication of any solicitation for sealed bids, requests for proposals, requests for qualifications, or other solicitation of interest or invitation to negotiate by any authorized representative of the City of Pensacola, any party interested in submitting a bid, qualification, or other response reflecting an interest in participating in the purchasing or contracting process shall be prohibited from engaging in any communication **pertaining to formal solicitations** with any member of Pensacola City Council, the Mayor, or any member of a selection/evaluation committee for RFPs/RFQs, whether directly or

indirectly or through any representative or agent, whether in person, by mail, by facsimile, by telephone, by electronic communications device, or by any other means of communication, until such time as the City has completed all action with respect to the solicitation.

- 14. Protests:** Protests of the plans, specifications, and other requirements of requests for qualifications must be received in writing by the Purchasing Office at least ten (10) business days prior to the scheduled qualification opening. A detailed explanation of the reason for the protest must be included. Protests of the intended award of submittal or contract must be in writing and received in the Purchasing Office within five (5) business days of the notice of intent to award. A detailed explanation of the protest must be included.
- 15. Public Records:** Any material submitted in response to this Request for Qualification will become a public document pursuant to Florida Statute §119.07. This includes material which the responding respondent might consider to be confidential or a trade secret. Any claim of confidentiality is waived upon submission, effective after opening pursuant to Florida Statute §119.07.
- 16. Public Records Law:** The Parties shall each comply with Florida Public Records laws. The Parties hereby contractually agree that each Party shall allow public access to all documents, papers, letters, or other public records as defined in Chapter 119, Florida Statutes, made or received by either Party in conjunction with this agreement, or related thereto, unless a statutory exemption from disclosure exists. Notwithstanding any provision to the contrary, it is expressly agreed that Contractor's failure to comply with this provision, within seven (7) days of notice from the City, shall constitute an immediate and material breach of contract for which the City may, in the City's sole discretion, unilaterally terminate this agreement without prejudice to any right or remedy.
- 17. Qualification Withdrawals:** No qualification may be withdrawn after closing time for receipt of qualifications for a period of sixty (60) days thereafter. The contract award shall be legally binding at the time of award by City Council or Mayor.
- 18. Rejection of Qualifications:** The City of Pensacola reserves the right to accept or reject any or all qualifications, to award qualifications on a split-order basis by item or service number, to waive any irregularities, technicalities, or informalities, and to re-advertise for qualifications when deemed in the best interest of the City of Pensacola.
- 19. Sealed Qualifications:** The specifications and all executed qualification forms must be submitted in a sealed envelope. All qualifications must be signed by an authorized representative of the respondent. In the event more than one qualification submittal deadline is scheduled for the same date and time, do not include qualifications concerning different sets of specifications within the same envelope. **The face of the sealed envelope shall be plainly marked**

identifying the respondent, the RFQ title and the RFQ number. It shall be the sole responsibility of the respondent to assure receipt of qualification at the Purchasing Office prior to the published time for the qualification submittal deadline. No qualification will be accepted after closing time for receipt of qualifications, **nor will any offers by telephone, fax, internet or email be accepted.**

20. Tax: The City of Pensacola is exempt from all State and local sales tax.

21. Termination for Convenience: A contract may be terminated in whole or in part by the City at any time and for any reason in accordance with this clause whenever the City shall determine that such termination is in the best interest of the City. Any such termination shall be effected by the delivery to the contractor at least thirty (30) business days before the effective date of a Notice of Termination specifying the extent to which performance shall be terminated and the date upon which termination becomes effective. An equitable adjustment in the contract price shall be made for the completed service, but no amount shall be allowed for anticipated profit on unperformed services.

22. Unauthorized Aliens: The City of Pensacola shall consider the employment by any contracted vendor of unauthorized aliens a violation of Section 274A of the Immigration and Nationality Act. Such violation shall be cause for unilateral termination of this contract.

ANY AND ALL SPECIAL CONDITIONS AND SPECIFICATIONS ATTACHED HERETO WHICH VARY FROM THESE GENERAL CONDITIONS SHALL HAVE PRECEDENCE.

QUALIFICATION NO. 25-011

LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES

Signature Sheet

The undersigned, as Vendor, does declare that no other persons other than the Vendor herein named has any interest in this Qualification or in the contract to be taken, and that it is made without any connection with any other person or persons presenting a Qualification for the same articles, and it is in all respects fair and without collusion or fraud. The undersigned further declares that he has carefully examined the specifications and is thoroughly familiar with their provisions and penalties.

Survey: How did you obtain this solicitation?

☐ City of Pensacola website ☐ Central Bidding ☐ Demandstar

Other: _____

Signature _____ Date: _____

Printed Name: _____ Title: _____

Company: _____ Address: _____

Telephone: _____ City: _____

Fax: _____ State: _____ Zip: _____

E-mail: _____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

State of Florida
Affidavit Regarding the Use of Coercion for Labor and Services
Pursuant to Florida Statute 787.06(13)

Vendor Name: _____
Vendor FEIN: _____ Phone Number: _____
Vendor's Authorized Representative Name and Title: _____
Address: _____
City: _____ State: _____ ZIP: _____
Email Address: _____

Section 787.06(13) Florida Statutes requires all nongovernmental entities executing, renewing, or extending a contract with a governmental entity to provide an affidavit signed by an officer or representative of the nongovernmental entity under penalty of perjury that the nongovernmental entity does not use coercion for labor or services.

The undersigned hereby certifies that he/she is an officer or authorized representative of the vendor identified above and that said vendor does not use coercion for labor or services as defined in Section 787.06 Florida Statutes.

Florida Statute 787.06

(2)(a) "Coercion" means:

1. *Using or threatening to use physical force against any person;*
2. *Restraining, isolating, or confining or threatening to restrain, isolate, or confine any person without lawful authority and against her or his will;*
3. *Using lending or other credit methods to establish a debt by any person when labor or services are pledged as a security for the debt, if the value of the labor or services as reasonably assessed is not applied toward the liquidation of the debt, the length and nature of the labor or services are not respectively limited and defined;*
4. *Destroying, concealing, removing, confiscating, withholding, or possessing any actual or purported passport, visa, or other immigration document, or any other actual or purported government identification document, of any person;*
5. *Causing or threatening to cause financial harm to any person;*
6. *Enticing or luring any person by fraud or deceit; or*
7. *Providing a controlled substance as outlined in Schedule I or Schedule II of s. 893.03 to any person for the purpose of exploitation of that person.*

(2)(e) "Labor" means work of economic or financial value.

(2)(h) "Services" means any act committed at the behest of, under the supervision of, or for the benefit of another. The term includes, but is not limited to, forced marriage, servitude, forced marriage, servitude, or the removal of organs.

Under penalties of perjury, I declare that I have read the foregoing document and that the facts stated in it are true.

By: _____
AUTHORIZED SIGNATURE

Print Name and Title: _____

Date: _____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

**52.209-5 FAR Certification Regarding Debarment, Suspension,
Proposed Debarment, and Other Responsibility Matters**

1. The Offeror certifies, to the best of its knowledge and belief, that the Offeror and/or any of its Principals:
 - A. Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency.
 - B. Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and
 - C. Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph 1-B of this provision.
2. The Offeror has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.
 - A. "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

This Certification Concerns a Matter Within the Jurisdiction of an Agency of the United States and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution Under Section 1001, Title 18, United States Code.

- B. The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- C. A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.
- D. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- E. The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

Company Name: _____

Date: _____

Authorized

Signature: _____ Printed Name: _____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

52.209-6 FAR Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment

1. The Government suspends or debars Contractors to protect the Government's interests. The Contractor shall not enter into any subcontract in excess of \$25,000 with a Contractor debarred, suspended, or proposed for debarment unless there is a compelling reason to do so.
2. The Contractor shall require each proposed first-tier subcontractor, whose subcontract will exceed \$25,000, to disclose to the Contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the Federal Government.
3. A corporate officer or a designee of the Contractor shall notify the Contracting Officer, in writing, before entering into a subcontract with a party debarred, suspended, or proposed for debarment (see FAR 9.404 for information on the Excluded Parties List System). The notice must include the following:
 - A. The name of the subcontractor.
 - B. The Contractor's knowledge of the reasons for the subcontractor being in the Excluded Parties List System.
 - C. The compelling reason(s) for doing business with the subcontractor notwithstanding its inclusion in the Excluded Parties List System.
 - D. The systems and procedures the Contractor has established to ensure that it is fully protecting the Government's interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.

Company Name

Authorized Signature

Printed Name

Date

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

DRUG-FREE WORKPLACE CERTIFICATE

IDENTICAL TIE BIDS - Pursuant to Section 287.087, Florida Statutes, preference shall be given to business with Drug-Free Workplace Programs. Whenever two or more bids which are equal with respect to price, quality, and service are received for the procurement of commodities or contractual services, a bid received from a business that certifies that it has implemented a Drug-Free Workplace Program shall be given preference in the award process. Established procedures for processing tie bids will be followed if none of the tied vendors have a Drug-Free Workplace Program. In order to have a Drug-Free Workplace Program, a business shall:

- 1) Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
- 2) Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a Drug-Free Workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
- 3) Give each employee engaged in providing the commodities or contractual services under bid a copy of the statement specified in subsection (1).
- 4) In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
- 5) Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
- 6) Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

AS THE PERSON AUTHORIZED TO SIGN THE STATEMENT, I CERTIFY THAT THIS COMPANY COMPLIES FULLY WITH THE ABOVE REQUIREMENTS.

Signature

Printed Name

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

VETERAN BUSINESS ENTERPRISE STATEMENT

In order to foster economic development and business opportunities for service- disabled veterans and wartime veterans who have made extraordinary sacrifices on behalf of the nation, the City of Pensacola has adopted a Veteran Business Enterprise (“VBE”) Preference. For further information regarding this program, please refer to Section 3-3-12 AND 3-3-13 of the Code of the City of Pensacola.

In order for a respondent to receive credit for being VBE vendor, it must perform useful business functions on the contract, have its principal place of business in Escambia or Santa Rosa County and be certified as a veteran business enterprise by the State of Florida Department of Management Services (“DMS”) as set forth in Section 295.187 of the Florida Statutes as of the date set for submittal of bids. For purposes of the City’s VBE Program, the respondent’s principal place of business must be within Escambia County, FL, or Santa Rosa County, FL.

There shall be no third-party beneficiaries of the Veteran Business Enterprise Preference provisions of this solicitation or resulting contract. The City of Pensacola shall have the exclusive means of enforcement of the Veteran Business Enterprise Preference Ordinance and any contract terms. The City of Pensacola is the sole judge of compliance. All solicitations and submittals awarded will be evaluated in accordance with the Code of the City of Pensacola.

If the Respondent is a qualifying VBE, please complete the boxes below:
If not, please mark N/A.

Respondent’s Name:	Respondent’s Principle Place of Business	Florida Certification Number as issued by State of Florida DMS:

THIS FORM MUST BE SUBMITTED WITH RESPONSE.

MINORITY AND WOMEN BUSINESS ENTERPRISE STATEMENT

The City has implemented a Minority/Women Business Enterprise (MWBE) program to assist certified minority- and women-owned businesses with identifying and participating in City of Pensacola procurement and construction opportunities as set in the Code of the City of Pensacola, Ordinance No. 4-15.

In order for a respondent to receive credit for being a MWBE vendor, it must perform useful business functions on the contract, have its principal place of business in Escambia, Santa Rosa, Okaloosa, Walton County in Florida or Mobile, Alabama, and have received a certification letter issued from the City of Pensacola.

There shall be no third-party beneficiaries of the Minority and Women Business Enterprise provisions of this solicitation or resulting contract. The City of Pensacola shall have the exclusive means of enforcement of the Minority and Women Business Enterprise Ordinance and any contract terms. The City of Pensacola is the sole judge of compliance. All solicitations and submittals awarded will be evaluated in accordance with the Code of the City of Pensacola.

Respondent's Name:	Respondent's Principal Place of Business

If your firm is partnering with or subcontracting with a certified M/WBE, please provide the information requested below.

<u>NAME OF M/WBE FIRM</u>	<u>PARTNER OR SUBCONTRACTOR</u>	<u>% OF CONTRACT PERFORMANCE</u>
1. _____		
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

CITY OF PENSACOLA
SMALL BUSINESS ENTERPRISE STATEMENT

The Pensacola City Council adopted a Small Business Enterprise Ordinance #61-89. This ordinance encourages participation of small business in the City procurement process. Participation goals will be provided on a project-by-project basis, based on the availability of certified small businesses.

A Small Business is defined as an independently owned and operated business employing 50 or fewer permanent full-time employees and having a net worth of not more than \$1 million. The business must be located in Escambia or Santa Rosa County.

You must provide the following information sought in the accompanying forms for your submittal to be considered responsive:

RFQs **with** a specified Small Business Enterprise (SBE) goal will include a Bidder Questionnaire, Sub-contractor Solicitation, SBE Intent to Perform as a Sub-contractor and SBE Participation forms.

RFQs **without** a specified Small Business Enterprise (SBE) goal will include a Bidder Questionnaire form only.

BIDDER QUESTIONNAIRE

Name of Business _____

Address _____

Owner's Name _____ Phone _____

If your company has been awarded a bid by the City of Pensacola as a prime or sub-contractor in the past five years, please list those projects.

	<u>PROJECT NAME</u>	<u>YEAR</u>	<u>DOLLAR AMOUNT</u>	<u>PRIME OR SUB.</u>
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

STATEMENT OF NO RESPONSE
Bid/RFP/RFQ #25-011

If you are unable to submit a proposal at this time, please complete the following and return by e-mail to purchasing@cityofpenscola.com. Your choices or comments below will assist us in properly notifying you of future opportunities.

We have declined to respond to the solicitation for the following reason(s):

SPECIFICATIONS

- ☐ Specifications too "tight" (i.e., limited to one brand or manufacturer)
- ☐ Specifications unclear
- ☐ Unable to meet specifications

NATURE OF AWARD

- ☐ Insufficient time to respond
- ☐ Equivalent options not offered
- ☐ Other (please explain below)

Explanation:

We request to:

- ☐ remain in this service category for future City of Pensacola solicitations.
- ☐ be removed from this service category and remain on the City's solicitation list.
- ☐ be removed from the City's solicitation list.

Company Name: _____

Officer Name: _____ Title: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Office: (____) _____ Fax: (____) _____

Email: _____

Signature of Officer: _____ Date: _____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

**EVALUATION SHEET
RFQ NO.: 25-011**

LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES

Name of Firm(s): _____

Reviewer: _____

Points Available: 90

- | | |
|--|-----------------|
| 1. Company Experience | 20 Points _____ |
| a. Relevant project experience | |
| b. Years in business | |
| 2. Financial Capability and Bondability | 10 Points _____ |
| a. Resources and working capital | |
| b. Evidence of bonding capacity | |
| 3. Team Composition | 15 Points _____ |
| a. Appropriate letter of commitment | |
| b. Qualifications and years of experience of key personnel | |
| c. Licensed staff | |
| 4. Professionalism | 20 Points _____ |
| a. Written responses to professional characteristic | |
| b. Team professional appearance | |
| 5. Troubleshooting Capabilities | 10 Points _____ |
| a. Past example of Troubleshooting | |
| b. Problem-solving approach | |
| 6. Quality of Submission | 10 Points _____ |
| a. Clarity and thoroughness | |
| b. Adherence to submission guidelines | |
| 7. Certification as or partnership with a City-certified Small,
Minority or Woman-owned Business Enterprise | 3 Points _____ |
| 8. Certification as or partnership with a City-eligible Veteran
Business Enterprise Firm | 2 Points _____ |

Total Points _____

Notes: _____

RFQ NO. 25-011

**LANDSCAPE INSTALLATION AND
MAINTENANCE SERVICES**

Selection Committee Meeting (01/09/2025)
Written Submittals Evaluation

FIRMS	<i>Raw Score</i>	Wendy Gavin	Hilary Halford	Bill Kimball	Robert Slayton	TOTAL SCORE	RANKING ORDER
Outerspaces, LLC		80	83	75	73	311	1
The Wallace Company		66	82	71	67	286	2
Rotolo Consultants, Inc		51	78	79	68	276	3

Motion: Hilary Halford made a motion to award contracts to all three firms.

Second: Wendy Gavin

Vote: 4-0

**CONTRACT BETWEEN CITY OF PENSACOLA AND
OUTER SPACES, LLC
BASED UPON REQUEST FOR QUALIFICATIONS #25-011
LANDSCAPE INSTALLATION & MAINTENANCE SERVICES**

THIS CONTRACT (“Contract”) is made this ____ day of _____, 2025, by and between the City of Pensacola (“City”), a Florida municipal corporation created and existing under the laws of the State of Florida, located at 222 W. Main Street, Pensacola, Florida 32502, and OUTER SPACES, LLC, (“Contractor”), an Alabama limited liability company authorized to do business in Florida, located at 500 E. CROSS STREET PENSACOLA, FL 32503, (the City and Contractor collectively referred to hereinafter as the “Parties”).

WITNESSETH:

WHEREAS, the City published Request for Qualifications #25-011 on NOVEMBER 29, 2024 (“RFQ”) for LANDSCAPE INSTALLATION & MAINTENANCE SERVICES, as modified by any addendum to the RFQ (“Addenda”), all as attached hereto as Exhibit A and incorporated herein by this reference (collectively referred to hereinafter as the “RFQ Documents”); and

WHEREAS, in response to the RFQ Documents, the Contractor submitted to the City a proposal dated DECEMBER 30, 2024, including a statement of qualifications and experience, and/or any other documents submitted in response to the RFQ Documents (“RFQ Response”) attached hereto as Exhibit B and incorporated herein by this reference; and

WHEREAS, the City has selected the Contractor pursuant to the selection criteria or process as specified in the RFQ Documents based on the Contractor’s RFQ Response and any other requested information, and the Parties have agreed upon negotiated fees and services (“Negotiated Terms”) as attached hereto in Exhibit C and incorporated herein by this reference; and

WHEREAS, the Parties desire the Contractor to perform as described in the RFQ Documents and the RFQ Response, the Negotiated Terms, and pursuant to the terms and conditions of this Contract; and

WHEREAS, the Parties desire to enter into this Contract;

NOW, THEREFORE, in consideration of the work to be performed and the payment for the performance of the work, of the mutual covenants and benefits contained herein, and for other good and valuable consideration, the Parties agree as follows:

Section 1. Recitals.

The recitals contained above are true and correct and are incorporated into this Contract.

Section 2. Contractor's Obligations.

The Contractor shall perform all work and services described in, and in accordance with, the Contract. The Contractor warrants that all equipment, materials, and workmanship furnished, whether furnished by Contractor or its subcontractors or sub-suppliers, will comply with the Contract and any City specifications, drawings, and other descriptions supplied or adopted. The Contractor further warrants that the supplies and workmanship will be new, fit, and sufficient for the purpose for which they are intended, of good materials, design, and workmanship, and free from defects or failure. The City or its duly authorized representative shall at all times have full opportunity to inspect the materials to be furnished and the work to be done under this Contract. The Contractor shall comply with all applicable federal, state, and local laws, ordinances, rules, and regulations pertaining to the performance of this Contract. The Contractor is responsible for and shall indemnify the City against all damage or loss caused by fire, theft, or otherwise to materials, tools, equipment, and consumables left on City property by the Contractor.

Section 3. Term of Contract.

Subject to the right of termination for cause or convenience, the term of this Contract shall be as specified in the attached RFQ Documents.

Section 4. Payment.

The Contractor agrees to perform all work and services in Section 2 at the rates, costs, and any not-to-exceed amount provided for in Exhibit C, Negotiated Terms and Attachment B, Payment Schedule. The amount will be paid by the City based on invoices submitted by Contractor and payments approved by the City, only after written acceptance by the City pursuant to the Contract. Such payment shall be in accordance with the Florida Prompt Payment Act. In the event that the Consultant does not fully perform its obligations under the Contract, the City reserves the right to withhold payments for work not performed, to engage an alternative Contractor to complete work not performed, and to withhold such amounts as may be required to hold the City harmless from any claims or damages, direct, indirect or consequential, that may be sustained on account of the Contractor's acts or omissions in the performance of this Contract.

Section 5. Bond.

Is a bond required? ☒ Yes ☐ No

Performance bond required for landscape installation.

If yes: Contractor shall provide all bond(s) as required in the Contract. Should the City in the City's sole discretion at any time deem any of the sureties upon such bond to be unsatisfactory or if for any reason such bond shall cease to be adequate security for the City, the Contractor shall within five (5) days of written notice from the City furnish a new or additional bond in full sum and satisfactory to the City. No payment shall be deemed to be due or to be made to the Contractor unless and until such new or additional bond shall be furnished and approved in writing by the City. The premium and all expenses associated with such new or additional bond shall be paid by, and the sole responsibility of, the Contractor.

Section 6. Performance Schedule.

The Contractor shall commence and complete all work and services pursuant to the Contract.

Section 7. Necessary Approvals.

Contractor shall procure all permits, licenses, and certificates and any approvals in performance and completion of this Contract as may be required by federal, state, and local laws, ordinances, rules, and regulations, and in accordance with the Contract.

Section 8. No Waiver.

No waiver, alterations, consent, or modification of any of the provisions of the Contract shall be binding unless in writing and signed by the Mayor or his/her designee.

Section 9. Governing Law.

This Contract is governed and construed in accordance with the laws of the State of Florida. The law of the State of Florida shall be the law applied in the resolution of any claim, actions, or proceedings arising out of this Contract.

Section 10. Venue.

Venue for any claim, actions, or proceedings arising out of this Contract shall be Escambia County, Florida.

Section 11. No Discrimination.

Contractor shall not discriminate on the basis of any class protected by federal, state, or local law in the performance of this Contract.

Section 12. Assignment.

The rights and privileges conferred by this Contract shall not be assigned or transferred without the written consent of the City, which consent shall not be unreasonably withheld.

Section 13. No Other Agreements.

The Parties agree the Contract contains all the terms and conditions agreed upon by the Parties. No other agreements, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind either Party.

Section 14. Remedies for Failure to Perform or Breach of Contract.

The City reserves the right to seek all remedies available under law in the event of a failure to perform or other breach of this Contract by the Contractor, and the failure of the City to employ a particular remedy shall not be regarded by the Parties as a waiver of that or any other available remedy.

Section 15. Termination for Convenience.

The City may terminate this Contract without cause upon thirty (30) days prior written notice.

Section 16. Public Records Act.

The parties acknowledge and agree to fulfill all obligations respecting required contract provisions in any contract entered into or amended after July 1, 2016, in full compliance pursuant to Section 119.0701, *Florida Statutes*, and obligations respecting termination of a contract for failure to provide public access to public records. The parties expressly agree specifically that the contracting parties hereto shall comply with the requirements within Attachment "A" attached hereto and incorporated by reference.

Section 17. Mandatory Use of E-Verify System.

In compliance with the provisions of F.S. 448.095, the parties to this contract and any subcontractors engaged in the performance of this contract hereby certify that they have registered with and shall use the E-Verify system of the United States Department of Homeland Security to verify the work authorization status of all newly hired employees, within the meaning of the statute.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed and sealed the day and year first above written.

CONTRACTOR

CITY OF PENSACOLA, FLORIDA

OUTER SPACES, LLC

Contractor

Mayor, D. C. Reeves

By _____
Manager

Attest: _____
City Clerk, Ericka L. Burnett

ELLIS W. BULLOCK, IV

Approved as to Substance:

By: _____
Manager

CRA Division Manager

PARKER PAYNE

Legal in form and execution:

Grace Parola, Assistant City Attorney

Attachment "A"

PUBLIC RECORDS: Contractor shall comply with Chapter 119, Florida Statutes. Specifically, Contractor shall:

- A.** Keep and maintain public records required by the City to perform the service.
- B.** Upon request from the City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- C.** Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Contract term and following the completion of the Contract if Contractor does not transfer the records to the City.
- D.** Upon completion of the Contract, transfer, at no cost, to the City, all public records in possession of Contractor or keep and maintain public records required by the City to perform the service. If Contractor transfers all public records to the City upon completion of the Contract, Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Contractor keeps and maintains public records upon completion of the Contract, Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request of the City's custodian of public records, in a format that is compatible with the information technology systems of the City.

Failure by Contractor to comply with Chapter 119, Florida Statutes, shall be grounds for immediate unilateral cancellation of this Contract by the City.

IF CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE PUBLIC RECORDS COORDINATOR AT:

THE OFFICE OF THE CITY CLERK, (850) 435-1715

PUBLCRECORDS@CITYOFPENSACOLA.COM

222 WEST MAIN STREET, PENSACOLA, FL 32502

Attachment "B"
PAYMENT SCHEDULE

1. Compensation of Consultant/Vendor/Contractor will be based on (check the appropriate method):

☐ Lump Sum/Flat Fee

☐ Hourly Rate(s)

☒ Other: See Exhibit C

2. Compensation of Consultant/Vendor/Contractor as described in #1 above will be as follows (attach an additional page if necessary):

☐ Lump Sum/Flat Fee: _____

☐ Hourly Rate(s) are: _____

☒ Other: See Exhibit C

3. Costs to be reimbursed by the City include (list reimbursable costs or attach reimbursable cost schedule):

Pursuant to service agreement

4. Invoice(s) of Consultant/Vendor/Contractor will be paid as follows (check the appropriate method):

☐ One-time, lump sum at the end of the work/project

☒ After submission of monthly or periodic invoices

☐ Other: _____

EXHIBIT A

RFQ DOCUMENTS

**CITY OF PENSACOLA
REQUEST FOR QUALIFICATIONS**

**RFQ NO.: 25-011
LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES**

The City of Pensacola is requesting sealed statements of interest and qualifications from companies with experience in landscape installation and maintenance services for a three (3) year contract term with provisions for two (2) one-year extensions upon mutual agreement of the Contractor and City. Work may continue under the contracts until all projects assigned have been completed, at the discretion of the City.

Sealed and complete hardcopy statements of interest and qualifications **with original or electronic signature and five (5) additional copies, plus one (1) complete electronic copy (SINGLE PDF) on flash drive or CD**, must be received no later than, **December 30, 2024, 2:30 P.M.**, local time, at the following location.

**City Hall (lobby)
222 West Main Street
Pensacola, Florida, 32502
Attention: Purchasing**

The OUTER FACE of the sealed submittal package shall **identify the respondent, the RFQ title, and the RFQ number** (whether hand-delivered, mailed, or via UPS/FedEx or other courier service). Submittals received after the closing time will not be accepted. Multiple submittals from the same entity will not be accepted. After the submittal deadline those submittals received will be opened and publicly acknowledged. Interested parties may attend.

Alternatively, electronic bids may be submitted to [Demandstar](#) or [Central Bidding](#). Both sites require registration and varying fees for notifications and document downloads. **If submitting electronic bids and a bid/proposal bond is required, that bond must be delivered separately to the address above.**

Specifications will be posted to the City's website at www.cityofpensacola.com/bids.aspx. Addenda will be posted to the City's website. **Bidders are responsible for obtaining addenda and are advised to check the website frequently.** There is no cost to view or download documents from the City website.

A tabulation of qualifications and/or a Notice of Intent to Award will be posted to the City's website at www.cityofpensacola.com/bids.aspx. Respondents are advised to check the website frequently.

Any questions concerning the RFQ should be addressed and submitted in writing **no later than December 16, 2024, at 10:00 A.M., local time, to:**

Dedria Lunderman, Purchasing Manager
City Hall 6th Floor
222 West Main Street
Pensacola, Florida 32502
purchasing@cityofpensacola.com

The City of Pensacola adheres to the Americans with Disabilities Act and will make reasonable accommodations for access to City services, programs, and activities. Please email ADACoordinator@cityofpensacola.com or call (850) 436-5600. Requests must be made at least 48 hours in advance of the event in order to allow the City time to provide the requested services.

The City reserves the right to accept or reject any or all submittals, to waive any submittal informalities and to re-advertise for submittals when deemed in the best interest of the City.

Attest:
Ericka L. Burnett
City Clerk

CITY OF PENSACOLA
D. C. Reeves
Mayor

The City of Pensacola provides equal access in employment and public services.

SECURITY NOTICE

Visitors to City Hall may be required to stay in the lobby unless otherwise directed.

Late submittals will not be accepted.

GENERAL INSTRUCTIONS

- A. Companies responding to the RFQ must be available for formal presentations/interviews to the Selection Committee. These will be held in person at City Hall, 1st Floor Whibbs Room, 222 West Main Street, Pensacola, FL 32502.
- B. Submittals should respond to each item noted in the Submittal Format and Evaluation Criteria in the order noted. Identify responses with the same paragraph notation as this RFQ. [Example: When completing Section III. Submittal subsection A. Introduction please provide a page divider or tab divider indication A. Introduction and include all components of that identified section behind the labeled divider.]
- C. Submittals must be typed or printed. All corrections made by the respondent prior to the opening must be initialed and dated by the respondent. No changes or corrections will be allowed after submittals are opened.
- D. **Any addendum issued will be made available on the City's website at <http://www.cityofpensacola.com/bids.aspx>. Interested bidders are advised to check the site frequently.**
- E. The City of Pensacola is not liable for any costs incurred by any interested party in responding to this RFQ.
- F. By responding to this RFQ you are giving permission for the City to contact anyone you name as an associate, sub-contractor or reference to confirm information provided.

SCHEDULE OF EVENTS (dates subject to change)

Date	Activity
November 29, 2024	Publish RFQ
December 16, 2024, 10:00 a.m.	Questions due
December 30, 2024, 2:30 p.m.	Submittals due
January 6, 2025	Distribution of Materials for Review
January 9, 2025, 9:00 a.m. City Hall 6 th floor conference room 222 West Main Street, Pensacola, FL 32502	Evaluation Committee Meeting Ranking / Shortlisting Qualifications
January 21, 2025, 9:00 a.m. City Hall 1st floor conference room 222 West Main Street, Pensacola, FL 32502	Evaluation Committee Meeting Oral Presentations Recommendation of Continuing Services Contract Awards

All times are local time.

I. PURPOSE

The purpose of this RFQ is to identify multiple highly qualified companies who can provide exceptional high quality landscape installation and maintenance services for city and/or CRA owned and maintained areas.

Contracts offered through this RFQ process are intended to augment City of Pensacola (City) staff in areas where additional expertise and work force are needed when workload will not permit the timely completion of landscape installation or maintenance. These contracts will allow the City to solicit proposals directly from the contractor for individual landscaping projects, or tasks, and to procure needed services without soliciting separate competitive proposals for every project or task.

The City reserves the right to at any time solicit separate competitive proposals for any and all projects or tasks, regardless of fee or value. Selection by the City as a landscape installation/maintenance contractor does not guarantee that the contractor will be called on a regular basis during the contract term, nor does it guarantee a minimum level of compensation with respect to volume of work or fees.

Qualifications:

Companies will be required to demonstrate, as a condition precedent to award, that the respondent has the qualifications and is capable of performing all of the services described herein. **WITH THE EXCEPTION OF ARBORICULTURAL, SUBCONTRACTING SHALL ONLY BE ALLOWED WITH THE PRIOR WRITTEN CONSENT OF THE CITY.** The minimum requirements for respondents shall be as follows:

- A. Commercial landscaping **MUST** be the primary business of the bidder. Primary is defined as providing no less than 51% of the respondent's annual income.
- B. Bidders must possess, or have on staff at least one permanent senior employee who possesses, one or more of the following degrees and/or certifications (proof of such credentials shall be required):
 - 1. Landscape Architecture or Design
 - 2. Environmental Horticulture
 - 3. Horticulture
 - 4. Agribusiness
 - 5. Landscape Technology
 - 6. Certification with the Florida Nursery, Growers, and Landscape Association
 - 7. Certification as a Florida Master Gardener
- C. Bidders or at least one member of staff must be certified in accordance with Florida Law to provide the required lawn and ornamental pest control services.

- D. Bidders or at least one member of staff must hold a LCFAC license in accordance with Florida Law (effective January 2014) to apply fertilizer commercially to provide the required fertilizer services.
- E. Bidders or at least one member of staff must be licensed to provide commercial irrigation system troubleshooting and repair services in order to provide the required irrigation system services.
- G. Bidders or at least one member of staff must be an International Society of Arboriculture (ISA) Certified Arborist.
- H. Bidders must have a minimum of five (5) years' experience in commercial landscape maintenance services.
- I. Bidders must have performed a contract with similar scope of services and of a size and complexity within the past three (3) years. Please see the sample projects listed below for more information regarding potential complexity of existing and future projects.
- J. Respondents must be able to provide a **Performance and Payment Bond**. The bond shall be in a form and with a surety acceptable to the City and shall insure the full and faithful performance of the contractor of all terms and conditions of certain projects and stand as security for payment by the contractor of all valid claims by the City. Respondents must be able to provide proof of their ability to provide this bond in the amount up to **one million** dollars (\$1,000,000).

Sample Projects:

The following sample projects are examples of high visibility project areas that the company may be selected to maintain. The company will be expected to exhibit the skills and qualifications necessary to provide ongoing maintenance for projects of a similar scale and scope.

1. Bruce Beach Park - 601 W Main Street

Once a thriving industrial hub serving the early 20th-century maritime industry, and later a neighborhood gathering place for Pensacola's black community, a 10-acre property along Pensacola's waterfront known as Bruce Beach was a littered homeless camp by the mid-1970's. This all changed with the recent completion of the park by the Pensacola CRA to create a connected, accessible public realm along the water's edge. Today Bruce Beach is transformed into a waterfront park with a central plaza, native plants, cultural exhibits, wildlife-friendly lighting, shade structures, learning garden, volleyball court, kayak launch and pedestrian bridge that overlooks historic Washerwoman Creek.

The park was professionally designed by SCAPE landscape architecture and HDR

Engineering and includes a wide variety of native plantings and a lush, but developing, tree canopy. This park represents a significant CRA investment valued at over \$11 million in a harsh waterfront environment. Therefore, skillful landscape management methods must be applied to achieve full establishment and mitigate plant loss.

Design plans for these projects may be found in Attachments A1 and A 2.

2. Garden Street Median Improvements – “A” Street to Alcaniz Street

The Garden Street corridor beginning at Alcaniz Street serves as the gateway into Downtown Pensacola for many residents, workers and tourists entering downtown from the I-110 interstate. The corridor features a wide median which contains a mixture of mature trees and shrubs and recently installed ground cover (grass, jasmine and perennial peanut), and variety of plants, trees and a substantially new irrigation system and well which was installed in 2022. The project was partially funded by an FDOT Beautification grant and must adhere to the standards expected by the state. This high-visibility gateway must be maintained with the utmost care to provide a welcoming entry to downtown.

Design plans for these projects may be found in Attachments B1 and B2.

DeVilliers Streetscape – Cervantes to Main Street

DeVilliers Street connects the historic city neighborhoods of North Hill, Belmont DeVilliers and Tanyard to the Pensacola Bay waterfront and Community Maritime Park. Streetscape improvements including the installation of decorative sidewalk and pedestrian-level streetlighting, street trees, sunshine ligustrum, groundcover, potted trees and irrigation were completed in 2021. An important connection for pedestrians, bicyclists and area residents and visitors, the landscape along this corridor must flourish to provide an inviting and comfortable experience for its users. Unfortunately, this project area needs remedial replanting and irrigation repairs which must be performed to accomplish the goals set for the project.

Design plans for these projects may be found in Attachments C1 and C2.

II. SCOPE OF SERVICES

The City of Pensacola and its Community Redevelopment Agency (CRA), (jointly, the “City”) have constructed a variety of streetscape, park and public space improvements and acquired various properties for redevelopment over the years which require ongoing landscape maintenance services. Additionally new project areas continue to be identified which require landscape maintenance and installation services.

The companies selected through this RFQ process will provide commercial landscape services for the City’s project areas and must demonstrate expertise in commercial

landscape design, installation and long-term maintenance. Installation and maintenance work must be performed according to the highest standards in the industries of horticulture and arboriculture. The selected companies must employ professionalism in both appearance and demeanor when interacting with stakeholders and in the conduct of their work. Companies selected through this RFQ will clearly show, through their submission, their standard of professionalism both in the clarity in writing of the submission and through pictures of company employees and equipment in the community on a daily basis, such as uniformed employees and truck/equipment signage.

As a landscaping specialist, the company will be expected to adequately advise the City on sound installation and maintenance applications that achieve optimal performance and mitigate the loss of plant materials.

Common Services:

The common services expected to be performed under a continuing service contract award are as follows. The actual services required will vary by project area.

1. Mowing
2. Removal of litter and debris
3. Irrigation system installation, testing and maintenance (as required)
4. Sweeping, edging and trimming
5. Pruning shrubs and trees (tree pruning performed by or under the supervision of a certified arborist.)
6. Weeding landscape and hardscape (by hand and by chemical application)
7. Weeds control
8. Disease and insect control
9. Mulching landscape beds
10. Fertilization of shrubs, turf, beds and trees
11. Conducting and analyzing soil testing to determine appropriate soil treatments
12. Soil aeration
13. Installation of a wide variety of plant materials according to design plans and/or specifications. This would include any necessary soil amendments, planting at appropriate depths and widths, and necessary watering to ensure the new plants would become well established and thrive in optimum conditions.
14. Removal and replanting of trees (particularly street trees and trees in urban settings).
15. Maintenance and installation of potted plants and trees.
16. Coordination with landscape design professionals, such as landscape architects and landscape inspectors.
17. Other related landscape services necessary to maintain commercially landscaped areas, right of ways, parks, public spaces and redevelopment sites.

The contractor shall furnish all labor, tools, specialized equipment, material, supplies, supervision and transportation to perform landscape services as specifically outlined in this section.

III. SUBMITTAL FORMAT

Submittals shall be in the format described below. The selection criteria and points that will be used in ranking the submittals are noted in each section.). Submittals shall be limited to forty (40) single-sided 8½ x 11" pages. Page count excludes the cover, cover letter, table of contents, section dividers, and any City-provided form. Qualifications shall be bound with spiral or similar binding that ensures the integrity of the submission. Each section in the submittal should follow the format/organization noted in this section

(Sections A. – I.). Companies may be shortlisted based on the information provided on the forms and in the additional sections and those companies invited to an in-person interview. The City reserves the right to select directly from the Statements of Qualifications.

An Authorized Representative of the company shall sign submittals. All information requested must be submitted. Failure to submit all information may result in a lowered evaluation score of the submittal. At its discretion, the City may waive minor discrepancies or reject submittals substantially incomplete or lacking key information.

A. Introduction

This section will contain a cover letter of no more than two (2) pages, signed by an authorized representative of the offering company. A table of contents will follow the cover letter. This section should also include those required City forms within the RFQ, and acknowledgement of any addenda issued.

- 1) Signature Sheet
- 2) State of Florida Affidavit Regarding the Use of Coercion for Labor and Services Pursuant to Florida Statute 787.06(13)
- 3) 52.209-5 FAR Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters
- 4) 52.209-6 FAR Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment
- 5) Drugfree Workplace Certificate
- 6) Veteran Business Enterprise Statement
- 7) Minority/Women Business Enterprise Participation Form
- 8) Small Business Enterprise Participation Form
- 9) Acknowledgement of addenda (addendum's signature page)

B. Company Information

Briefly describe the company's organization. Address each of the following items:

- 1) Business Structure (Corporation, Joint Venture, Partnership); proper incorporation by the Secretary of State and current Florida Professional Registration Certificate for general contractor certification.

- 2) Number of years in business.
- 3) Total number of employees and upper management's experience profile. This criterion identifies the relative size of the company, including management, technical, and support staff. Technical staff shall be those persons proposed to be associated with the implementation of any project, project managers, engineers, supervisors, estimators, quality control manager, arborist, chemical and pest control applicators, irrigation installers, etc.
- 4) Distance from the Site – Simply, the location in miles of the proposed operating office to City Hall.
- 5) Describe and explain any litigation, major disputes, contract defaults, and liens in the last 10 years.
- 6) Although not every project contracted will require a surety bond the company submitting for consideration under this RFQ must provide evidence of having the capacity to obtain a bond when needed.
- 7) For all arborists intended to be utilized either on staff or as a sub-contractor please provide their name, contact information and credentials for consideration.
- 8) Provide copies of licenses or certifications for all pest control and chemical applicator personnel.
- 9) Provide a list of **all** major contracts within the past 3 years requiring similar tasks listed under the scope of services herein. Include in the contract list the name and contact information of your client's representative who was most directly involved in overseeing the work performed.

1. Submit to the City the following information:

- A.** Copy of Florida certification to provide lawn and ornamental pest control services.
- B.** Copy of the LCFAC license to apply fertilizer commercially.
- C.** Copy of license to provide sprinkler system repair services.
- D.** Copy of ISA Arborist certification.
- E.** Name, location, point-of-contact and telephone number of other entities for which the bidder has performed similar services of a similar size.

- F. Detailed explanation of any contracts revoked and of any contracts awarded but not executed.
- G. Copy of the bidder's current business license with the City of Pensacola or Escambia County enabling them to provide landscape maintenance services, as well as a copy of the current business license of any proposed subcontractor, the State of Florida enabling them to provide services.
- H. Copies of degrees and/or certifications as listed in the Qualifications paragraph above.
- I. Proof of ability to provide performance and payment bond and maintenance bond in an amount of up to one million dollars (\$1,000,000.00) each, respectively.

EVALUATION CRITERIA BEGINS

This section outlines the evaluation information expected to be included within the submission, the order it should be presented and how each section will be evaluated.

C. Company Experience (20 points)

Please provide a concise Statement of Qualifications regarding your company's experience as an introduction to this section.

Major consideration will be given to the successful completion and/or maintenance of previous projects comparable in nature, design, scope, and complexity with projects currently being maintained or installations anticipated by the city soon. To understand the types of landscape maintenance work being procured refer to the sample projects being maintained provided in **Attachments A1 through C2** referenced above.

In addition, major consideration will be given to those contractors who can provide evidence of successful experience in the installation and/or maintenance of corporate/commercial and/or government landscaping projects in USDA Plant Hardiness Zones 8 and/or 9 or within the western Florida panhandle area.

Photos or other evidence of experience will be accepted and encouraged. If photos are provided, please label them clearly as to what project the photo(s) reflects and date of photo.

The city will consider statements of interest from companies that have not previously delivered or maintained a large or complex project, if the company otherwise demonstrates success on delivery of quality projects. Letters of recommendation or other evidence will be accepted and encouraged.

To allow the review committee to thoroughly understand the depth of the

company's experience please provide a list of the projects which best illustrate the experience of the contractor and current staff. (List no more than 10 projects, and no projects which were completed more than 5 years ago.)

For each company on the list provided include the following to illustrate contractor experience:

- Name and location of the project
- Nature of the contractor's responsibility on this project (i.e. design, installation, maintenance, etc.)
- Project owner's name, address and phone number
- Project owner's representative's name, address, and phone number if other than owner (current information)
- Date project was completed or is anticipated to be completed
- Size of project (gross SF of construction or total acreage)
- Cost of project (construction cost)
- Work for which the staff was responsible (List all tasks that apply)
- If the project is not complete, present status of this project (On time, delayed and if delayed, please provide an explanation).
- Please indicate if the identified project was installed by your company or if it is only maintained by your company. If a project was installed by your company, please describe in detail the installation parameters such as:
 - Acreage of project site,
 - Number of different varieties of plant selections installed
 - Quantity of plant selections
 - Was irrigation installed and if so, how many linear feet, sprinkler heads and type
 - Other indicators which will effectively show the complexity of the project being described.
 - Include in the contract list the name and contact information of the person who oversaw the contract execution by your client, if different from those listed above.

In determining the level of quality desired, the city will consider the nature of previous contractual relationships. Please include a list of previous work performed by the company for the City of Pensacola, if applicable, separately from the list requested above. Please include the following:

- Name/location/date of the project
- Nature of the contractor's responsibility on this project (i.e. design, installation, maintenance, etc.)
- Department contracted through and Department contact
- Work for which the staff was responsible (List all tasks that apply)
- If the project is not complete, present status of this project (On time, delayed and if delayed, please provide an explanation)

- Please indicate if the identified project was installed by your company or if it is only maintained by your company. If a project was installed by your company, please describe in detail the installation parameters such as:
 - Acreage of project site,
 - Number of different varieties of plant selections installed
 - Quantity of plant selections
 - Was irrigation installed and if so, how many linear feet, sprinkler heads and type
 - Other indicators which will effectively show the complexity of the project being described.
 - Include in the contract list the name and contact information of the person who oversaw the contract execution by your client, if different from those listed above.

D. Financial Capability (10 points)

Indicate the company's available resources and the necessary working capital to assure financial stability to the complete projects assigned. The financial capability should also include the bonding capacity of the company. Please provide a letter from your bonding agency stating, as of the date of the letter your company can be bonded or obtain a bond for bid, contract, maintenance, etc. and the limits of each.

E. Team Composition (15 points)

The project team is comprised of experienced and qualified staff and on-site employees, or field crews, assigned to specific projects. The company shall provide a letter of commitment for each of the key management staff to be assigned to any project. This letter shall not be counted towards the page limit of the response package.

In addition, please list all upper-level employees as indicated below and include all licenses and/or certifications held by each, if applicable. Also, provide the following information by employee category:

1) Upper level/Office Staff

Describe the general and specific project-related capability of the in-house staff and indicate the adequate depth and abilities of the organization which it can draw upon as needed. This will include management, technical, and support staff. Give a brief résumé of key people to be assigned to city projects, including, but not limited to:

- a) Name and title
- b) How many years with the company
- c) How many years with other similar companies

- d) Experience
 - 1) Type of projects
 - 2) Size of projects (dollar value & SF of project)
 - 3) What was their specific project involvement?
- e) Education
- f) Active Registration (P.E., G.C., etc.)
- g) Other experience and qualifications

2) Field Crew/On-site Employees

Similarly, the ability and experience of the field employees will be evaluated with specific attention to related experience on projects of similar size and scope. Describe the general and specific project-related capability of the supervisors and/or lead crew members that would be assigned to any city project. Give a brief resume of key employees listed to include but not limited to:

- a. Name and title
- b. How many years with the company
- c. How many years with other similar companies
- d. Experience
 - 1) Type of projects
 - 2) Size of projects (dollar value & SF of project)
 - 3) What was their specific project involvement?
- e. Education
- f. Active Registration (P.E., G.C., etc.)
- g. Other experience and qualifications

3) Organization Approach – (Office Staff and On-Site Management)

Provide an organization chart indicating key personnel and their relationships. The organization chart should include a statement committing that the team proposed to the City of Pensacola will be the team that executes any City project contracted.

If the submittal is reflective of a joint venture or prime/subcontractor arrangement of two or more entities, indicate how the work will be distributed among the partners.

Describe how the organizational structure will ensure orderly communication, distribution of information, effective coordination of activities, and accountability.

F. Professionalism (20 points)

Below is a list of 9 characteristics expected to be exhibited by any contractor

selected through this RFQ process. When responding to this section, indicate how the company exhibits these characteristics.

- Proper Demeanor (in person, on-line and over the phone)
- Reliability
- Competency
- Communication
- Poised
- Ethical
- Organized
- Accountable
- Appearance-in addition to any appropriate company policies, if applicable, photos are encouraged to illustrate the company's expected appearance in the field.

G. Trouble Shooting Capabilities (10 points)

In no more than two pages describe a time when you had to troubleshoot a project that resulted in positive outcomes for both you and your client. Be specific in describing the problem, the steps you took, and the final outcomes achieved.

H. Quality of Submittal (10 points).

The quality, clarity, and thoroughness of the submission, including but not limited to the Statement of Qualifications provided in Section C, will be scored based on the reviewer's subjective assessment.

I. Certification as or partnership with an SBE/MBE/WBE (3 points).

Indicate whether or not the firm is itself or is partnered with any Small/Minority/Woman-Owned Business Enterprises as certified by the City of Pensacola.

J. Certification as or partnership with a VBE (2 points).

Indicate whether or not the firm is itself or is partnered with any Veteran-Owned Business Enterprises as certified by the City of Pensacola.

IV. INTERVIEW PROCESS

Companies will be evaluated for short-listing based upon the written material submitted in Sections C-H above to the City in response to this RFQ. The evaluation committee will review the submittals, and the City will schedule formal presentations/interviews for those three to five (3-5) companies short-listed. Companies selected for presentations/interviews will be required to have the proposed project manager present to participate in the presentation/interview. Presentations/interviews will be conducted in-person only.

Each company will be allowed up to 30 minutes for a formal presentation,

consisting of a reiteration of the submitted written qualification demonstrating the company's grasp of the quality expectations of work to be performed. The formal presentation will be followed by up to 15 minutes of Questions & Answers (Q&A).

Any unused formal presentation time will be added to the Q&A period. A projection system is available, but presenters are requested to bring their own laptop and flash drives containing the complete presentation and handouts if desired. The selection committee would prefer a PowerPoint presentation. The presentations are closed to the public. The committee's deliberations following the last presentation will be open to the public.

The evaluation committee will make a recommendation to the Mayor regarding the selection of companies based upon the final scoring after the formal presentations/interviews. The Mayor will then forward his recommendation for Continuing Service contract awards to the City Council for their approval.

V. GENERAL TERMS AND CONDITIONS

A. No Contingency Fees

By responding to this solicitation, each Respondent warrants that it has not and will not employ or retain any company or person, other than a bona fide employee working solely for the company, to solicit or secure an agreement pursuant to this solicitation and that it has not and will not pay or agree to pay any person, company, corporation, individual or company, other than a bona fide employee working solely for the company, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of an agreement.

B. Insurance and Indemnification

Before starting and until termination of work for, or on behalf of, the CITY, the CONTRACTOR and any/all sub-contractor shall procure and maintain insurance of the types and to the limits specified.

The term CITY as used in this section of the Contract is defined to mean the CITY of Pensacola itself, any subsidiaries or affiliates, elected and appointed officials, employees, volunteers, representatives and agents.

Insurance shall be issued by an insurer whose business reputation, financial stability and claims payment reputation is satisfactory to the CITY for the CITY's protection only. Unless otherwise agreed, the amounts, form and type of insurance shall conform to the following minimum requirements, Contractor understands and agrees that increased limits and/or additional types of insurance

may be required depending on the scope of service.

1. WORKERS' COMPENSATION

The CONTRACTOR shall purchase and maintain Worker's Compensation Insurance Coverage for all Workers' Compensation obligations as legally required. Additionally, the policy, or separately obtained policy, must include Employers Liability Coverage of at least \$100,000 each person - accident, \$100,000 each person - disease, \$500,000 aggregate - disease. The policy must include coverage for United States Longshore & Harbor Act (USL&H).

2. COMMERCIAL GENERAL, AUTOMOBILE, PROFESSIONAL LIABILITY AND UMBRELLA LIABILITY COVERAGES

The CONTRACTOR shall purchase coverage on forms no more restrictive than the latest editions of the Commercial General Liability and Business Auto policies filed by the Insurance Services Office. The CITY shall be an Additional Insured for Commercial General Liability and umbrella liability and such coverage shall be at least as broad as that provided to the Named Insured under the policy for the terms and conditions of this Contract. The CITY shall not be considered liable for premium payment, entitled to any premium return or dividend and shall not be considered a member of any mutual or reciprocal company. Minimum limits as outlined below must be provided, with umbrella insurance coverage making up any difference between the policy limits of underlying policies coverage and the total amount of coverage required.

Commercial General Liability coverage must be provided, including bodily injury and property damage liability for premises, operations, products and completed operations, contractual liability and independent contractors. The coverage shall be written on occurrence-type basis. Minimum limits of \$1,000,000 per occurrence and in the aggregate must be provided. The City of Pensacola must be listed as an additional insured.

Business Auto Policy coverage must be provided, including bodily injury and property damage arising out of operation, maintenance or use of owned, non-owned and hired automobiles. Minimum limits of \$1,000,000 CSL must be provided.

Professional Liability insurance coverage must be provided to afford protection for errors and omissions arising out of services provided under, or associated with this contract. Minimum limits of \$1,000,000 per occurrence and \$1,000,000 aggregate must be provided.

Umbrella Liability Insurance coverage shall not be more restrictive than the underlying insurance policy coverages. The coverage shall be written on an occurrence-type basis and the City listed as an additional insured.

CERTIFICATES OF INSURANCE

Required insurance shall be documented in the Certificates of Insurance that lists the specific contract and provides that the CITY shall be notified at least thirty (30) days in advance of cancellation, nonrenewal or adverse change or restriction in coverage. If required by the CITY, the CONTRACTOR shall furnish copies of the CONTRACTOR's insurance policies, forms, endorsements, jackets and other items forming a part of, or relating to such policies. Certificates shall be on the "Certificate of Insurance" form equal to, as determined by the CITY an ACORD 25. Any wording in a Certificate which would make notification of cancellation, adverse change or restriction in coverage to the CITY an option shall be deleted or crossed out by the insurance carrier or the insurance carrier's agent or employee. The CONTRACTOR shall replace any canceled, adversely changed, restricted or non-renewed policies with new policies acceptable to the CITY and shall file with the CITY Certificates of Insurance under the new policies prior to the effective date of such cancellation, adverse change or restriction. If any policy is not timely replaced, in a manner acceptable to the CITY, the CONTRACTOR shall, upon instructions of the CITY, cease all operations under the Contract until directed by the CITY, in writing, to resume operations.

INSURANCE OF THE CONTRACTOR PRIMARY

The CONTRACTOR's required coverage shall be considered primary, and all other insurance shall be considered as excess, over and above the CONTRACTOR's coverage. The CONTRACTOR's policies of coverage will be considered primary as relates to all provisions of the Contract.

LOSS CONTROL AND SAFETY

The CONTRACTOR shall retain control over its employees, agents, servants and subcontractors, as well as control over its invitees, and its activities on and about the subject premises and the manner in which such activities shall be undertaken and to that end, the CONTRACTOR shall not be deemed to be an agent of the CITY. Precaution shall be exercised at all times by the Contractor for the protection of all persons, including employees, and property from harm caused by negligent acts or omissions of the contractor.

HOLD HARMLESS

The Contractor shall indemnify and hold harmless the City of Pensacola, its officers and employees, from any and all liabilities, damages, losses, and costs to the extent caused by the negligence, recklessness or intentional wrongful misconduct of the Contractor and persons employed or utilized by the Contractor in the performance of the contract. The Contractor's obligation shall not be limited by, or in any way to, any insurance coverage or by any provision in or exclusion or omission from any policy of insurance.

PAY ON BEHALF OF THE CITY

The CONTRACTOR agrees to pay on behalf of the CITY, as well as provide a legal defense for the CITY, both of which will be done only if and when requested by the CITY, for all claims as described in the Hold Harmless_paragraph. Such

payment on behalf of the CITY shall be in addition to any and all other legal remedies available to the CITY and shall not be considered to be the CITY's exclusive remedy.

REQUEST FOR QUALIFICATIONS
CONTRACTUALSERVICES
GENERAL CONDITIONS

To ensure acceptance, all respondents submitting qualifications to the City of Pensacola shall be governed by the following conditions, attached specifications, and qualification form(s) unless otherwise specified. Qualifications not submitted on the qualification form(s) provided shall be rejected, and qualifications not complying with these conditions will be subject to rejection. **Multiple submittals from the same entity will not be accepted.**

1. **Alternate Solutions:** During the drafting of written specifications, a sincere effort is made to describe services best suited to the needs of the City. However, the City invites qualifications with alternate solutions to the performance objectives set forth in the specifications, unless a particular specification is expressly identified as mandatory.
2. **Award Determination to be Based on Best Interest of City:** There is no obligation on the part of the City to award a contract to any respondent and the City reserves the right to award a contract to or negotiate a contract with a responsible respondent submitting the most responsive or best alternative qualification for a resulting contract which is most advantageous to and in the best interest of the City. The City shall be the sole judge of the qualification and the resulting contract, and its decision shall be final.
3. **Bond (RFQ):** None.
4. **E-Verify System (Mandatory):** In compliance with the provisions of F.S. 448.095, the parties to this contract and any subcontractors engaged in the performance of this contract hereby certify that they have registered with and shall use the E-Verify system of the United States Department of Homeland Security to verify the work authorization status of all newly hired employees, within the meaning of the statute.
5. **Exceptions to Specifications:** In order that equal consideration be given in evaluating qualifications, any exceptions to or deviations from the specifications as written must be noted and fully explained. The Mayor is the final authority in determining the acceptability of any exceptions to specifications.
6. **Intent of Specifications:** It is the intent of the specifications attached hereto to set forth and describe a certain service(s) to be purchased by the City of Pensacola including all labor, materials, equipment, machinery, tools, apparatus, and means of transportation (including freight costs) necessary to provide the service(s).
7. **Interpretations:** All questions concerning the specifications or conditions shall be directed in writing to the Purchasing Office at least ten (10) days prior to submittal deadline, unless otherwise instructed on the Request for Qualifications Page.

Inquiries must reference the proposed service and the date of the qualification submittal deadline. Interpretations will be made in the form of an addendum placed on the City's website. The City shall not be responsible for any other explanation or interpretation.

8. **Legal Requirements**: All applicable provisions of Federal, State, County, and local laws including all ordinances, rules, and regulations shall govern the development, submittal and evaluation of all qualifications received in response to these specifications, and shall govern any and all claims between person(s) submitting a qualification response hereto and the City of Pensacola, by and through its officers, employees and authorized representatives. A lack of knowledge by the respondent concerning any of the aforementioned shall not constitute a cognizable defense against the legal effect thereof. The respondent agrees that it will not discriminate on the basis of race, creed, color, national origin, sex, age or disability.
9. **Licenses, Registration and Certificates**: Each respondent shall possess at the time of submitting its submittal all licenses, registrations and certificates necessary to engage in the business of contracting (or special contracting if the work to be performed necessitates a particular type of specialty contractor) in the City of Pensacola. Respondent must also possess all licenses, registrations and certificates necessary to comply with federal, state and local laws and regulations. The awarded respondent shall be registered at the time of contract execution as an active vendor with the Florida Department of State, Division of Corporations (www.sunbiz.org).
10. **Mistakes**: Respondents are expected to examine the conditions, scope of work, qualification prices, extensions, and all instructions pertaining to the services involved. Failure to do so will be at the respondent's risk. Unit prices will govern in award.
11. **Permits and Taxes**: The respondent shall procure all permits, pay all charges, fees, and taxes, and give all notices necessary and incidental to the due and lawful prosecution of the work.
12. **Pre-RFQ Meetings**: If an RFQ requires a mandatory pre-RFQ meeting, any representative of a company wishing to submit a qualification must sign in with the name of the responding company.
13. **Prohibited Conduct by Respondents**: Upon the publication of any solicitation for sealed bids, requests for proposals, requests for qualifications, or other solicitation of interest or invitation to negotiate by any authorized representative of the City of Pensacola, any party interested in submitting a bid, qualification, or other response reflecting an interest in participating in the purchasing or contracting process shall be prohibited from engaging in any communication **pertaining to formal solicitations** with any member of Pensacola City Council, the Mayor, or any member of a selection/evaluation committee for RFPs/RFQs, whether directly or

indirectly or through any representative or agent, whether in person, by mail, by facsimile, by telephone, by electronic communications device, or by any other means of communication, until such time as the City has completed all action with respect to the solicitation.

- 14. Protests:** Protests of the plans, specifications, and other requirements of requests for qualifications must be received in writing by the Purchasing Office at least ten (10) business days prior to the scheduled qualification opening. A detailed explanation of the reason for the protest must be included. Protests of the intended award of submittal or contract must be in writing and received in the Purchasing Office within five (5) business days of the notice of intent to award. A detailed explanation of the protest must be included.
- 15. Public Records:** Any material submitted in response to this Request for Qualification will become a public document pursuant to Florida Statute §119.07. This includes material which the responding respondent might consider to be confidential or a trade secret. Any claim of confidentiality is waived upon submission, effective after opening pursuant to Florida Statute §119.07.
- 16. Public Records Law:** The Parties shall each comply with Florida Public Records laws. The Parties hereby contractually agree that each Party shall allow public access to all documents, papers, letters, or other public records as defined in Chapter 119, Florida Statutes, made or received by either Party in conjunction with this agreement, or related thereto, unless a statutory exemption from disclosure exists. Notwithstanding any provision to the contrary, it is expressly agreed that Contractor's failure to comply with this provision, within seven (7) days of notice from the City, shall constitute an immediate and material breach of contract for which the City may, in the City's sole discretion, unilaterally terminate this agreement without prejudice to any right or remedy.
- 17. Qualification Withdrawals:** No qualification may be withdrawn after closing time for receipt of qualifications for a period of sixty (60) days thereafter. The contract award shall be legally binding at the time of award by City Council or Mayor.
- 18. Rejection of Qualifications:** The City of Pensacola reserves the right to accept or reject any or all qualifications, to award qualifications on a split-order basis by item or service number, to waive any irregularities, technicalities, or informalities, and to re-advertise for qualifications when deemed in the best interest of the City of Pensacola.
- 19. Sealed Qualifications:** The specifications and all executed qualification forms must be submitted in a sealed envelope. All qualifications must be signed by an authorized representative of the respondent. In the event more than one qualification submittal deadline is scheduled for the same date and time, do not include qualifications concerning different sets of specifications within the same envelope. **The face of the sealed envelope shall be plainly marked**

identifying the respondent, the RFQ title and the RFQ number. It shall be the sole responsibility of the respondent to assure receipt of qualification at the Purchasing Office prior to the published time for the qualification submittal deadline. No qualification will be accepted after closing time for receipt of qualifications, **nor will any offers by telephone, fax, internet or email be accepted.**

20. Tax: The City of Pensacola is exempt from all State and local sales tax.

21. Termination for Convenience: A contract may be terminated in whole or in part by the City at any time and for any reason in accordance with this clause whenever the City shall determine that such termination is in the best interest of the City. Any such termination shall be effected by the delivery to the contractor at least thirty (30) business days before the effective date of a Notice of Termination specifying the extent to which performance shall be terminated and the date upon which termination becomes effective. An equitable adjustment in the contract price shall be made for the completed service, but no amount shall be allowed for anticipated profit on unperformed services.

22. Unauthorized Aliens: The City of Pensacola shall consider the employment by any contracted vendor of unauthorized aliens a violation of Section 274A of the Immigration and Nationality Act. Such violation shall be cause for unilateral termination of this contract.

ANY AND ALL SPECIAL CONDITIONS AND SPECIFICATIONS ATTACHED HERETO WHICH VARY FROM THESE GENERAL CONDITIONS SHALL HAVE PRECEDENCE.

QUALIFICATION NO. 25-011

LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES

Signature Sheet

The undersigned, as Vendor, does declare that no other persons other than the Vendor herein named has any interest in this Qualification or in the contract to be taken, and that it is made without any connection with any other person or persons presenting a Qualification for the same articles, and it is in all respects fair and without collusion or fraud. The undersigned further declares that he has carefully examined the specifications and is thoroughly familiar with their provisions and penalties.

Survey: How did you obtain this solicitation?

☐ City of Pensacola website ☐ Central Bidding ☐ Demandstar

Other: _____

Signature _____ Date: _____

Printed Name: _____ Title: _____

Company: _____ Address: _____

Telephone: _____ City: _____

Fax: _____ State: _____ Zip: _____

E-mail: _____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

State of Florida
Affidavit Regarding the Use of Coercion for Labor and Services
Pursuant to Florida Statute 787.06(13)

Vendor Name: _____

Vendor FEIN: _____ Phone Number: _____

Vendor's Authorized Representative Name and Title: _____

Address: _____

City: _____ State: _____ ZIP: _____

Email Address: _____

Section 787.06(13) Florida Statutes requires all nongovernmental entities executing, renewing, or extending a contract with a governmental entity to provide an affidavit signed by an officer or representative of the nongovernmental entity under penalty of perjury that the nongovernmental entity does not use coercion for labor or services.

The undersigned hereby certifies that he/she is an officer or authorized representative of the vendor identified above and that said vendor does not use coercion for labor or services as defined in Section 787.06 Florida Statutes.

Florida Statute 787.06

(2)(a) "Coercion" means:

1. *Using or threatening to use physical force against any person;*
2. *Restraining, isolating, or confining or threatening to restrain, isolate, or confine any person without lawful authority and against her or his will;*
3. *Using lending or other credit methods to establish a debt by any person when labor or services are pledged as a security for the debt, if the value of the labor or services as reasonably assessed is not applied toward the liquidation of the debt, the length and nature of the labor or services are not respectively limited and defined;*
4. *Destroying, concealing, removing, confiscating, withholding, or possessing any actual or purported passport, visa, or other immigration document, or any other actual or purported government identification document, of any person;*
5. *Causing or threatening to cause financial harm to any person;*
6. *Enticing or luring any person by fraud or deceit; or*
7. *Providing a controlled substance as outlined in Schedule I or Schedule II of s. 893.03 to any person for the purpose of exploitation of that person.*

(2)(e) "Labor" means work of economic or financial value.

(2)(h) "Services" means any act committed at the behest of, under the supervision of, or for the benefit of another. The term includes, but is not limited to, forced marriage, servitude, forced marriage, servitude, or the removal of organs.

Under penalties of perjury, I declare that I have read the foregoing document and that the facts stated in it are true.

By: _____
AUTHORIZED SIGNATURE

Print Name and Title: _____

Date: _____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

**52.209-5 FAR Certification Regarding Debarment, Suspension,
Proposed Debarment, and Other Responsibility Matters**

1. The Offeror certifies, to the best of its knowledge and belief, that the Offeror and/or any of its Principals:
 - A. Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency.
 - B. Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and
 - C. Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph 1-B of this provision.
2. The Offeror has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.
 - A. "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

This Certification Concerns a Matter Within the Jurisdiction of an Agency of the United States and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution Under Section 1001, Title 18, United States Code.

- B. The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- C. A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.
- D. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- E. The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

Company Name: _____

Date: _____

Authorized

Signature: _____ Printed Name: _____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

52.209-6 FAR Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment

1. The Government suspends or debars Contractors to protect the Government's interests. The Contractor shall not enter into any subcontract in excess of \$25,000 with a Contractor debarred, suspended, or proposed for debarment unless there is a compelling reason to do so.
2. The Contractor shall require each proposed first-tier subcontractor, whose subcontract will exceed \$25,000, to disclose to the Contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the Federal Government.
3. A corporate officer or a designee of the Contractor shall notify the Contracting Officer, in writing, before entering into a subcontract with a party debarred, suspended, or proposed for debarment (see FAR 9.404 for information on the Excluded Parties List System). The notice must include the following:
 - A. The name of the subcontractor.
 - B. The Contractor's knowledge of the reasons for the subcontractor being in the Excluded Parties List System.
 - C. The compelling reason(s) for doing business with the subcontractor notwithstanding its inclusion in the Excluded Parties List System.
 - D. The systems and procedures the Contractor has established to ensure that it is fully protecting the Government's interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.

Company Name

Authorized Signature

Printed Name

Date

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

DRUG-FREE WORKPLACE CERTIFICATE

IDENTICAL TIE BIDS - Pursuant to Section 287.087, Florida Statutes, preference shall be given to business with Drug-Free Workplace Programs. Whenever two or more bids which are equal with respect to price, quality, and service are received for the procurement of commodities or contractual services, a bid received from a business that certifies that it has implemented a Drug-Free Workplace Program shall be given preference in the award process. Established procedures for processing tie bids will be followed if none of the tied vendors have a Drug-Free Workplace Program. In order to have a Drug-Free Workplace Program, a business shall:

- 1) Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
- 2) Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a Drug-Free Workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
- 3) Give each employee engaged in providing the commodities or contractual services under bid a copy of the statement specified in subsection (1).
- 4) In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
- 5) Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
- 6) Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

AS THE PERSON AUTHORIZED TO SIGN THE STATEMENT, I CERTIFY THAT THIS COMPANY COMPLIES FULLY WITH THE ABOVE REQUIREMENTS.

Signature

Printed Name

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

VETERAN BUSINESS ENTERPRISE STATEMENT

In order to foster economic development and business opportunities for service- disabled veterans and wartime veterans who have made extraordinary sacrifices on behalf of the nation, the City of Pensacola has adopted a Veteran Business Enterprise (“VBE”) Preference. For further information regarding this program, please refer to Section 3-3-12 AND 3-3-13 of the Code of the City of Pensacola.

In order for a respondent to receive credit for being VBE vendor, it must perform useful business functions on the contract, have its principal place of business in Escambia or Santa Rosa County and be certified as a veteran business enterprise by the State of Florida Department of Management Services (“DMS”) as set forth in Section 295.187 of the Florida Statutes as of the date set for submittal of bids. For purposes of the City’s VBE Program, the respondent’s principal place of business must be within Escambia County, FL, or Santa Rosa County, FL.

There shall be no third-party beneficiaries of the Veteran Business Enterprise Preference provisions of this solicitation or resulting contract. The City of Pensacola shall have the exclusive means of enforcement of the Veteran Business Enterprise Preference Ordinance and any contract terms. The City of Pensacola is the sole judge of compliance. All solicitations and submittals awarded will be evaluated in accordance with the Code of the City of Pensacola.

If the Respondent is a qualifying VBE, please complete the boxes below:
If not, please mark N/A.

Respondent’s Name:	Respondent’s Principle Place of Business	Florida Certification Number as issued by State of Florida DMS:

THIS FORM MUST BE SUBMITTED WITH RESPONSE.

MINORITY AND WOMEN BUSINESS ENTERPRISE STATEMENT

The City has implemented a Minority/Women Business Enterprise (MWBE) program to assist certified minority- and women-owned businesses with identifying and participating in City of Pensacola procurement and construction opportunities as set in the Code of the City of Pensacola, Ordinance No. 4-15.

In order for a respondent to receive credit for being a MWBE vendor, it must perform useful business functions on the contract, have its principal place of business in Escambia, Santa Rosa, Okaloosa, Walton County in Florida or Mobile, Alabama, and have received a certification letter issued from the City of Pensacola.

There shall be no third-party beneficiaries of the Minority and Women Business Enterprise provisions of this solicitation or resulting contract. The City of Pensacola shall have the exclusive means of enforcement of the Minority and Women Business Enterprise Ordinance and any contract terms. The City of Pensacola is the sole judge of compliance. All solicitations and submittals awarded will be evaluated in accordance with the Code of the City of Pensacola.

Respondent's Name:	Respondent's Principal Place of Business

If your firm is partnering with or subcontracting with a certified M/WBE, please provide the information requested below.

<u>NAME OF M/WBE FIRM</u>	<u>PARTNER OR SUBCONTRACTOR</u>	<u>% OF CONTRACT PERFORMANCE</u>
1. _____		
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

CITY OF PENSACOLA
SMALL BUSINESS ENTERPRISE STATEMENT

The Pensacola City Council adopted a Small Business Enterprise Ordinance #61-89. This ordinance encourages participation of small business in the City procurement process. Participation goals will be provided on a project-by-project basis, based on the availability of certified small businesses.

A Small Business is defined as an independently owned and operated business employing 50 or fewer permanent full-time employees and having a net worth of not more than \$1 million. The business must be located in Escambia or Santa Rosa County.

You must provide the following information sought in the accompanying forms for your submittal to be considered responsive:

RFQs **with** a specified Small Business Enterprise (SBE) goal will include a Bidder Questionnaire, Sub-contractor Solicitation, SBE Intent to Perform as a Sub-contractor and SBE Participation forms.

RFQs **without** a specified Small Business Enterprise (SBE) goal will include a Bidder Questionnaire form only.

BIDDER QUESTIONNAIRE

Name of Business _____

Address _____

Owner's Name _____ Phone _____

If your company has been awarded a bid by the City of Pensacola as a prime or sub-contractor in the past five years, please list those projects.

	<u>PROJECT NAME</u>	<u>YEAR</u>	<u>DOLLAR AMOUNT</u>	<u>PRIME OR SUB.</u>
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

STATEMENT OF NO RESPONSE
Bid/RFP/RFQ #25-011

If you are unable to submit a proposal at this time, please complete the following and return by e-mail to purchasing@cityofpenscola.com. Your choices or comments below will assist us in properly notifying you of future opportunities.

We have declined to respond to the solicitation for the following reason(s):

SPECIFICATIONS

- ☐ Specifications too "tight" (i.e., limited to one brand or manufacturer)
- ☐ Specifications unclear
- ☐ Unable to meet specifications

NATURE OF AWARD

- ☐ Insufficient time to respond
- ☐ Equivalent options not offered
- ☐ Other (please explain below)

Explanation:

We request to:

- ☐ remain in this service category for future City of Pensacola solicitations.
- ☐ be removed from this service category and remain on the City's solicitation list.
- ☐ be removed from the City's solicitation list.

Company Name: _____

Officer Name: _____ Title: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Office: (____) _____ Fax: (____) _____

Email: _____

Signature of Officer: _____ Date: _____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

**EVALUATION SHEET
RFQ NO.: 25-011**

LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES

Name of Firm(s): _____

Reviewer: _____

Points Available: 90

- | | |
|--|-----------------|
| 1. Company Experience | 20 Points _____ |
| a. Relevant project experience | |
| b. Years in business | |
| 2. Financial Capability and Bondability | 10 Points _____ |
| a. Resources and working capital | |
| b. Evidence of bonding capacity | |
| 3. Team Composition | 15 Points _____ |
| a. Appropriate letter of commitment | |
| b. Qualifications and years of experience of key personnel | |
| c. Licensed staff | |
| 4. Professionalism | 20 Points _____ |
| a. Written responses to professional characteristic | |
| b. Team professional appearance | |
| 5. Troubleshooting Capabilities | 10 Points _____ |
| a. Past example of Troubleshooting | |
| b. Problem-solving approach | |
| 6. Quality of Submission | 10 Points _____ |
| a. Clarity and thoroughness | |
| b. Adherence to submission guidelines | |
| 7. Certification as or partnership with a City-certified Small,
Minority or Woman-owned Business Enterprise | 3 Points _____ |
| 8. Certification as or partnership with a City-eligible Veteran
Business Enterprise Firm | 2 Points _____ |

Total Points _____

Notes: _____

EXHIBIT B

RFQ RESPONSE

The RFQ Response, dated December 30, 2024, which Contractor submitted in response to the RFQ Documents (Exhibit A). The RFQ Response includes all attachments and addenda submitted by Contractor.

Outerspaces

Started in 2006, Outerspaces is a locally owned landscape company specializing in design, installation, and maintenance. Our vision is to help preserve and restore the natural history within Pensacola and its surrounding areas. Our primary goal is to assist clients in creating and maintaining landscapes while also emphasizing environmental sustainability. Outerspaces and its team adopt a client centric approach to prioritizing long term relationships and exceeding expectations in every project.

For the past 19 years, Outerspaces has contributed a major part of the development and re-growth of Pensacola. Projects such as TT Wentworth lawn event space, East Garden District, Bruce Beach, Urban Core, Oyster Bay, 1 Palafox Place, Episcopal Day School, and many more have catapulted Outerspaces to the company we are today. We truly believe, its only going to get better if you make it better.

Table of Contents:

- A. Introduction:
 - 1. Signature sheet
 - 2. Coercion form
 - 3. FAR Certificate 52.209-5
 - 4. FAR Certificate 52.209-6
 - 5. Drug Free Workplace
 - 6. Veteran Business Enterprise Statement
 - 7. Minority/Women Business Enterprise Statement
 - 8. Small Business Enterprise Participation Form
 - 9. Acknowledgment of Addenda
- B. Company Information:
 - Licenses
- C. Company Experience
- D. Financial Capability
- E. Team Composition
- F. Professionalism
- G. Troubleshooting Capabilities

QUALIFICATION NO. 25-011

LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES

Signature Sheet

The undersigned, as Vendor, does declare that no other persons other than the Vendor herein named has any interest in this Qualification or in the contract to be taken, and that it is made without any connection with any other person or persons presenting a Qualification for the same articles, and it is in all respects fair and without collusion or fraud. The undersigned further declares that he has carefully examined the specifications and is thoroughly familiar with their provisions and penalties.

Survey: How did you obtain this solicitation?

☒ City of Pensacola website ☐ Central Bidding ☐ Demandstar

Other: _____

Signature  Date: 12.30.24

Printed Name: Ellis Bullock Title: M/M

Company: Outerspaces LLC Address: 500 E. Cross St.

Telephone: 850.982.6624 City: Pensacola

Fax: _____ State: Florida Zip: 32503

E-mail: Ellis@outerspaceslandscape.com

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

State of Florida
Affidavit Regarding the Use of Coercion for Labor and Services
Pursuant to Florida Statute 787.06(13)

Vendor Name: Outerspaces
Vendor FEIN: 20-5016403 Phone Number: 850-982-6624
Vendor's Authorized Representative Name and Title: Ellis Bullock m/m
Address: 500 E. Cross St
City: Pensacola State: FL ZIP: 32503
Email Address: Ellis@outerspaceslandscape.com

Section 787.06(13) Florida Statutes requires all nongovernmental entities executing, renewing, or extending a contract with a governmental entity to provide an affidavit signed by an officer or representative of the nongovernmental entity under penalty of perjury that the nongovernmental entity does not use coercion for labor or services.

The undersigned hereby certifies that he/she is an officer or authorized representative of the vendor identified above and that said vendor does not use coercion for labor or services as defined in Section 787.06 Florida Statutes.

Florida Statute 787.06

(2)(a) "Coercion" means:

1. Using or threatening to use physical force against any person;
2. Restraining, isolating, or confining or threatening to restrain, isolate, or confine any person without lawful authority and against her or his will;
3. Using lending or other credit methods to establish a debt by any person when labor or services are pledged as a security for the debt, if the value of the labor or services as reasonably assessed is not applied toward the liquidation of the debt, the length and nature of the labor or services are not respectively limited and defined;
4. Destroying, concealing, removing, confiscating, withholding, or possessing any actual or purported passport, visa, or other immigration document, or any other actual or purported government identification document, of any person;
5. Causing or threatening to cause financial harm to any person;
6. Enticing or luring any person by fraud or deceit; or
7. Providing a controlled substance as outlined in Schedule I or Schedule II of s. 893.03 to any person for the purpose of exploitation of that person.

(2)(e) "Labor" means work of economic or financial value.

(2)(h) "Services" means any act committed at the behest of, under the supervision of, or for the benefit of another. The term includes, but is not limited to, forced marriage, servitude, forced marriage, servitude, or the removal of organs.

Under penalties of perjury, I declare that I have read the foregoing document and that the facts stated in it are true.

By: 
AUTHORIZED SIGNATURE

Print Name and Title: Ellis Bullock m/m

Date: 12/30/24

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

**52.209-5 FAR Certification Regarding Debarment, Suspension,
Proposed Debarment, and Other Responsibility Matters**

1. The Offeror certifies, to the best of its knowledge and belief, that the Offeror and/or any of its Principals:
 - A. Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency.
 - B. Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and
 - C. Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph 1-B of this provision.
2. The Offeror has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.
 - A. "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

This Certification Concerns a Matter Within the Jurisdiction of an Agency of the United States and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution Under Section 1001, Title 18, United States Code.

- B. The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- C. A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.
- D. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- E. The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

Company Name: Outerspaces

Date: 12.30.24

Authorized
Signature: _____



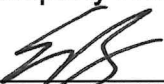
Printed Name: Ellis Bullock

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

52.209-6 FAR Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment

1. The Government suspends or debar Contractors to protect the Government's interests. The Contractor shall not enter into any subcontract in excess of \$25,000 with a Contractor debarred, suspended, or proposed for debarment unless there is a compelling reason to do so.
2. The Contractor shall require each proposed first-tier subcontractor, whose subcontract will exceed \$25,000, to disclose to the Contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the Federal Government.
3. A corporate officer or a designee of the Contractor shall notify the Contracting Officer, in writing, before entering into a subcontract with a party debarred, suspended, or proposed for debarment (see FAR 9.404 for information on the Excluded Parties List System). The notice must include the following:
 - A. The name of the subcontractor.
 - B. The Contractor's knowledge of the reasons for the subcontractor being in the Excluded Parties List System.
 - C. The compelling reason(s) for doing business with the subcontractor notwithstanding its inclusion in the Excluded Parties List System.
 - D. The systems and procedures the Contractor has established to ensure that it is fully protecting the Government's interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.

Outerspaces
Company Name


Authorized Signature

Ellis Bullock
Printed Name

12.30.24
Date

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

DRUG-FREE WORKPLACE CERTIFICATE

IDENTICAL TIE BIDS - Pursuant to Section 287.087, Florida Statutes, preference shall be given to business with Drug-Free Workplace Programs. Whenever two or more bids which are equal with respect to price, quality, and service are received for the procurement of commodities or contractual services, a bid received from a business that certifies that it has implemented a Drug-Free Workplace Program shall be given preference in the award process. Established procedures for processing tie bids will be followed if none of the tied vendors have a Drug-Free Workplace Program. In order to have a Drug-Free Workplace Program, a business shall:

- 1) Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
- 2) Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a Drug-Free Workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
- 3) Give each employee engaged in providing the commodities or contractual services under bid a copy of the statement specified in subsection (1).
- 4) In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
- 5) Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
- 6) Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

AS THE PERSON AUTHORIZED TO SIGN THE STATEMENT, I CERTIFY THAT THIS COMPANY COMPLIES FULLY WITH THE ABOVE REQUIREMENTS.

Signature

Printed Name

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

SUBSTANCE ABUSE PROGRAM
I. STATEMENT OF POLICY
(04/01/2015)

In a commitment to safeguard the health of our employees and to provide a safe environment for everyone, Outer Spaces, LLC has established a drug-free workplace policy.

The ultimate goal of this policy is to balance our respect for individual privacy with our need to keep a safe, productive, drug-free environment. We would like to encourage those who use illegal drugs or abuse alcohol to seek help in overcoming their problem. Employees who do so will be able to retain their job position in good standing.

While this company understands that employees and applicants under a physician's care are required to use prescription drugs, abuse of prescribed medications will be dealt with in the same manner as the abuse of illegal substances.

Employees are given notice as of the above date that it is a condition of employment to refrain from reporting to work, or working with the presence of drugs or alcohol in his or her body. Employees are subject to drug testing under the standards of this policy on 04/01/2013, which is 60 days from the above date.

This policy is implemented pursuant to the drug-free workplace program requirements under Florida Statute 440.102 and Administrative Rule 59A-24 of the State of Florida Agency for Health Care Administration.

II. DEFINITIONS

- A. "Legal Drug"** - Prescribed drug or over-the-counter drug which has been legally obtained and is being used solely for the purpose for which it was prescribed or manufactured.
- B. "Illegal Drug"** - Any drug (a) which is not legally obtainable, (b) which may be legally obtainable but has not been legally obtained, or (c) which is being used in a manner or for a purpose other than as prescribed.

III. POLICY AND WORK RULE

The policy of Outer Spaces, LLC is to employ a work force free from use of illegal drugs and abuse of alcohol, either on or off the job. Any employee determined to be in violation of this policy is subject to disciplinary action, which may include termination, even for the first offense.

It is a standard of conduct for employees of the company that no employee shall report to work or work with the presence of illegal drugs or alcohol in his or her body. In order to maintain this standard, the company shall establish and maintain the programs and rules set forth below.

A. Drug Testing of Applicants

All job applicants at this company will undergo screening for the presence of illegal drugs as a condition for employment.

Any applicant with a positive test result will be denied employment at that time but may initiate another inquiry with the company after six months.

B. Drug Testing of Employees

This company will maintain screening practices to identify employees who use illegal drugs or abuse alcohol, either on or off the job. It shall be a condition of continued employment for all employees to submit to a drug screen:

1. **When there is a reasonable suspicion** to believe that an employee is using or has used illegal drugs or is abusing or has abused alcohol;

Circumstances that could be indicators of a substance-abuse problem and considered reasonably suspicious are as follows:

- **Information that an employee has caused, or contributed to, an accident while at work.** "Accident" includes injury to person(s) and/or damage to equipment or property.
- Observable phenomena while at work - such as direct observation of drug use or of the physical symptoms or manifestations of being under the influence of a drug.
- Abnormal conduct or erratic behavior while at work or a significant deterioration in work performance.
- A report of drug use provided by a reliable and credible source and independently corroborated.
- Evidence that an individual has tampered with a drug test during his employment with the current employer.
- Evidence that an employee has used, possessed, sold, solicited or transferred drugs while working or while on the employer's premises or while operating the employer's vehicle, machinery or equipment.

Whenever possible, the supervisor should have the employee observed by a second supervisor or manager before requiring testing. Employees who refuse substance testing under these circumstances will be terminated and forfeit workers' compensation medical and indemnity benefits.

2. **As a follow-up to Employee Assistance.**

If the employee, in the course of employment, enters an Employee Assistance Program or a drug rehabilitation program, the employer must require the employee to submit to a drug test as a follow-up to such program, unless the employee voluntarily entered the program. In that case, follow-up testing is optional. If follow-up testing is required, it must be conducted at least once a year for a two-year period after completion of the program. Advance notice of a follow-up testing date will not be given to the employee.

3. **When the test is conducted as part of a routinely scheduled employee fitness-for-duty medical examination** that is part of the employer's established policy or that is scheduled routinely for all members of an employment classification or group.

4. **At other times and under such circumstances as deemed appropriate** by company management and current state and/or federal standards. Employees will be given adequate notice of any addition/change/deletion in the company's drug testing requirements.

C. Employee Assistance Program

This company does not maintain an Employee Assistance Program (EAP). The purpose of an EAP is to provide help to employees and their families who suffer from alcohol, drug abuse or other problems. We do, however, maintain a list of local providers of employee assistance, drug and alcohol treatment and family services that employees may access without company involvement.

It is the responsibility of an employee to seek assistance from an EAP **before** alcohol and drug problems lead to disciplinary actions. Once a violation of this policy occurs, subsequently using an EAP on a voluntary basis will not necessarily lessen disciplinary action and may, in fact, have no bearing on the determination of appropriate disciplinary action.

An EAP will provide appropriate assessment, evaluation and counseling and/or referral for treatment of drug and alcohol abuse. Such employees may be granted leave with a conditional return to work, depending on successful completion of the agreed-upon appropriate treatment regimen, which may include follow-up testing.

The cost of seeking assistance from an EAP or other provider will be the responsibility of the **employee** and is subject to provisions of the company's health insurance plan, if any. Please consult the provider for specifics concerning this issue.

D. Grounds for Termination or Discipline

1. Illegal Drug Use

The following are considered violations of Outer Spaces, LLC drug-free workplace policy and are subject to discipline, including discharge or suspension from employment without pay and loss of Workers' Compensation benefits, even for the first offense:

- Refusing to take a company-required drug test
- Failing a company-required drug test (a *positive* test result)
- An employee bringing illegal drugs onto the company's premises or property (including company vehicles)
- Possession of illegal drugs or drug paraphernalia on the employee's person
- Using, consuming, transferring, selling or attempting to sell or transfer any form of illegal drug (as previously defined) while on company business or at any time during the hours between the beginning and ending of the employee's workday, whether on company property or not.

2. Alcohol Abuse

The following are considered violations of Outer Spaces, LLC drug-free workplace policy and are subject to discipline, including discharge or suspension from employment without pay and loss of Workers' Compensation benefits, even for the first offense:

- Refusing to take a company-required alcohol test
- Failing a company-required alcohol test
- An employee who is under the influence of alcoholic beverages at any time while on company business or at any time during the hours between the beginning and ending of the employee's workday, whether on company property or not (including company vehicles)

An employee shall be determined to be under the influence of alcohol if -

- a. the employee's normal faculties are impaired due to consumption of alcohol
- b. the employee has a blood-alcohol level of .04 or higher.

E. Confidentiality

1. All information, interviews, reports, statement memoranda, and drug-test results, written or otherwise, received by the employer through a drug-testing program are confidential communications and may not be used or received in evidence, obtained in discovery, or disclosed in any public or private proceedings, except in accordance with this section or in determining compensability under this chapter 440.,F.S (Workers' Compensation).
2. This subsection (confidentiality) does not prohibit an employer, agent of an employer, or laboratory conducting a drug test from having access to employee drug-test information or using such information when consulting with legal counsel in connection with actions brought under or related to this section or when the information is relevant to its defense in a civil or administrative matter.

F. Medication Reporting Procedure

Employees or job applicants may confidentially report to the company's medical review officer (MRO) the use of prescription or nonprescription medications both before and after being tested. Additionally, employees and job applicants shall receive notice of the most common drugs or medications - by brand name or common name, as applicable, as well as by chemical name - which may alter or affect a drug test. (A listing of these is attached.)

G. Reporting of Test Results

Employees or job applicants who receive a positive confirmed test result may contest or explain the result to the medical review officer within 5 working days after receiving written notification of the test result. If the employee's or job applicant's explanation or challenge is unsatisfactory to the medical review officer, the medical review officer shall report a positive test result back to the employer. Employees and job applicants also may contest the drug test result pursuant to law or to rules adopted by the Agency for Health Care Administration (AHCA), as outlined below.

H. Challenges to Test Results

1. A requirement of a drug-free workplace program is that within five working days after receiving the notice of a positive confirmed test result, an employee or job applicant may submit information to the employer explaining or contesting the test result, and why the result does not constitute a violation of the employer's policy. If the employee's or job applicant's explanation or challenge of the positive test result is unsatisfactory to the employer, a written response as to why the employee's or job applicant's explanation is unsatisfactory, along with the report of positive result, shall be provided by the employer to the employee or job applicant; and all such documentation shall be kept confidential by the employer pursuant to confidentiality provisions outlined above, and shall be retained by the employer for at least 1 year.
2. An employee or job applicant may undertake an administrative challenge by filing a claim for benefits with a Judge of Compensation Claims pursuant to Chapter 440, Florida Statutes, or, if no workplace injury has occurred, the person must challenge the test result in a court of competent jurisdiction. When an employee undertakes a

challenge to the result of a test, it shall be the employee's responsibility to notify the laboratory, and the sample shall be retained by the laboratory until the case is settled.

I. Drugs To Test For

The company may test for any or all of the following substances:

Drugs	Trade or Common Name
Alcohol	Liquor, Beer, Booze
Amphetamines	Biphetamine, Desoxyn, Dexedrine
Cannabinoids	Marijuana, Pot, Grass
Cocaine	Coke, Flake, Snow, Crack
Phencyclidine HCl	PCP, Angel Dust
Methaqualone HCl	Quaalude
Opiates	Paregoric, Morphine, Tylenol with Codeine
Barbiturates	Phenobarbital, Amytal, Nembutal, Seconal
Benzodiazepines	Librium, Valium, Halcion, Restoril
Synthetic Narcotics	Methadone-Polophine, Methadose Propoxyphene-Darvocet, Darvon-N, Dolene

J. Collective Bargaining

This company has no collective bargaining agreement.

K. Consultation Rights

Employees and applicants have the right to consult the company's Medical Review Officer (MRO) for technical information regarding prescription and nonprescription medications.

L. Medical Review Officer

The company's Medical Review Officer is :
Dr. Raymon Ryan
Medtox Laboratories, Inc
Telephone # 651-636-7466

DRUG-FREE WORKPLACE POLICY ACKNOWLEDGEMENT

I hereby acknowledge that I have received and read Outer Spaces, LLC Drug-Free Workplace Policy, a summary of the drugs which may alter or affect a drug test and a list of local Employee Assistance Programs and drug and alcohol treatment programs. I have had an opportunity to have all aspects of this material fully explained. I also understand that I must abide by the policy as a condition of initial and/or continued employment, and any violation may result in disciplinary action up to and including discharge.

Further, I understand that during my employment I may be required to submit to testing for the presence of drugs or alcohol. I understand that submission to such testing is a condition of employment with the Company and disciplinary action up to and including discharge may result if:

- 1) I refuse to consent to such testing
- 2) I refuse to execute all forms of consent and release of liability as are usually and reasonably attendant to such examinations
- 3) I refuse to authorize release of the test results to the Company
- 4) The tests establish a violation of the Company's Drug-Free Workplace Policy
- 5) I otherwise violate the policy.

I also understand that if I am injured in the course and scope of my employment and test positive or refuse to be tested, I forfeit my eligibility for medical and indemnity benefits under the Workers' Compensation Act upon exhaustion of the remedies provided in Florida Statute 440.102(5).

I ALSO UNDERSTAND THAT THE DRUG-FREE WORKPLACE POLICY AND RELATED DOCUMENTS ARE NOT INTENDED TO CONSTITUTE A CONTRACT BETWEEN THE COMPANY AND ME.

THE UNDERSIGNED FURTHER STATES THAT HE OR SHE HAS READ THE FOREGOING ACKNOWLEDGEMENT AND KNOWS THE CONTENTS THEREOF AND SIGNS THE SAME OF HIS OR HER OWN FREE WILL.

SIGNATURE

DATE

WITNESS

DATE

OVER-THE-COUNTER AND PRESCRIPTION DRUGS WHICH COULD ALTER OR AFFECT DRUG TEST RESULTS

Purpose of this form: The use of this form is to alert you of the possible influence that prescription drugs may have on the outcome of a drug test. It is for your information only at this time. If necessary, any question about the outcome of a drug test will be addressed by a licensed physician.

Alcohol	All liquid medications containing ethyl alcohol (ethanol). Please read the label for alcohol content. As an example, Vick's Nyquil is 25% (50 proof) ethyl alcohol, Comtrex is 20% (40 proof), Contact Severe Cold Formula Night Strength is 25% (50 proof) and Listerine is 26.9% (54 proof)/
Amphetamines	Obetrol, Biphetamine, Desoxyn, Dexedrine, Didrex, Ionamine, Fastin.
Cannabinoids	Marinol (Dronabinol, THC).
Cocaine	Cocaine HCl topical solution (Roxanne).
Phencyclidine	Not legal by prescription.
Methaqualone	Not legal by prescription.
Opiates	Paregoric, Parapectolin, Donnagel PG, Morphine, Tylenol with Codeine, Emprin with Codeine, APAP with Codeine, Aspirin with Codeine, Robitussin AC, Guaiatuss AC, Novahistine DH, Novahistine Expectorant, Dilaudid (Hydromorphone), M-S Contin and Roxanol (morphine sulfate), Percodan, Vicodin, Tussi-organidin, etc.
Barbiturates	Phenobarbital, Tuinal, Amytal, Nembutal, Seconal, Lotusate, Fiorinal, Fioricet, Esgic, Butisol, Mebral, Butabarbital, Butalbital, Phenrinin, Triad, etc.
Benzodiazepines	Ativan, Azene, Clonopin, Dalmine, Diazepam, Librium, Xanax, Serax, Tranxene, Valium, Verstran, Halcion, Paxipam, Restoril, Centrax.
Methadone	Dolophine, Metadose.
Propoxyphene	Darvocet, Darvon N, Dolene, etc.

NOTIFICATION OF POSITIVE DRUG TEST

Dear _____:

On (date) _____ you were drug tested according to requirements in our company's drug-free workplace program and policy. In compliance with the State of Florida drug testing standards, your urine/blood specimen was tested twice in a controlled laboratory environment.

We have received the drug test result from our company's medical review officer (MRO), and the result indicates that you have tested positive (failed the test) for the following substance(s):

_____ Cannabinoids (marijuana)	_____ Alcohol
_____ Amphetamines	_____ Cocaine
_____ Phencyclidine (PCP)	_____ Methaqualone
_____ Opiates	_____ Barbiturates
_____ Benzodiazepines	_____ Synthetic Narcotics

In keeping with our company drug-free workplace policy, the following disciplinary procedure(s) will take place immediately:

If you disagree with the test result or have some other related concern, you have the right, within 5 working days after receiving this notice, to submit information to us explaining or contesting the test result, and explaining why the positive test result does not constitute a violation of our drug-free workplace policy. You also have the right, within 180 days of your challenge to the drug test result, to have *your original specimen* retested at another Agency for Health Care Administration certified laboratory. Arrangements and cost will be your responsibility. Other challenge rights to which you may be entitled are included in your copy of our drug-free workplace policy previously distributed to you.

Our company medical review officer is
Dr. Raymon Ryan
Medtox Laboratories, Inc
Telephone # 651-636-7466

You may contact the MRO to ask questions or discuss your drug test result.

Sincerely,

Management

VETERAN BUSINESS ENTERPRISE STATEMENT

In order to foster economic development and business opportunities for service- disabled veterans and wartime veterans who have made extraordinary sacrifices on behalf of the nation, the City of Pensacola has adopted a Veteran Business Enterprise ("VBE") Preference. For further information regarding this program, please refer to Section 3-3-12 AND 3-3-13 of the Code of the City of Pensacola.

In order for a respondent to receive credit for being VBE vendor, it must perform useful business functions on the contract, have its principal place of business in Escambia or Santa Rosa County and be certified as a veteran business enterprise by the State of Florida Department of Management Services ("DMS") as set forth in Section 295.187 of the Florida Statutes as of the date set for submittal of bids. For purposes of the City's VBE Program, the respondent's principal place of business must be within Escambia County, FL, or Santa Rosa County, FL.

There shall be no third-party beneficiaries of the Veteran Business Enterprise Preference provisions of this solicitation or resulting contract. The City of Pensacola shall have the exclusive means of enforcement of the Veteran Business Enterprise Preference Ordinance and any contract terms. The City of Pensacola is the sole judge of compliance. All solicitations and submittals awarded will be evaluated in accordance with the Code of the City of Pensacola.

If the Respondent is a qualifying VBE, please complete the boxes below:
If not, please mark N/A.

Respondent's Name:	Respondent's Principle Place of Business	Florida Certification Number as issued by State of Florida DMS:
N/A	N/A	N/A

THIS FORM MUST BE SUBMITTED WITH RESPONSE.

MINORITY AND WOMEN BUSINESS ENTERPRISE STATEMENT

The City has implemented a Minority/Women Business Enterprise (MWBE) program to assist certified minority- and women-owned businesses with identifying and participating in City of Pensacola procurement and construction opportunities as set in the Code of the City of Pensacola, Ordinance No. 4-15.

In order for a respondent to receive credit for being a MWBE vendor, it must perform useful business functions on the contract, have its principal place of business in Escambia, Santa Rosa, Okaloosa, Walton County in Florida or Mobile, Alabama, and have received a certification letter issued from the City of Pensacola.

There shall be no third-party beneficiaries of the Minority and Women Business Enterprise provisions of this solicitation or resulting contract. The City of Pensacola shall have the exclusive means of enforcement of the Minority and Women Business Enterprise Ordinance and any contract terms. The City of Pensacola is the sole judge of compliance. All solicitations and submittals awarded will be evaluated in accordance with the Code of the City of Pensacola.

Respondent's Name:	Respondent's Principal Place of Business
N/A	N/A.

If your firm is partnering with or subcontracting with a certified M/WBE, please provide the information requested below.

<u>NAME OF M/WBE FIRM</u>	<u>PARTNER OR SUBCONTRACTOR</u>	<u>% OF CONTRACT PERFORMANCE</u>
1. _____		
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

CITY OF PENSACOLA
SMALL BUSINESS ENTERPRISE STATEMENT

The Pensacola City Council adopted a Small Business Enterprise Ordinance #61-89. This ordinance encourages participation of small business in the City procurement process. Participation goals will be provided on a project-by-project basis, based on the availability of certified small businesses.

A Small Business is defined as an independently owned and operated business employing 50 or fewer permanent full-time employees and having a net worth of not more than \$1 million. The business must be located in Escambia or Santa Rosa County.

You must provide the following information sought in the accompanying forms for your submittal to be considered responsive:

RFQs **with** a specified Small Business Enterprise (SBE) goal will include a Bidder Questionnaire, Sub-contractor Solicitation, SBE Intent to Perform as a Sub-contractor and SBE Participation forms.

RFQs **without** a specified Small Business Enterprise (SBE) goal will include a Bidder Questionnaire form only.

BIDDER QUESTIONNAIRE

Name of Business Outerspace

Address 500 E. cross st. Pensacola, FL 32503

Owner's Name Ellis Bullock Phone 850 902-6624

If your company has been awarded a bid by the City of Pensacola as a prime or sub-contractor in the past five years, please list those projects.

<u>PROJECT NAME</u>	<u>YEAR</u>	<u>DOLLAR AMOUNT</u>	<u>PRIME OR SUB.</u>
1. <u>Bruce Beach P1</u>	<u>2023</u>	<u>24650k</u>	<u>Sub</u>
2. <u>Bruce Beach P2</u>	<u>2024</u>	<u>800k</u>	<u>Sub</u>
3. <u>Hurricanesally Maritime park</u>	<u>2021</u>	<u>250k</u>	<u>Sub.</u>
4. <u>East garden District</u>	<u>2020</u>	<u>500k</u>	<u>Sub.</u>
5. _____			
6. _____			

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

Company Information

1. Outerspaces Landscapes is organized as a LLC Partnership.
2. Outerspaces started June 2006.
3. Currently, we have 70 + employees which are comprised of management, technical, and support staff.
4. We are located 2.3 miles from City Hall.
5. Outerspaces Landscapes has not been involved in any litigation, nor do we have any liens placed on us.
6. Surety Bond see attached letter
7. The arborist we do business with is Kenny Nobles and Michael McClellan of Nobles Tree Service. McClellan is an ISA Certified Arborist, and ISA Tree Risk Assessment Qualified (TRAQ). The license number is FL-10026A. He can be reached at (850) 436-3052 or michael@KennyNoblesTrees.com.
8. Licenses and certifications for pest control and chemical applicator personnel are attached. See Section B (1)
9. Major contracts within the last 3 years:

Biggs Construction:

Project name: Bruce Beach Park - Phase 1 and Phase 2

George Biggs

(850) 430-4307

george@gabiggs.com

Triptek Construction:

<https://www.triptekconstruction.com>

Project name: OWA Tropic Hideaway RV Resort

Rusty Miller - (251) 727-1935, Rusty.miller@triptekllc.com

Miles Smith - miles@triptekllc.com

Williams - Brown Inc.

Project name: East Garden District

Tosh Bellsinger (850)776-2655

Bear General Contractors:

Project name: Hurricane Sally Repair (Maritime)

Project name: Oyster Bay Boutique Hotel

Jack Mayson - (850) 860-1496, jackm@beargc.com

Bobby Switzer: owner

Project name: One Palafox Place

Bobby Switzer 8507128844

Gulf Marine Construction:

Project name: Escribano Point Restoration

Pete Gaddy - (251)370-4938

ADoor Property:

Project name: Redfish Harbor and Clubhouse

Perdido Key FL

Austin Tenpenny 8505299279

ESCAMBIA COUNTY BUSINESS TAX RECEIPT



Scott Lunsford
Escambia County Tax Collector
LANDSCAPING/TREE SURGERY

OUTER SPACES LLC

PO BOX 5
LILLAN, AL 36549

2024 / 2025

EXPIRES: SEPTEMBER 30, 2025

BUSINESS: OUTER SPACES LLC

ACCOUNT NO: 637519

OWNER NAME: BULLOCK ELLIS

LOCATION: ESCAMBIA COUNTY **GROUP TYPE:** 30130 **TOTAL:** 26.25

Paid 08/07/2024 **26.25**

This business tax receipt is in addition to and not in lieu of any other license required by law or local ordinance and is subject to regulations of zoning, health, contractor licensing, and other lawful authority.

THE ISSUANCE OF THIS RECEIPT DOES NOT ENSURE COMPETENCY

Scott Lunsford · Escambia County Tax Collector

EscambiaTaxCollector.com

facebook.com/ECTaxCollector

twitter.com/escambiatc

To renew, verify, or make address changes to your Business Tax Receipt, visit our payment center at EscambiaTaxCollector.com.

Contact our office by email at ectc@EscambiaTaxCollector.com if any of the following changes occur with your business:

- Ownership
- Location
- Name

The law requires this business tax receipt to be displayed conspicuously at the place of business in such a manner that it can be open to the view of the public and subject to inspection by all duly authorized officers of the County.

All business tax receipts expire September 30 of each year.

Note: If your business is closing, an application for a Going Out of Business Permit may be required, along with the surrender of your original business tax receipt and payment of any outstanding tangible tax liability for the business. This provision also applies to fire sales.

BUSINESS OWNER: You may be eligible to use the installment plan to help manage your cash flow and pay your tangible personal property taxes. More information is available at EscambiaTaxCollector.com.

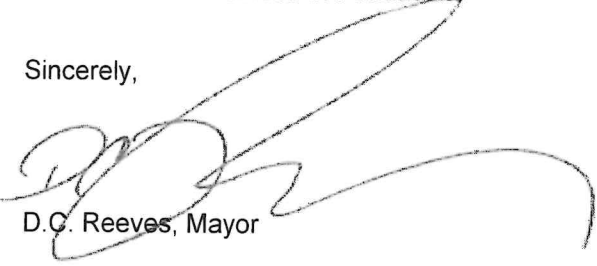
A business tax receipt is in addition to and not in lieu of any other license required by law or local ordinance and is subject to regulations of zoning, health, contractor licensing, and any other lawful authority.

Congratulations!

I am excited that you have chosen Pensacola as a place to do business. As the commercial, financial and cultural center of Northwest Florida, Pensacola is a great place to establish a business venture that can grow and thrive.

The City of Pensacola is available to help facilitate your business needs and we are always looking for ways to enhance how we do business in order to serve you better. For more information about our services, please visit www.cityofpensacola.com. We look forward to working with you. Thank you and congratulations on your decision to do business in Pensacola.

Sincerely,


D.C. Reeves, Mayor

CITY OF PENSACOLA, FLORIDA

D.C. Reeves, Mayor

ACCOUNT # 127415

LOCATION 500 E CROSS ST
PENSACOLA, FL 32503-3820

**LOCAL BUSINESS TAX
2024 - 2025**

EXPIRES : 09/30/2025

RECEIPT # 110864

OWNER(S): ELLIS BULLOCK

030000 Motor Vehicle Permit-Outside

Post in Conspicuous Place

OUTER SPACES, LLC
PO BOX 5
LILLIAN, AL 36549

B. Sec 1 G

**APPLICATION BY FOREIGN LIMITED LIABILITY COMPANY FOR AUTHORIZATION TO
TRANSACTION BUSINESS IN FLORIDA**

IN COMPLIANCE WITH SECTION 608.503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN
LIMITED LIABILITY COMPANY TO TRANSACTION BUSINESS IN THE STATE OF FLORIDA:

1. Outer Spaces, LLC
(Name of Foreign Limited Liability Company)
2. Alabama 3. 20-4516403
(Jurisdiction under the law of which foreign limited liability company is organized) (FEI number, if applicable)
4. June 9, 2006 5. Perpetual
(Date of Organization) (Duration: Year limited liability company will cease to exist or "perpetual")
6. N/A
(Date first transacted business in Florida, if prior to registration.)
(See sections 608.501 & 608.502 F.S. to determine penalty liability)
7. 8901 County Road 91
Lillian, Alabama 36549
(Street Address of Principal Office)

FILED

006 JUL 14 PM 1:48
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

8. If limited liability company is a manager-managed company, check here ☐

9. The name and usual business addresses of the managing members or managers are as follows:

Ellis W. Bullock, IV

8901 County Road 91, P.O. Box 5

Lillian, Alabama 36549

10. Attached is an original certificate of existence, no more than 90 days old, duly authenticated by the official having custody of records in the jurisdiction under the law of which it is organized. (A photocopy is not acceptable. If the certificate is in a foreign language, a translation of the certificate under oath of the translator must be submitted.)

11. Nature of business or purposes to be conducted or promoted in Florida: To engage in any lawful business, including landscaping design, installation and maintenance services



Signature of a member or an authorized representative of a member.
(In accordance with section 608.408(3), F.S., the execution of this document constitutes an affirmation under the penalties of perjury that the facts stated herein are true.)

Ellis W. Bullock, IV

Typed or printed name of signer



Verify an FNGLA Certification

Please input the following information to find an FNGLA Certified Professional:

Name: Anne Brewer

Organization: Simply Gardens

- Organization Phone: 1-850-432-3849
- Organization email: atb4675@cox.net

Certification: FNGLA Certified Horticulture Professional

Certified Since: 5/11/2011

Certification Expiration Date: 6/30/2026

Additional Memberships:

Not finding what you need? Click on '**Advanced View**' button above to expand your search.

Certification Quick Links

[Renew My Certification](#)

[Order a Certification Manual](#)

[Plant ID Study Site](#)

[Register for Certification Exam](#)

[Login to Take Certification Exam](#)

[See Who's FNGLA Certified](#)

[Maintain my Certification](#)

STATE OF FLORIDA
Department of Agriculture and Consumer Services
BUREAU OF LICENSING AND ENFORCEMENT

Date August 15, 2024 File No. JB313319 Expires July 31, 2025

THE **PEST CONTROL COMPANY FIRM** NAMED BELOW HAS REGISTERED UNDER THE PROVISIONS OF CHAPTER 482 FOR THE PERIOD EXPIRING: **July 31, 2025** **AT**

1880 HOLLYHIL RD
PENSACOLA, FL 32526

HAYS LAWN LLC
1880 HOLLYHIL RD
PENSACOLA, FL 32526

General Household Pest and
Rodent Control
Lawn and Ornamental


WILTON SIMPSON, COMMISSIONER

Cut here

STATE OF FLORIDA
Department of Agriculture and Consumer Services
BUREAU OF LICENSING AND ENFORCEMENT

HAYS LAWN LLC
1880 HOLLYHIL RD
PEST CONTROL COMPANY FIRM

JB313319

HAS PAID THE FEE REQUIRED BY CHAPTER 482 FOR THE PERIOD EXPIRING **July 31, 2025**


COMMISSIONER

Signature

Wallet Card
Wallet Card - Fold Here

BUREAU OF LICENSING & ENFORCEMENT
3125 CONNER BLVD, BLDG. 8
TALLAHASSEE, FLORIDA 32399-1650

STATE OF FLORIDA
Department of Agriculture and Consumer Services
BUREAU OF LICENSING AND ENFORCEMENT

Date August 15, 2024 File No. JE118225 Expires July 31, 2025

THE **ID CARD HOLDER** NAMED BELOW HAS REGISTERED UNDER THE PROVISIONS OF CHAPTER 482 FOR THE PERIOD EXPIRING: **July 31, 2025** **AT**

HAYS LAWN LLC
PENSACOLA, FL 32526

NATHAN M HAYS
HAYS LAWN LLC
1880 HOLLYHIL RD
PENSACOLA, FL 32526

Certified Operator


WILTON SIMPSON, COMMISSIONER

Cut here

STATE OF FLORIDA
Department of Agriculture and Consumer Services
BUREAU OF LICENSING AND ENFORCEMENT

NATHAN M HAYS
HAYS LAWN LLC
ID CARD HOLDER

JE118225 **Certified Operator**

HAS PAID THE FEE REQUIRED BY CHAPTER 482 FOR THE PERIOD EXPIRING **July 31, 2025**


COMMISSIONER

Signature
ATTACH PHOTO ON REVERSE

Wallet Card
Wallet Card - Fold Here

BUREAU OF LICENSING & ENFORCEMENT
3125 CONNER BLVD, BLDG. 8
TALLAHASSEE, FLORIDA 32399-1650

STATE OF FLORIDA
Department of Agriculture and Consumer Services
BUREAU OF LICENSING AND ENFORCEMENT

Date August 15, 2024 File No. JE223036 Expires July 31, 2025

THE ID CARD HOLDER NAMED BELOW HAS REGISTERED UNDER
THE PROVISIONS OF CHAPTER 482 FOR THE PERIOD EXPIRING: July
31, 2025 AT

HAYS LAWN LLC
PENSACOLA, FL 32526

Regular

NIGEL SAVOIE
HAYS LAWN LLC
1880 HOLLYHIL RD
PENSACOLA, FL 32526



WILTON SIMPSON, COMMISSIONER

STATE OF FLORIDA
Department of Agriculture and Consumer Services
BUREAU OF LICENSING AND ENFORCEMENT

NIGEL SAVOIE
HAYS LAWN LLC
ID CARD HOLDER

JE223036

HAS PAID THE FEE REQUIRED BY CHAPTER 482 FOR THE PERIOD
EXPIRING July 31, 2025



COMMISSIONER

Signature
ATTACH PHOTO ON REVERSE

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BUREAU OF LICENSING & ENFORCEMENT
3125 CONNER BLVD, BLDG. 8
TALLAHASSEE, FLORIDA 32399-1650

STATE OF FLORIDA
Department of Agriculture and Consumer Services
BUREAU OF LICENSING AND ENFORCEMENT

Date August 15, 2024 File No. JE169929 Expires July 31, 2025

THE ID CARD HOLDER NAMED BELOW HAS REGISTERED UNDER
THE PROVISIONS OF CHAPTER 482 FOR THE PERIOD EXPIRING: July
31, 2025 AT

HAYS LAWN LLC
PENSACOLA, FL 32526

Regular

TAMIR P SALIMAN
HAYS LAWN LLC
1880 HOLLYHIL RD
PENSACOLA, FL 32526



WILTON SIMPSON, COMMISSIONER

STATE OF FLORIDA
Department of Agriculture and Consumer Services
BUREAU OF LICENSING AND ENFORCEMENT

TAMIR P SALIMAN
HAYS LAWN LLC
ID CARD HOLDER

JE169929

HAS PAID THE FEE REQUIRED BY CHAPTER 482 FOR THE PERIOD
EXPIRING July 31, 2025



COMMISSIONER

Signature
ATTACH PHOTO ON REVERSE

Wallet Card
Wallet Card - Fold Here

BUREAU OF LICENSING & ENFORCEMENT
3125 CONNER BLVD, BLDG. 8
TALLAHASSEE, FLORIDA 32399-1650

STATE OF FLORIDA		
Department of Agriculture and Consumer Services		
BUREAU OF LICENSING AND ENFORCEMENT		
Date	File No.	Expires
August 15, 2024	JE353400	July 31, 2025
THE ID CARD HOLDER NAMED BELOW HAS REGISTERED UNDER THE PROVISIONS OF CHAPTER 482 FOR THE PERIOD EXPIRING: July 31, 2025		
AT		
HAYS LAWN LLC		
PENSACOLA, FL 32526		
TRISTIN FOSTER		
HAYS LAWN LLC		
1880 HOLLYHIL RD		
PENSACOLA, FL 32526		
Regular		
		
WILTON SIMPSON, COMMISSIONER		

Cut here

STATE OF FLORIDA	
Department of Agriculture and Consumer Services	
BUREAU OF LICENSING AND ENFORCEMENT	
TRISTIN FOSTER	
HAYS LAWN LLC	
ID CARD HOLDER	
JE353400	
HAS PAID THE FEE REQUIRED BY CHAPTER 482 FOR THE PERIOD EXPIRING July 31, 2025	
	Signature
COMMISSIONER	ATTACH PHOTO ON REVERSE

Wallet Card
Wallet Card - Fold Here

BUREAU OF LICENSING & ENFORCEMENT
3125 CONNER BLVD, BLDG. 8
TALLAHASSEE, FLORIDA 32399-1650



Escambia County Building Services

3363 West Park Place

Pensacola, Florida 32505

Phone: (850) 595-3550 ~ Fax: (850) 595-3401

contractorlicense@myescambia.com

BELOW IS YOUR NEW ESCAMBIA COUNTY CONTRACTOR CERTIFICATE OF COMPETENCY (LICENSE):

Expired or cancelled insurance automatically inactivates a license. Proof of current insurance must be provided in order to reactivate the license. Any license may be put on inactive status for an annually paid fee.

Name, address, or status change must be sent to this office within thirty (30) days to change.

24-Hour Automated IVR Line: (850) 595-0881

Fax: (850) 595-3401



Escambia County Building Services Contractor Competency Board

Board of Electrical Examiners
Pensacola, Florida

Contractor's Name: WILLIAM MOORE

Business Name: FOXWORTH & MOORE IRRIGATION

Category: SP (Lawn Sprinkler)

License #: SP2007

Issued: 7/3/2024

Exp. Date: 8/22/2025

LICENSED UNDER CH.489, FLORIDA STATUTES & ESCAMBIA COUNTY CODE OF
ORDINANCES CH.18



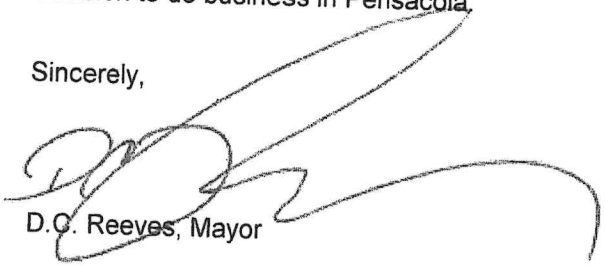
FLORIDA'S FIRST & FUTURE

Congratulations!

I am excited that you have chosen Pensacola as a place to do business. As the commercial, financial and cultural center of Northwest Florida, Pensacola is a great place to establish a business venture that can grow and thrive.

The City of Pensacola is available to help facilitate your business needs and we are always looking for ways to enhance how we do business in order to serve you better. For more information about our services, please visit www.cityofpensacola.com. We look forward to working with you. Thank you and congratulations on your decision to do business in Pensacola.

Sincerely,


D.C. Reeves, Mayor

CITY OF PENSACOLA, FLORIDA

D.C. Reeves, Mayor

ACCOUNT # 119497

LOCATION 1011 N DAVIS HWY
PENSACOLA, FL 32501

LOCAL BUSINESS TAX 2024 - 2025

EXPIRES : 09/30/2025

RECEIPT # 104007

OWNER(S): WILLIAM MOORE

010004 Gen Employee Category (6-7)

Post in Conspicuous Place

FOXWORTH & MOORE IRRIGATION
PO BOX 2291
PENSACOLA, FL 32513

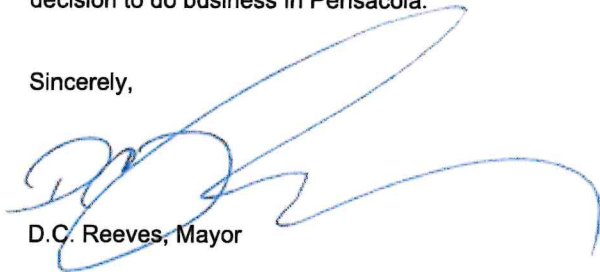


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Sincerely,



D.C. Reeves, Mayor

CITY OF PENSACOLA, FLORIDA

D.C. Reeves, Mayor

ACCOUNT # 153752

LOCATION 9559 PENSACOLA BLVD
PENSACOLA, FL 32534

LOCAL BUSINESS TAX

2024 - 2025

EXPIRES : 09/30/2025

RECEIPT # 122540

OWNER(S): KENNETH NOBLES

030000 Motor Vehicle Permit-Outside

Post in Conspicuous Place

KENNETH NOBLES TREE SERVICE LLC
4734 DUNAWAY LN
PENSACOLA, FL 32526

The International Society of Arboriculture

Hereby Announces That

Michael McClellan

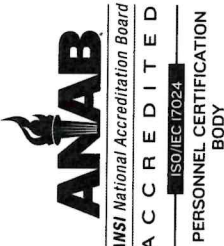
Has Earned the Credential

ISA Certified Arborist®

By successfully meeting ISA Certified Arborist certification requirements through demonstrated attainment of relevant competencies as supported by the ISA Credentialing Council

Caitlyn Pollihan
Caitlyn Pollihan
CEO & Executive Director

13 September 2023	31 December 2026	FL-10026A
Issue Date	Expiration Date	Certification Number



#0847
ISA Certified Arborist



The International Society of Arboriculture

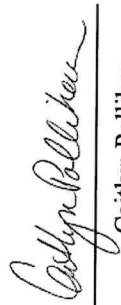
Hereby Announces That

Michael McClellan

Has Earned the Credential

ISA Tree Risk Assessment Qualification®

By successfully meeting ISA Tree Risk Assessment Qualification requirements through demonstrated attainment of relevant competencies as supported by the ISA Credentialing Council


Caitlyn Pollihan
CEO & Executive Director

17 November 2023	17 November 2028
Issue Date	Expiration Date



Company Experience

Bruce Beach phases 1 & 2, Pensacola, FL

- Biggs Construction GC
- Owner: City of Pensacola
- Phase 1 completed August 2023, Phase 2 October 2024
- Cost of landscaping and irrigation combined \$1,700,000

Bruce Beach phases 1 & 2 are both a refurbishment of a water front city property adjacent to City Hall and the Maritime park. Outerspaces had the opportunity to work under Biggs construction for both projects. Our scope of work was limited to the final grading, irrigation and plant installation. Along with the install work came a 24 month maintenance contract. We are currently still operating both maintenance contracts for the City of Pensacola.

East Garden District, Pensacola, FL

- Williams - Brown Inc.
- Owners: City of Pensacola & Catalyst
- Project completed Winter 2021
- Cost of hardscape, irrigation, and landscaping \$500,000
- Jerry Pate Design (Steve Dana)

East Garden district is a street scape project initiated by Chad Henderson and the Catalyst group. It is located on Jefferson street between Garden and Chase St. Completed in the winter of 2021, the project consist of paver road and sidewalks interconnecting restaurants, office space, and future Hotels, along with a beautiful tree canopy planted roadside. Outerspaces currently maintains East Garden for the City and for Catalyst.

1 Palafox Place, Pensacola, FL

- Self performed under owners
- Owner: Bobby Switzer
- Project completed Summer 2023
- Cost of hardscape, landscape, and lighting \$750,000
- Designed by Outerspaces

1 Palafox Place is located on the Southwest corner of Palafox and Garden St. Behind the store fronts is a common area refurbished to host parties, restaurant seating, parking, play, etc. The area is equip with pavers, artificial turf, tree and tarp canopies, and a zero scape planting package. Outerspaces currently maintains this entire block/property.

OWA Tropic Hideaway RV park, Foley, AL

- Triptek Construction
- Owner: Porch Creek Indians (OWA)
- Project completed June 2023
- Cost of landscaping and irrigation \$1,500,000
- Designed by Outerspaces

Tropic Hideaway RV park at OWA is located in Baldwin County, Alabama. Outerspaces worked along side and under Triptek construction. The project consisted of 200 RV pads on 36 acres, common areas with pools, club houses, putt putt greens and much more. This was a very comprehensive and critical project in terms of timing and logistics. As complicated as the project presented itself, Outerspaces performed and delivered the project on time. We maintained the project for the 6 month install duration, before turning over the duties to a local firm.

Private Residence 1919 E LaRua St. Pensacola, FL

- Owner name: Quint & Rishy Studer
- Project 1919 E LaRua St. Pensacola, FL
- Project install winter 2013 completed summer 2015
- Cost of project \$1,500,000
- Design by Rene Fransen

The private residence of Quint and Rishy Studer was a 3 year installation project in Pensacola. Located on 4 acres in East Hill, this estate covers a main house, guest house, pool, court yards, etc. After the landscape install was completed in 2015, Outerspaces has continued to maintain the grounds for the Studers. 1919 E LaRua has been featured in many garden club visits, secret garden tours, magazines and more.

Oyster Bay Boutique Hotel, Pensacola, FL

- Bear GC contractor
- Owner name: Mallory Studer
- Project Complete remodel of hotel exterior
- Cost \$300,000
- Designed by Rene Fransen

Oyster Bay Hotel is located in Pensacola on Bayfront parkway across from the famous Seville Square Park. In 2020 the Hotel was completed renovated inside and out. The concept was to be more of an event space for weddings and corporate functions. Outerspaces had the honor of working along side a great team to see the project through and still maintains the property today.

Financial Capability

See bonding capacity attached

Operating LOC and business banking at:

Servis 1st Bank
219 E. Garden St.
Pensacola, FL 32502

Attn: Piper Elam
850.266.9100



11 West Garden Street
Pensacola, FL 32502

850-484-7011
higginbotham.com

December 16, 2024

RE: Outerspaces LLC
Letter of Bondability

To Whom It May Concern:

This is to advise you that our office provides Bid, Performance and Payment Bonds for Outerspaces LLC. Their surety is Old Republic Insurance Company carries an A.M. Best Rating A and is listed in the Department of the Treasury's Federal Register.

Based upon normal and standard underwriting criteria at the time of the request, we should be in a position to provide Performance and Payment Bonds for projects in the \$1,000,000 single project/\$2,000,000 aggregate range. We obviously reserve the right to review final contractual documents prior to final commitment to issue the bonds.

Outerspaces, LLC is an excellent contractor and we hold them in the highest regard. Obviously, we feel extremely confident in our contractor and encourage you to offer them the opportunity to execute any upcoming projects.

Sincerely,


Daniel F. Rentz III
Bond Agent

Team Composition

Owner - Ellis W. Bullock IV founded Outerspaces LLC in June 2006, shortly after graduating from Auburn University with a degree in Horticultural Landscape. Over the past decade, Ellis has brought Outerspaces to prominence as one of the leading landscaping services in the Pensacola Bay Area, renowned for their commitment to excellence and client satisfaction. Ellis and his team adopt a client-centric approach, prioritizing long-term relationships and exceeding expectations in every project. Their primary goal is to assist clients in creating and maintaining stunning landscapes while emphasizing environmental sustainability. Specializing in landscape design and installation, maintenance services, seasonal color, and hardscape services, Ellis and his skilled team at Outerspaces are dedicated to realizing clients' visions.

Owner - Parker Payne joined Outerspaces in December 2012. Since then he has become General Manager and part owner of the company. Parker is from Meridian, Mississippi and went to Mississippi State University earning a Horticulture and a Landscape Contracting degree. Parker has wide span of knowledge from being a Perennial grower. His field experience is vast enabling him to overcome challenges in the landscape.

Landscape Designer - Anne Brewer has years of experience designing both residential and commercial projects, ranging from small residences to large commercial projects such as nursing homes, commercial buildings and parking lots. Brewer has 7 years with Outerspaces, State Certification in Horticulture through FNGLA Place Maker Certificate in Landscape Design

Executive Office Manager - Sydney Odom has 4 years with Outerspaces invoicing, and HR organization.

Assistant Office Manager - Yendris Donovan has 6 months with Outerspaces and tasks include payroll and office organization. She is also Bilingual and serves as a translator for our Spanish work force.

Mechanic/ Shop Foreman - Jacob Holcomb - 5 years with Outerspaces Landscapes and has a back ground as a 2 cycle mechanic.

Hardscape Manager - Tanner Smith has been with the company for 6 years. Before starting with Outerspaces he was in the military with experience in mechanics and logistics. Tanner is responsible for overseeing 3 hardscape crews for the company.

Landscape Construction Manager- Steven Conway has been with the company for 18 years and has experience in multiple areas including but not limited to landscape construction, concrete, tile and demolition. He is responsible for managing 3 landscape crews.

Landscape Lighting and Irrigation Manager - Brandon Bell has 8 years experience with Outerspaces starting first with Lawn maintenance then moving into irrigation and lighting. Brandon oversees 2 technicians that install and service irrigation and lighting systems.

Eric Stone has 6 years of experience in maintenance starting out as a crew leader and moved up to manager position. He understands the importance of quality control and time management necessary for landscape maintenance

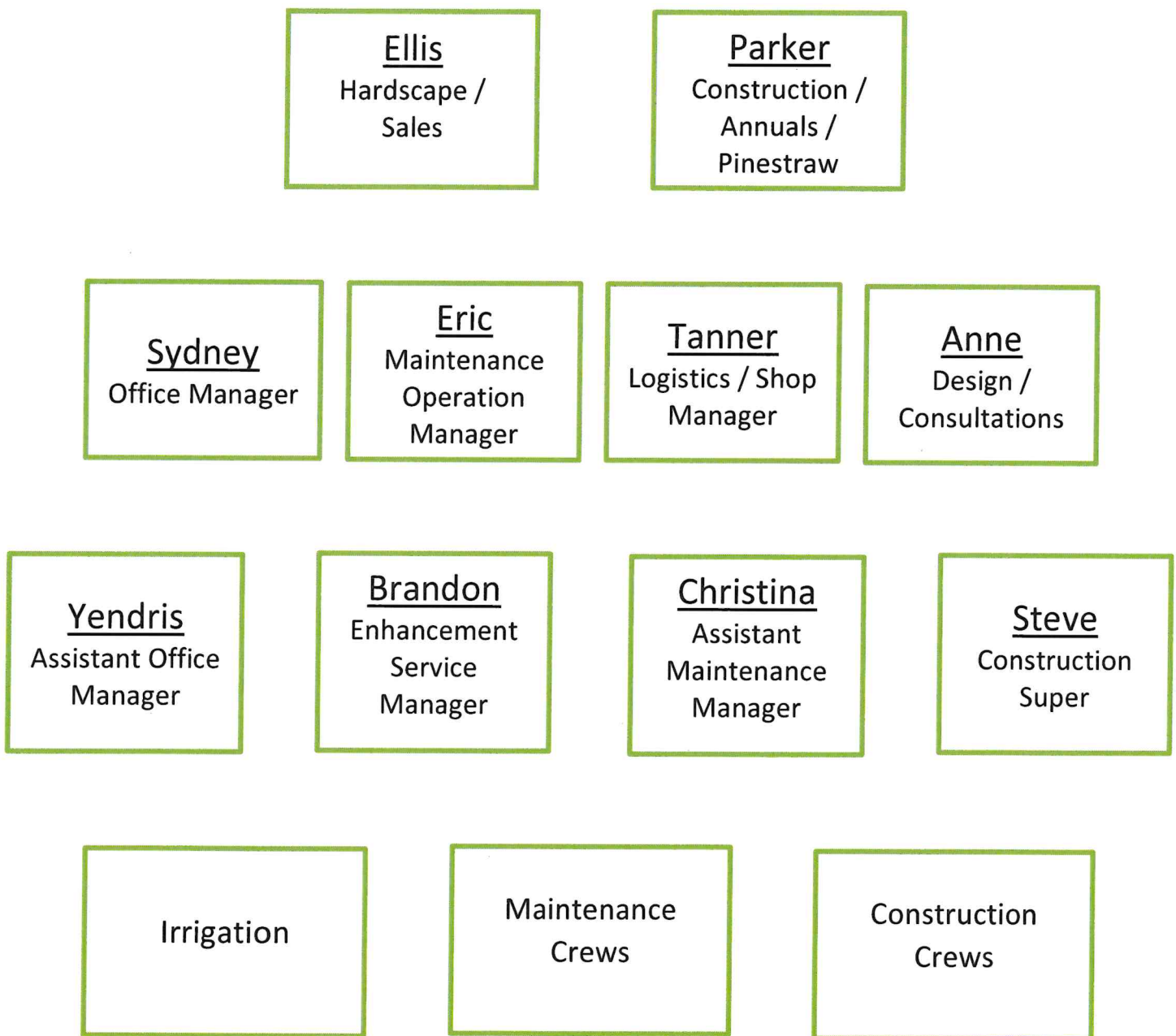
Christina Lutterman has 5 years experience with 4 years being a crew leader. She understands the hard work it takes to provide customer satisfaction week after week. Her strengths are made known in crew organization and record keeping. Together Eric and Christina manage 10 maintenance crews and make a great team.

Organization Approach – (Office Staff and On- Site Management) Attached

Company Structure and Company Roles

Company Structure

This organization chart gives a general idea of management structure within Outerspaces. Because reporting relationships within the company are complex, it is difficult to show them all here. Your direct supervisor will be clearly defined for you upon hire. If you are not sure who you report to, ask the Office Manager.



Professionalism

Outerspaces Landscapes values its' clientele, and many of our clients have been with our company for years because of our professionalism from top management to field staff. Our clients are given the respect they deserve and we exhibit this in various ways.

- Our staff shows a respectful demeanor to the clients by our neat appearance, and while communicating via the phone, email, and in person
- Our clients know we are reliable as we return calls, show up when expected, and complete the job at hand
- Both the office staff and field staff are trained to do their respective jobs and are competent through out a project.
- Our communication skills are good as we keep our clients informed through out the projects. If not on the job site, we are just a phone call, text, or email away to answer any questions or discuss the project with our clients.
- Poised: We teach and expect our employees to respect our clients, other workers and everyday people we encounter.
- It is our policy to be client centered and if a discrepancy were to arise we treat our clients fairly in all matters. The fact that we have not been a party to any legal suits reflects boldly of our ethical behavior and values.
- Much of our success is because of our ability to be organized each day. We run a neat shop and physical plant which keeps our field staff ready for business each day upon their arrival. Organization in the plant, of the scheduling of jobs, and the order in which we start and finish a job is key to building good relationships in the community and a successful business.
- Because our operations area closely linked from the design phase to installation and then maintenance thereafter we are accountable to each other. We rely on each other to do our respective jobs accurately so that the next phase of a project is understood and ready to implement. We are also accountable to the owner of the property that the project is completed to the standard expected. Once a job is completed we ask the owner to make punch list any items we might need to correct.
- Our crews wear an Outerspaces Landscape shirt so that we are recognizable to the owner.

Troubleshooting

At Outerspaces, our biggest rival and opponent is Time. As a landscaper, you are the last contractor on a project, most of the time. Preparation for the final product during the duration of a project is so critical in delivering a project on time and as expected. At Outerspaces our team is trained and experienced in dealing with large projects that involve infrastructure coordination and logistics with other contractors and subs. We understand the process that evolves into turning over a project on time and as expected. Above all, the most important tool to troubleshooting time sensitive work is communication. At Outerspaces we value communication and pride ourselves in being available at all times.

Other forms of troubleshooting within our everyday business involves irrigation. We have multiple projects such as Bruce Beach, OWA RV park, and the Azalea Trace patio homes that operate off a 2 wire irrigation system and Rainbird LX controllers. These advanced systems require knowledge and knowhow to navigate and use. Our 20 years of experience and back ground in irrigation provides us with an advantage against other non experienced companies, especially when dealing with the newer technology within our industry.

EXHIBIT C

NEGOTIATED TERMS

Initial Consultation & Site Assessment	Hourly	\$115
Landscaping Design & Planning	Hourly	\$100
Site Preparation	Hourly	\$55
Installation of Hardscaping	Hourly	\$60
Installation of Soft-scaping	Hourly	\$55
Irrigation System Setup	Hourly	\$115
Lawn & Garden Maintenance Services	Hourly	\$165
Equipment and System Maintenance	Hourly	\$115
Pest & Weed Control	Hourly	\$85
Client Communication & Reporting	Hourly	\$115
Skid Steer or Mini ex plus machine Operator	Hourly	\$150

Above rates do not include materials

**CONTRACT BETWEEN CITY OF PENSACOLA AND
ROTOLO CONSULTANTS, INC
BASED UPON REQUEST FOR QUALIFICATIONS #25-011**

THIS CONTRACT (“Contract”) is made this ____ day of _____, 2025, by and between the City of Pensacola (“City”), a Florida municipal corporation created and existing under the laws of the State of Florida, located at 222 W. Main Street, Pensacola, Florida 32502, and ROTOLO CONSULTANTS, INC., (“Contractor”), a Louisiana corporation authorized to do business in Florida, located at 38001 BROWNVILLAGE ROAD SLIDELL, LA 70460, (the City and Contractor collectively referred to hereinafter as the “Parties”).

WITNESSETH:

WHEREAS, the City published Request for Qualifications #25-011, on NOVEMBER 29, 2024 (“RFQ”)for LANDSCAPE INSTALLATION & MAINTENANCE, as modified by any addendum to the RFQ (“Addenda”), all as attached hereto as Exhibit A and incorporated herein by this reference (collectively referred to hereinafter as the “RFQ Documents”); and

WHEREAS, in response to the RFQ Documents, the Contractor submitted to the City a proposal dated DECEMBER 23,2024, including a statement of qualifications and experience, and/or any other documents submitted in response to the RFQ Documents (“RFQ Response”) attached hereto as Exhibit B and incorporated herein by this reference; and

WHEREAS, the City has selected the Contractor pursuant to the selection criteria or process as specified in the RFQ Documents based on the Contractor’s RFQ Response and any other requested information, and the Parties have agreed upon negotiated fees and services (“Negotiated Terms”) as attached hereto in Exhibit C and incorporated herein by this reference; and

WHEREAS, the Parties desire the Contractor to perform as described in the RFQ Documents and the RFQ Response, the Negotiated Terms, and pursuant to the terms and conditions of this Contract; and

WHEREAS, the Parties desire to enter into this Contract;

NOW, THEREFORE, in consideration of the work to be performed and the payment for the performance of the work, of the mutual covenants and benefits contained herein, and for other good and valuable consideration, the Parties agree as follows:

Section 1. Recitals.

The recitals contained above are true and correct and are incorporated into this Contract.

Section 2. Contractor's Obligations.

The Contractor shall perform all work and services described in, and in accordance with, the Contract. The Contractor warrants that all equipment, materials, and workmanship furnished, whether furnished by Contractor or its subcontractors or sub-suppliers, will comply with the Contract and any City specifications, drawings, and other descriptions supplied or adopted. The Contractor further warrants that the supplies and workmanship will be new, fit, and sufficient for the purpose for which they are intended, of good materials, design, and workmanship, and free from defects or failure. The City or its duly authorized representative shall at all times have full opportunity to inspect the materials to be furnished and the work to be done under this Contract. The Contractor shall comply with all applicable federal, state, and local laws, ordinances, rules, and regulations pertaining to the performance of this Contract. The Contractor is responsible for and shall indemnify the City against all damage or loss caused by fire, theft, or otherwise to materials, tools, equipment, and consumables left on City property by the Contractor.

Section 3. Term of Contract.

Subject to the right of termination for cause or convenience, the term of this Contract shall be as specified in the attached RFQ Documents.

Section 4. Payment.

The Contractor agrees to perform all work and services in Section 2 at the rates, costs, and any not-to-exceed amount provided for in Exhibit C, Negotiated Terms and Attachment B, Payment Schedule. The amount will be paid by the City based on invoices submitted by Contractor and payments approved by the City, only after written acceptance by the City pursuant to the Contract. Such payment shall be in accordance with the Florida Prompt Payment Act. In the event that the Consultant does not fully perform its obligations under the Contract, the City reserves the right to withhold payments for work not performed, to engage an alternative Contractor to complete work not performed, and to withhold such amounts as may be required to hold the City harmless from any claims or damages, direct, indirect or consequential, that may be sustained on account of the Contractor's acts or omissions in the performance of this Contract.

Section 5. Bond.

Is a bond required? ☒ Yes ☐ No

Performance bond required for landscape installation.

If yes: Contractor shall provide all bond(s) as required in the Contract. Should the City in the City's sole discretion at any time deem any of the sureties upon such bond to be unsatisfactory or if for any reason such bond shall cease to be adequate security for the City, the Contractor shall within five (5) days of written notice from the City furnish a new or additional bond in full sum and satisfactory to the City. No payment shall be deemed to be due or to be made to the Contractor unless and until such new or additional bond shall be furnished and approved in writing by the City. The premium and all expenses associated with such new or additional bond shall be paid by, and the sole responsibility of, the Contractor.

Section 6. Performance Schedule.

The Contractor shall commence and complete all work and services pursuant to the Contract.

Section 7. Necessary Approvals.

Contractor shall procure all permits, licenses, and certificates and any approvals in performance and completion of this Contract as may be required by federal, state, and local laws, ordinances, rules, and regulations, and in accordance with the Contract.

Section 8. No Waiver.

No waiver, alterations, consent, or modification of any of the provisions of the Contract shall be binding unless in writing and signed by the Mayor or his/her designee.

Section 9. Governing Law.

This Contract is governed and construed in accordance with the laws of the State of Florida. The law of the State of Florida shall be the law applied in the resolution of any claim, actions, or proceedings arising out of this Contract.

Section 10. Venue.

Venue for any claim, actions, or proceedings arising out of this Contract shall be Escambia County, Florida.

Section 11. No Discrimination.

Contractor shall not discriminate on the basis of any class protected by federal, state, or local law in the performance of this Contract.

Section 12. Assignment.

The rights and privileges conferred by this Contract shall not be assigned or transferred without the written consent of the City, which consent shall not be unreasonably withheld.

Section 13. No Other Agreements.

The Parties agree the Contract contains all the terms and conditions agreed upon by the Parties. No other agreements, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind either Party.

Section 14. Remedies for Failure to Perform or Breach of Contract.

The City reserves the right to seek all remedies available under law in the event of a failure to perform or other breach of this Contract by the Contractor, and the failure of the City to employ a particular remedy shall not be regarded by the Parties as a waiver of that or any other available remedy.

Section 15. Termination for Convenience.

The City may terminate this Contract without cause upon thirty (30) days prior written notice.

Section 16. Public Records Act.

The parties acknowledge and agree to fulfill all obligations respecting required contract provisions in any contract entered into or amended after July 1, 2016, in full compliance pursuant to Section 119.0701, *Florida Statutes*, and obligations respecting termination of a contract for failure to provide public access to public records. The parties expressly agree specifically that the contracting parties hereto shall comply with the requirements within Attachment "A" attached hereto and incorporated by reference.

Section 17. Mandatory Use of E-Verify System.

In compliance with the provisions of F.S. 448.095, the parties to this contract and any subcontractors engaged in the performance of this contract hereby certify that they have registered with and shall use the E-Verify system of the United States Department of Homeland Security to verify the work authorization status of all newly hired employees, within the meaning of the statute.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed and sealed the day and year first above written.

CONTRACTOR

CITY OF PENSACOLA, FLORIDA

ROTOLO CONSULTANTS, INC.

Contractor

Mayor, D. C. Reeves

By _____
President

Attest: _____
City Clerk, Ericka L. Burnett

MICHAEL ROTOLO

Approved as to Substance:

Attest _____
Corporate Secretary

CRA Division Manager

Legal in form and execution:

(CORPORATE SEAL)

Grace Parola, Assistant City Attorney

Attachment "A"

PUBLIC RECORDS: Contractor shall comply with Chapter 119, Florida Statutes. Specifically, Contractor shall:

- A.** Keep and maintain public records required by the City to perform the service.
- B.** Upon request from the City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- C.** Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Contract term and following the completion of the Contract if Contractor does not transfer the records to the City.
- D.** Upon completion of the Contract, transfer, at no cost, to the City, all public records in possession of Contractor or keep and maintain public records required by the City to perform the service. If Contractor transfers all public records to the City upon completion of the Contract, Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Contractor keeps and maintains public records upon completion of the Contract, Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request of the City's custodian of public records, in a format that is compatible with the information technology systems of the City.

Failure by Contractor to comply with Chapter 119, Florida Statutes, shall be grounds for immediate unilateral cancellation of this Contract by the City.

IF CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE PUBLIC RECORDS COORDINATOR AT:

THE OFFICE OF THE CITY CLERK, (850) 435-1715

PUBLCRECORDS@CITYOFPENSACOLA.COM

222 WEST MAIN STREET, PENSACOLA, FL 32502

Attachment "B"
PAYMENT SCHEDULE

1. Compensation of Consultant/Vendor/Contractor will be based on (check the appropriate method):

☐ Lump Sum/Flat Fee

☐ Hourly Rate(s)

☒ Other: See Exhibit C

2. Compensation of Consultant/Vendor/Contractor as described in #1 above will be as follows (attach an additional page if necessary):

☐ Lump Sum/Flat Fee: _____

☐ Hourly Rate(s) are: _____

☒ Other: See Exhibit C

3. Costs to be reimbursed by the City include (list reimbursable costs or attach reimbursable cost schedule):

Pursuant to service authorization

4. Invoice(s) of Consultant/Vendor/Contractor will be paid as follows (check the appropriate method):

☐ One-time, lump sum at the end of the work/project

☒ After submission of monthly or periodic invoices

☐ Other: _____

EXHIBIT A
RFQ DOCUMENTS

**CITY OF PENSACOLA
REQUEST FOR QUALIFICATIONS**

**RFQ NO.: 25-011
LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES**

The City of Pensacola is requesting sealed statements of interest and qualifications from companies with experience in landscape installation and maintenance services for a three (3) year contract term with provisions for two (2) one-year extensions upon mutual agreement of the Contractor and City. Work may continue under the contracts until all projects assigned have been completed, at the discretion of the City.

Sealed and complete hardcopy statements of interest and qualifications **with original or electronic signature and five (5) additional copies, plus one (1) complete electronic copy (SINGLE PDF) on flash drive or CD**, must be received no later than, **December 30, 2024, 2:30 P.M.**, local time, at the following location.

**City Hall (lobby)
222 West Main Street
Pensacola, Florida, 32502
Attention: Purchasing**

The OUTER FACE of the sealed submittal package shall **identify the respondent, the RFQ title, and the RFQ number** (whether hand-delivered, mailed, or via UPS/FedEx or other courier service). Submittals received after the closing time will not be accepted. Multiple submittals from the same entity will not be accepted. After the submittal deadline those submittals received will be opened and publicly acknowledged. Interested parties may attend.

Alternatively, electronic bids may be submitted to [Demandstar](#) or [Central Bidding](#). Both sites require registration and varying fees for notifications and document downloads. **If submitting electronic bids and a bid/proposal bond is required, that bond must be delivered separately to the address above.**

Specifications will be posted to the City's website at www.cityofpensacola.com/bids.aspx. Addenda will be posted to the City's website. **Bidders are responsible for obtaining addenda and are advised to check the website frequently.** There is no cost to view or download documents from the City website.

A tabulation of qualifications and/or a Notice of Intent to Award will be posted to the City's website at www.cityofpensacola.com/bids.aspx. Respondents are advised to check the website frequently.

Any questions concerning the RFQ should be addressed and submitted in writing **no later than December 16, 2024, at 10:00 A.M., local time, to:**

Dedria Lunderman, Purchasing Manager
City Hall 6th Floor
222 West Main Street
Pensacola, Florida 32502
purchasing@cityofpensacola.com

The City of Pensacola adheres to the Americans with Disabilities Act and will make reasonable accommodations for access to City services, programs, and activities. Please email ADACoordinator@cityofpensacola.com or call (850) 436-5600. Requests must be made at least 48 hours in advance of the event in order to allow the City time to provide the requested services.

The City reserves the right to accept or reject any or all submittals, to waive any submittal informalities and to re-advertise for submittals when deemed in the best interest of the City.

Attest:
Ericka L. Burnett
City Clerk

CITY OF PENSACOLA
D. C. Reeves
Mayor

The City of Pensacola provides equal access in employment and public services.

SECURITY NOTICE

Visitors to City Hall may be required to stay in the lobby unless otherwise directed.

Late submittals will not be accepted.

GENERAL INSTRUCTIONS

- A. Companies responding to the RFQ must be available for formal presentations/interviews to the Selection Committee. These will be held in person at City Hall, 1st Floor Whibbs Room, 222 West Main Street, Pensacola, FL 32502.
- B. Submittals should respond to each item noted in the Submittal Format and Evaluation Criteria in the order noted. Identify responses with the same paragraph notation as this RFQ. [Example: When completing Section III. Submittal subsection A. Introduction please provide a page divider or tab divider indication A. Introduction and include all components of that identified section behind the labeled divider.]
- C. Submittals must be typed or printed. All corrections made by the respondent prior to the opening must be initialed and dated by the respondent. No changes or corrections will be allowed after submittals are opened.
- D. **Any addendum issued will be made available on the City's website at <http://www.cityofpensacola.com/bids.aspx>. Interested bidders are advised to check the site frequently.**
- E. The City of Pensacola is not liable for any costs incurred by any interested party in responding to this RFQ.
- F. By responding to this RFQ you are giving permission for the City to contact anyone you name as an associate, sub-contractor or reference to confirm information provided.

SCHEDULE OF EVENTS (dates subject to change)

Date	Activity
November 29, 2024	Publish RFQ
December 16, 2024, 10:00 a.m.	Questions due
December 30, 2024, 2:30 p.m.	Submittals due
January 6, 2025	Distribution of Materials for Review
January 9, 2025, 9:00 a.m. City Hall 6 th floor conference room 222 West Main Street, Pensacola, FL 32502	Evaluation Committee Meeting Ranking / Shortlisting Qualifications
January 21, 2025, 9:00 a.m. City Hall 1st floor conference room 222 West Main Street, Pensacola, FL 32502	Evaluation Committee Meeting Oral Presentations Recommendation of Continuing Services Contract Awards

All times are local time.

I. PURPOSE

The purpose of this RFQ is to identify multiple highly qualified companies who can provide exceptional high quality landscape installation and maintenance services for city and/or CRA owned and maintained areas.

Contracts offered through this RFQ process are intended to augment City of Pensacola (City) staff in areas where additional expertise and work force are needed when workload will not permit the timely completion of landscape installation or maintenance. These contracts will allow the City to solicit proposals directly from the contractor for individual landscaping projects, or tasks, and to procure needed services without soliciting separate competitive proposals for every project or task.

The City reserves the right to at any time solicit separate competitive proposals for any and all projects or tasks, regardless of fee or value. Selection by the City as a landscape installation/maintenance contractor does not guarantee that the contractor will be called on a regular basis during the contract term, nor does it guarantee a minimum level of compensation with respect to volume of work or fees.

Qualifications:

Companies will be required to demonstrate, as a condition precedent to award, that the respondent has the qualifications and is capable of performing all of the services described herein. **WITH THE EXCEPTION OF ARBORICULTURAL, SUBCONTRACTING SHALL ONLY BE ALLOWED WITH THE PRIOR WRITTEN CONSENT OF THE CITY.** The minimum requirements for respondents shall be as follows:

- A. Commercial landscaping **MUST** be the primary business of the bidder. Primary is defined as providing no less than 51% of the respondent's annual income.
- B. Bidders must possess, or have on staff at least one permanent senior employee who possesses, one or more of the following degrees and/or certifications (proof of such credentials shall be required):
 - 1. Landscape Architecture or Design
 - 2. Environmental Horticulture
 - 3. Horticulture
 - 4. Agribusiness
 - 5. Landscape Technology
 - 6. Certification with the Florida Nursery, Growers, and Landscape Association
 - 7. Certification as a Florida Master Gardener
- C. Bidders or at least one member of staff must be certified in accordance with Florida Law to provide the required lawn and ornamental pest control services.

- D. Bidders or at least one member of staff must hold a LCFAC license in accordance with Florida Law (effective January 2014) to apply fertilizer commercially to provide the required fertilizer services.
- E. Bidders or at least one member of staff must be licensed to provide commercial irrigation system troubleshooting and repair services in order to provide the required irrigation system services.
- G. Bidders or at least one member of staff must be an International Society of Arboriculture (ISA) Certified Arborist.
- H. Bidders must have a minimum of five (5) years' experience in commercial landscape maintenance services.
- I. Bidders must have performed a contract with similar scope of services and of a size and complexity within the past three (3) years. Please see the sample projects listed below for more information regarding potential complexity of existing and future projects.
- J. Respondents must be able to provide a **Performance and Payment Bond**. The bond shall be in a form and with a surety acceptable to the City and shall insure the full and faithful performance of the contractor of all terms and conditions of certain projects and stand as security for payment by the contractor of all valid claims by the City. Respondents must be able to provide proof of their ability to provide this bond in the amount up to **one million** dollars (\$1,000,000).

Sample Projects:

The following sample projects are examples of high visibility project areas that the company may be selected to maintain. The company will be expected to exhibit the skills and qualifications necessary to provide ongoing maintenance for projects of a similar scale and scope.

1. Bruce Beach Park - 601 W Main Street

Once a thriving industrial hub serving the early 20th-century maritime industry, and later a neighborhood gathering place for Pensacola's black community, a 10-acre property along Pensacola's waterfront known as Bruce Beach was a littered homeless camp by the mid-1970's. This all changed with the recent completion of the park by the Pensacola CRA to create a connected, accessible public realm along the water's edge. Today Bruce Beach is transformed into a waterfront park with a central plaza, native plants, cultural exhibits, wildlife-friendly lighting, shade structures, learning garden, volleyball court, kayak launch and pedestrian bridge that overlooks historic Washerwoman Creek.

The park was professionally designed by SCAPE landscape architecture and HDR

Engineering and includes a wide variety of native plantings and a lush, but developing, tree canopy. This park represents a significant CRA investment valued at over \$11 million in a harsh waterfront environment. Therefore, skillful landscape management methods must be applied to achieve full establishment and mitigate plant loss.

Design plans for these projects may be found in Attachments A1 and A 2.

2. Garden Street Median Improvements – “A” Street to Alcaniz Street

The Garden Street corridor beginning at Alcaniz Street serves as the gateway into Downtown Pensacola for many residents, workers and tourists entering downtown from the I-110 interstate. The corridor features a wide median which contains a mixture of mature trees and shrubs and recently installed ground cover (grass, jasmine and perennial peanut), and variety of plants, trees and a substantially new irrigation system and well which was installed in 2022. The project was partially funded by an FDOT Beautification grant and must adhere to the standards expected by the state. This high-visibility gateway must be maintained with the utmost care to provide a welcoming entry to downtown.

Design plans for these projects may be found in Attachments B1 and B2.

DeVilliers Streetscape – Cervantes to Main Street

DeVilliers Street connects the historic city neighborhoods of North Hill, Belmont DeVilliers and Tanyard to the Pensacola Bay waterfront and Community Maritime Park. Streetscape improvements including the installation of decorative sidewalk and pedestrian-level streetlighting, street trees, sunshine ligustrum, groundcover, potted trees and irrigation were completed in 2021. An important connection for pedestrians, bicyclists and area residents and visitors, the landscape along this corridor must flourish to provide an inviting and comfortable experience for its users. Unfortunately, this project area needs remedial replanting and irrigation repairs which must be performed to accomplish the goals set for the project.

Design plans for these projects may be found in Attachments C1 and C2.

II. SCOPE OF SERVICES

The City of Pensacola and its Community Redevelopment Agency (CRA), (jointly, the “City”) have constructed a variety of streetscape, park and public space improvements and acquired various properties for redevelopment over the years which require ongoing landscape maintenance services. Additionally new project areas continue to be identified which require landscape maintenance and installation services.

The companies selected through this RFQ process will provide commercial landscape services for the City’s project areas and must demonstrate expertise in commercial

landscape design, installation and long-term maintenance. Installation and maintenance work must be performed according to the highest standards in the industries of horticulture and arboriculture. The selected companies must employ professionalism in both appearance and demeanor when interacting with stakeholders and in the conduct of their work. Companies selected through this RFQ will clearly show, through their submission, their standard of professionalism both in the clarity in writing of the submission and through pictures of company employees and equipment in the community on a daily basis, such as uniformed employees and truck/equipment signage.

As a landscaping specialist, the company will be expected to adequately advise the City on sound installation and maintenance applications that achieve optimal performance and mitigate the loss of plant materials.

Common Services:

The common services expected to be performed under a continuing service contract award are as follows. The actual services required will vary by project area.

1. Mowing
2. Removal of litter and debris
3. Irrigation system installation, testing and maintenance (as required)
4. Sweeping, edging and trimming
5. Pruning shrubs and trees (tree pruning performed by or under the supervision of a certified arborist.)
6. Weeding landscape and hardscape (by hand and by chemical application)
7. Weeds control
8. Disease and insect control
9. Mulching landscape beds
10. Fertilization of shrubs, turf, beds and trees
11. Conducting and analyzing soil testing to determine appropriate soil treatments
12. Soil aeration
13. Installation of a wide variety of plant materials according to design plans and/or specifications. This would include any necessary soil amendments, planting at appropriate depths and widths, and necessary watering to ensure the new plants would become well established and thrive in optimum conditions.
14. Removal and replanting of trees (particularly street trees and trees in urban settings).
15. Maintenance and installation of potted plants and trees.
16. Coordination with landscape design professionals, such as landscape architects and landscape inspectors.
17. Other related landscape services necessary to maintain commercially landscaped areas, right of ways, parks, public spaces and redevelopment sites.

The contractor shall furnish all labor, tools, specialized equipment, material, supplies, supervision and transportation to perform landscape services as specifically outlined in this section.

III. SUBMITTAL FORMAT

Submittals shall be in the format described below. The selection criteria and points that will be used in ranking the submittals are noted in each section.). Submittals shall be limited to forty (40) single-sided 8½ x 11" pages. Page count excludes the cover, cover letter, table of contents, section dividers, and any City-provided form. Qualifications shall be bound with spiral or similar binding that ensures the integrity of the submission. Each section in the submittal should follow the format/organization noted in this section

(Sections A. – I.). Companies may be shortlisted based on the information provided on the forms and in the additional sections and those companies invited to an in-person interview. The City reserves the right to select directly from the Statements of Qualifications.

An Authorized Representative of the company shall sign submittals. All information requested must be submitted. Failure to submit all information may result in a lowered evaluation score of the submittal. At its discretion, the City may waive minor discrepancies or reject submittals substantially incomplete or lacking key information.

A. Introduction

This section will contain a cover letter of no more than two (2) pages, signed by an authorized representative of the offering company. A table of contents will follow the cover letter. This section should also include those required City forms within the RFQ, and acknowledgement of any addenda issued.

- 1) Signature Sheet
- 2) State of Florida Affidavit Regarding the Use of Coercion for Labor and Services Pursuant to Florida Statute 787.06(13)
- 3) 52.209-5 FAR Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters
- 4) 52.209-6 FAR Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment
- 5) Drugfree Workplace Certificate
- 6) Veteran Business Enterprise Statement
- 7) Minority/Women Business Enterprise Participation Form
- 8) Small Business Enterprise Participation Form
- 9) Acknowledgement of addenda (addendum's signature page)

B. Company Information

Briefly describe the company's organization. Address each of the following items:

- 1) Business Structure (Corporation, Joint Venture, Partnership); proper incorporation by the Secretary of State and current Florida Professional Registration Certificate for general contractor certification.

- 2) Number of years in business.
- 3) Total number of employees and upper management's experience profile. This criterion identifies the relative size of the company, including management, technical, and support staff. Technical staff shall be those persons proposed to be associated with the implementation of any project, project managers, engineers, supervisors, estimators, quality control manager, arborist, chemical and pest control applicators, irrigation installers, etc.
- 4) Distance from the Site – Simply, the location in miles of the proposed operating office to City Hall.
- 5) Describe and explain any litigation, major disputes, contract defaults, and liens in the last 10 years.
- 6) Although not every project contracted will require a surety bond the company submitting for consideration under this RFQ must provide evidence of having the capacity to obtain a bond when needed.
- 7) For all arborists intended to be utilized either on staff or as a sub-contractor please provide their name, contact information and credentials for consideration.
- 8) Provide copies of licenses or certifications for all pest control and chemical applicator personnel.
- 9) Provide a list of **all** major contracts within the past 3 years requiring similar tasks listed under the scope of services herein. Include in the contract list the name and contact information of your client's representative who was most directly involved in overseeing the work performed.

1. Submit to the City the following information:

- A.** Copy of Florida certification to provide lawn and ornamental pest control services.
- B.** Copy of the LCFAC license to apply fertilizer commercially.
- C.** Copy of license to provide sprinkler system repair services.
- D.** Copy of ISA Arborist certification.
- E.** Name, location, point-of-contact and telephone number of other entities for which the bidder has performed similar services of a similar size.

- F. Detailed explanation of any contracts revoked and of any contracts awarded but not executed.
- G. Copy of the bidder's current business license with the City of Pensacola or Escambia County enabling them to provide landscape maintenance services, as well as a copy of the current business license of any proposed subcontractor, the State of Florida enabling them to provide services.
- H. Copies of degrees and/or certifications as listed in the Qualifications paragraph above.
- I. Proof of ability to provide performance and payment bond and maintenance bond in an amount of up to one million dollars (\$1,000,000.00) each, respectively.

EVALUATION CRITERIA BEGINS

This section outlines the evaluation information expected to be included within the submission, the order it should be presented and how each section will be evaluated.

C. Company Experience (20 points)

Please provide a concise Statement of Qualifications regarding your company's experience as an introduction to this section.

Major consideration will be given to the successful completion and/or maintenance of previous projects comparable in nature, design, scope, and complexity with projects currently being maintained or installations anticipated by the city soon. To understand the types of landscape maintenance work being procured refer to the sample projects being maintained provided in **Attachments A1 through C2** referenced above.

In addition, major consideration will be given to those contractors who can provide evidence of successful experience in the installation and/or maintenance of corporate/commercial and/or government landscaping projects in USDA Plant Hardiness Zones 8 and/or 9 or within the western Florida panhandle area.

Photos or other evidence of experience will be accepted and encouraged. If photos are provided, please label them clearly as to what project the photo(s) reflects and date of photo.

The city will consider statements of interest from companies that have not previously delivered or maintained a large or complex project, if the company otherwise demonstrates success on delivery of quality projects. Letters of recommendation or other evidence will be accepted and encouraged.

To allow the review committee to thoroughly understand the depth of the

company's experience please provide a list of the projects which best illustrate the experience of the contractor and current staff. (List no more than 10 projects, and no projects which were completed more than 5 years ago.)

For each company on the list provided include the following to illustrate contractor experience:

- Name and location of the project
- Nature of the contractor's responsibility on this project (i.e. design, installation, maintenance, etc.)
- Project owner's name, address and phone number
- Project owner's representative's name, address, and phone number if other than owner (current information)
- Date project was completed or is anticipated to be completed
- Size of project (gross SF of construction or total acreage)
- Cost of project (construction cost)
- Work for which the staff was responsible (List all tasks that apply)
- If the project is not complete, present status of this project (On time, delayed and if delayed, please provide an explanation).
- Please indicate if the identified project was installed by your company or if it is only maintained by your company. If a project was installed by your company, please describe in detail the installation parameters such as:
 - Acreage of project site,
 - Number of different varieties of plant selections installed
 - Quantity of plant selections
 - Was irrigation installed and if so, how many linear feet, sprinkler heads and type
 - Other indicators which will effectively show the complexity of the project being described.
 - Include in the contract list the name and contact information of the person who oversaw the contract execution by your client, if different from those listed above.

In determining the level of quality desired, the city will consider the nature of previous contractual relationships. Please include a list of previous work performed by the company for the City of Pensacola, if applicable, separately from the list requested above. Please include the following:

- Name/location/date of the project
- Nature of the contractor's responsibility on this project (i.e. design, installation, maintenance, etc.)
- Department contracted through and Department contact
- Work for which the staff was responsible (List all tasks that apply)
- If the project is not complete, present status of this project (On time, delayed and if delayed, please provide an explanation)

- Please indicate if the identified project was installed by your company or if it is only maintained by your company. If a project was installed by your company, please describe in detail the installation parameters such as:
 - Acreage of project site,
 - Number of different varieties of plant selections installed
 - Quantity of plant selections
 - Was irrigation installed and if so, how many linear feet, sprinkler heads and type
 - Other indicators which will effectively show the complexity of the project being described.
 - Include in the contract list the name and contact information of the person who oversaw the contract execution by your client, if different from those listed above.

D. Financial Capability (10 points)

Indicate the company's available resources and the necessary working capital to assure financial stability to the complete projects assigned. The financial capability should also include the bonding capacity of the company. Please provide a letter from your bonding agency stating, as of the date of the letter your company can be bonded or obtain a bond for bid, contract, maintenance, etc. and the limits of each.

E. Team Composition (15 points)

The project team is comprised of experienced and qualified staff and on-site employees, or field crews, assigned to specific projects. The company shall provide a letter of commitment for each of the key management staff to be assigned to any project. This letter shall not be counted towards the page limit of the response package.

In addition, please list all upper-level employees as indicated below and include all licenses and/or certifications held by each, if applicable. Also, provide the following information by employee category:

1) Upper level/Office Staff

Describe the general and specific project-related capability of the in-house staff and indicate the adequate depth and abilities of the organization which it can draw upon as needed. This will include management, technical, and support staff. Give a brief résumé of key people to be assigned to city projects, including, but not limited to:

- a) Name and title
- b) How many years with the company
- c) How many years with other similar companies

- d) Experience
 - 1) Type of projects
 - 2) Size of projects (dollar value & SF of project)
 - 3) What was their specific project involvement?
- e) Education
- f) Active Registration (P.E., G.C., etc.)
- g) Other experience and qualifications

2) Field Crew/On-site Employees

Similarly, the ability and experience of the field employees will be evaluated with specific attention to related experience on projects of similar size and scope. Describe the general and specific project-related capability of the supervisors and/or lead crew members that would be assigned to any city project. Give a brief resume of key employees listed to include but not limited to:

- a. Name and title
- b. How many years with the company
- c. How many years with other similar companies
- d. Experience
 - 1) Type of projects
 - 2) Size of projects (dollar value & SF of project)
 - 3) What was their specific project involvement?
- e. Education
- f. Active Registration (P.E., G.C., etc.)
- g. Other experience and qualifications

3) Organization Approach – (Office Staff and On-Site Management)

Provide an organization chart indicating key personnel and their relationships. The organization chart should include a statement committing that the team proposed to the City of Pensacola will be the team that executes any City project contracted.

If the submittal is reflective of a joint venture or prime/subcontractor arrangement of two or more entities, indicate how the work will be distributed among the partners.

Describe how the organizational structure will ensure orderly communication, distribution of information, effective coordination of activities, and accountability.

F. Professionalism (20 points)

Below is a list of 9 characteristics expected to be exhibited by any contractor

selected through this RFQ process. When responding to this section, indicate how the company exhibits these characteristics.

- Proper Demeanor (in person, on-line and over the phone)
- Reliability
- Competency
- Communication
- Poised
- Ethical
- Organized
- Accountable
- Appearance-in addition to any appropriate company policies, if applicable, photos are encouraged to illustrate the company's expected appearance in the field.

G. Trouble Shooting Capabilities (10 points)

In no more than two pages describe a time when you had to troubleshoot a project that resulted in positive outcomes for both you and your client. Be specific in describing the problem, the steps you took, and the final outcomes achieved.

H. Quality of Submittal (10 points).

The quality, clarity, and thoroughness of the submission, including but not limited to the Statement of Qualifications provided in Section C, will be scored based on the reviewer's subjective assessment.

I. Certification as or partnership with an SBE/MBE/WBE (3 points).

Indicate whether or not the firm is itself or is partnered with any Small/Minority/Woman-Owned Business Enterprises as certified by the City of Pensacola.

J. Certification as or partnership with a VBE (2 points).

Indicate whether or not the firm is itself or is partnered with any Veteran-Owned Business Enterprises as certified by the City of Pensacola.

IV. INTERVIEW PROCESS

Companies will be evaluated for short-listing based upon the written material submitted in Sections C-H above to the City in response to this RFQ. The evaluation committee will review the submittals, and the City will schedule formal presentations/interviews for those three to five (3-5) companies short-listed. Companies selected for presentations/interviews will be required to have the proposed project manager present to participate in the presentation/interview. Presentations/interviews will be conducted in-person only.

Each company will be allowed up to 30 minutes for a formal presentation,

consisting of a reiteration of the submitted written qualification demonstrating the company's grasp of the quality expectations of work to be performed. The formal presentation will be followed by up to 15 minutes of Questions & Answers (Q&A).

Any unused formal presentation time will be added to the Q&A period. A projection system is available, but presenters are requested to bring their own laptop and flash drives containing the complete presentation and handouts if desired. The selection committee would prefer a PowerPoint presentation. The presentations are closed to the public. The committee's deliberations following the last presentation will be open to the public.

The evaluation committee will make a recommendation to the Mayor regarding the selection of companies based upon the final scoring after the formal presentations/interviews. The Mayor will then forward his recommendation for Continuing Service contract awards to the City Council for their approval.

V. GENERAL TERMS AND CONDITIONS

A. No Contingency Fees

By responding to this solicitation, each Respondent warrants that it has not and will not employ or retain any company or person, other than a bona fide employee working solely for the company, to solicit or secure an agreement pursuant to this solicitation and that it has not and will not pay or agree to pay any person, company, corporation, individual or company, other than a bona fide employee working solely for the company, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of an agreement.

B. Insurance and Indemnification

Before starting and until termination of work for, or on behalf of, the CITY, the CONTRACTOR and any/all sub-contractor shall procure and maintain insurance of the types and to the limits specified.

The term CITY as used in this section of the Contract is defined to mean the CITY of Pensacola itself, any subsidiaries or affiliates, elected and appointed officials, employees, volunteers, representatives and agents.

Insurance shall be issued by an insurer whose business reputation, financial stability and claims payment reputation is satisfactory to the CITY for the CITY's protection only. Unless otherwise agreed, the amounts, form and type of insurance shall conform to the following minimum requirements, Contractor understands and agrees that increased limits and/or additional types of insurance

may be required depending on the scope of service.

1. WORKERS' COMPENSATION

The CONTRACTOR shall purchase and maintain Worker's Compensation Insurance Coverage for all Workers' Compensation obligations as legally required. Additionally, the policy, or separately obtained policy, must include Employers Liability Coverage of at least \$100,000 each person - accident, \$100,000 each person - disease, \$500,000 aggregate - disease. The policy must include coverage for United States Longshore & Harbor Act (USL&H).

2. COMMERCIAL GENERAL, AUTOMOBILE, PROFESSIONAL LIABILITY AND UMBRELLA LIABILITY COVERAGES

The CONTRACTOR shall purchase coverage on forms no more restrictive than the latest editions of the Commercial General Liability and Business Auto policies filed by the Insurance Services Office. The CITY shall be an Additional Insured for Commercial General Liability and umbrella liability and such coverage shall be at least as broad as that provided to the Named Insured under the policy for the terms and conditions of this Contract. The CITY shall not be considered liable for premium payment, entitled to any premium return or dividend and shall not be considered a member of any mutual or reciprocal company. Minimum limits as outlined below must be provided, with umbrella insurance coverage making up any difference between the policy limits of underlying policies coverage and the total amount of coverage required.

Commercial General Liability coverage must be provided, including bodily injury and property damage liability for premises, operations, products and completed operations, contractual liability and independent contractors. The coverage shall be written on occurrence-type basis. Minimum limits of \$1,000,000 per occurrence and in the aggregate must be provided. The City of Pensacola must be listed as an additional insured.

Business Auto Policy coverage must be provided, including bodily injury and property damage arising out of operation, maintenance or use of owned, non-owned and hired automobiles. Minimum limits of \$1,000,000 CSL must be provided.

Professional Liability insurance coverage must be provided to afford protection for errors and omissions arising out of services provided under, or associated with this contract. Minimum limits of \$1,000,000 per occurrence and \$1,000,000 aggregate must be provided.

Umbrella Liability Insurance coverage shall not be more restrictive than the underlying insurance policy coverages. The coverage shall be written on an occurrence-type basis and the City listed as an additional insured.

CERTIFICATES OF INSURANCE

Required insurance shall be documented in the Certificates of Insurance that lists the specific contract and provides that the CITY shall be notified at least thirty (30) days in advance of cancellation, nonrenewal or adverse change or restriction in coverage. If required by the CITY, the CONTRACTOR shall furnish copies of the CONTRACTOR's insurance policies, forms, endorsements, jackets and other items forming a part of, or relating to such policies. Certificates shall be on the "Certificate of Insurance" form equal to, as determined by the CITY an ACORD 25. Any wording in a Certificate which would make notification of cancellation, adverse change or restriction in coverage to the CITY an option shall be deleted or crossed out by the insurance carrier or the insurance carrier's agent or employee. The CONTRACTOR shall replace any canceled, adversely changed, restricted or non-renewed policies with new policies acceptable to the CITY and shall file with the CITY Certificates of Insurance under the new policies prior to the effective date of such cancellation, adverse change or restriction. If any policy is not timely replaced, in a manner acceptable to the CITY, the CONTRACTOR shall, upon instructions of the CITY, cease all operations under the Contract until directed by the CITY, in writing, to resume operations.

INSURANCE OF THE CONTRACTOR PRIMARY

The CONTRACTOR's required coverage shall be considered primary, and all other insurance shall be considered as excess, over and above the CONTRACTOR's coverage. The CONTRACTOR's policies of coverage will be considered primary as relates to all provisions of the Contract.

LOSS CONTROL AND SAFETY

The CONTRACTOR shall retain control over its employees, agents, servants and subcontractors, as well as control over its invitees, and its activities on and about the subject premises and the manner in which such activities shall be undertaken and to that end, the CONTRACTOR shall not be deemed to be an agent of the CITY. Precaution shall be exercised at all times by the Contractor for the protection of all persons, including employees, and property from harm caused by negligent acts or omissions of the contractor.

HOLD HARMLESS

The Contractor shall indemnify and hold harmless the City of Pensacola, its officers and employees, from any and all liabilities, damages, losses, and costs to the extent caused by the negligence, recklessness or intentional wrongful misconduct of the Contractor and persons employed or utilized by the Contractor in the performance of the contract. The Contractor's obligation shall not be limited by, or in any way to, any insurance coverage or by any provision in or exclusion or omission from any policy of insurance.

PAY ON BEHALF OF THE CITY

The CONTRACTOR agrees to pay on behalf of the CITY, as well as provide a legal defense for the CITY, both of which will be done only if and when requested by the CITY, for all claims as described in the Hold Harmless_paragraph. Such

payment on behalf of the CITY shall be in addition to any and all other legal remedies available to the CITY and shall not be considered to be the CITY's exclusive remedy.

REQUEST FOR QUALIFICATIONS
CONTRACTUALSERVICES
GENERAL CONDITIONS

To ensure acceptance, all respondents submitting qualifications to the City of Pensacola shall be governed by the following conditions, attached specifications, and qualification form(s) unless otherwise specified. Qualifications not submitted on the qualification form(s) provided shall be rejected, and qualifications not complying with these conditions will be subject to rejection. **Multiple submittals from the same entity will not be accepted.**

1. **Alternate Solutions:** During the drafting of written specifications, a sincere effort is made to describe services best suited to the needs of the City. However, the City invites qualifications with alternate solutions to the performance objectives set forth in the specifications, unless a particular specification is expressly identified as mandatory.
2. **Award Determination to be Based on Best Interest of City:** There is no obligation on the part of the City to award a contract to any respondent and the City reserves the right to award a contract to or negotiate a contract with a responsible respondent submitting the most responsive or best alternative qualification for a resulting contract which is most advantageous to and in the best interest of the City. The City shall be the sole judge of the qualification and the resulting contract, and its decision shall be final.
3. **Bond (RFQ):** None.
4. **E-Verify System (Mandatory):** In compliance with the provisions of F.S. 448.095, the parties to this contract and any subcontractors engaged in the performance of this contract hereby certify that they have registered with and shall use the E-Verify system of the United States Department of Homeland Security to verify the work authorization status of all newly hired employees, within the meaning of the statute.
5. **Exceptions to Specifications:** In order that equal consideration be given in evaluating qualifications, any exceptions to or deviations from the specifications as written must be noted and fully explained. The Mayor is the final authority in determining the acceptability of any exceptions to specifications.
6. **Intent of Specifications:** It is the intent of the specifications attached hereto to set forth and describe a certain service(s) to be purchased by the City of Pensacola including all labor, materials, equipment, machinery, tools, apparatus, and means of transportation (including freight costs) necessary to provide the service(s).
7. **Interpretations:** All questions concerning the specifications or conditions shall be directed in writing to the Purchasing Office at least ten (10) days prior to submittal deadline, unless otherwise instructed on the Request for Qualifications Page.

Inquiries must reference the proposed service and the date of the qualification submittal deadline. Interpretations will be made in the form of an addendum placed on the City's website. The City shall not be responsible for any other explanation or interpretation.

8. **Legal Requirements**: All applicable provisions of Federal, State, County, and local laws including all ordinances, rules, and regulations shall govern the development, submittal and evaluation of all qualifications received in response to these specifications, and shall govern any and all claims between person(s) submitting a qualification response hereto and the City of Pensacola, by and through its officers, employees and authorized representatives. A lack of knowledge by the respondent concerning any of the aforementioned shall not constitute a cognizable defense against the legal effect thereof. The respondent agrees that it will not discriminate on the basis of race, creed, color, national origin, sex, age or disability.
9. **Licenses, Registration and Certificates**: Each respondent shall possess at the time of submitting its submittal all licenses, registrations and certificates necessary to engage in the business of contracting (or special contracting if the work to be performed necessitates a particular type of specialty contractor) in the City of Pensacola. Respondent must also possess all licenses, registrations and certificates necessary to comply with federal, state and local laws and regulations. The awarded respondent shall be registered at the time of contract execution as an active vendor with the Florida Department of State, Division of Corporations (www.sunbiz.org).
10. **Mistakes**: Respondents are expected to examine the conditions, scope of work, qualification prices, extensions, and all instructions pertaining to the services involved. Failure to do so will be at the respondent's risk. Unit prices will govern in award.
11. **Permits and Taxes**: The respondent shall procure all permits, pay all charges, fees, and taxes, and give all notices necessary and incidental to the due and lawful prosecution of the work.
12. **Pre-RFQ Meetings**: If an RFQ requires a mandatory pre-RFQ meeting, any representative of a company wishing to submit a qualification must sign in with the name of the responding company.
13. **Prohibited Conduct by Respondents**: Upon the publication of any solicitation for sealed bids, requests for proposals, requests for qualifications, or other solicitation of interest or invitation to negotiate by any authorized representative of the City of Pensacola, any party interested in submitting a bid, qualification, or other response reflecting an interest in participating in the purchasing or contracting process shall be prohibited from engaging in any communication **pertaining to formal solicitations** with any member of Pensacola City Council, the Mayor, or any member of a selection/evaluation committee for RFPs/RFQs, whether directly or

indirectly or through any representative or agent, whether in person, by mail, by facsimile, by telephone, by electronic communications device, or by any other means of communication, until such time as the City has completed all action with respect to the solicitation.

- 14. Protests:** Protests of the plans, specifications, and other requirements of requests for qualifications must be received in writing by the Purchasing Office at least ten (10) business days prior to the scheduled qualification opening. A detailed explanation of the reason for the protest must be included. Protests of the intended award of submittal or contract must be in writing and received in the Purchasing Office within five (5) business days of the notice of intent to award. A detailed explanation of the protest must be included.
- 15. Public Records:** Any material submitted in response to this Request for Qualification will become a public document pursuant to Florida Statute §119.07. This includes material which the responding respondent might consider to be confidential or a trade secret. Any claim of confidentiality is waived upon submission, effective after opening pursuant to Florida Statute §119.07.
- 16. Public Records Law:** The Parties shall each comply with Florida Public Records laws. The Parties hereby contractually agree that each Party shall allow public access to all documents, papers, letters, or other public records as defined in Chapter 119, Florida Statutes, made or received by either Party in conjunction with this agreement, or related thereto, unless a statutory exemption from disclosure exists. Notwithstanding any provision to the contrary, it is expressly agreed that Contractor's failure to comply with this provision, within seven (7) days of notice from the City, shall constitute an immediate and material breach of contract for which the City may, in the City's sole discretion, unilaterally terminate this agreement without prejudice to any right or remedy.
- 17. Qualification Withdrawals:** No qualification may be withdrawn after closing time for receipt of qualifications for a period of sixty (60) days thereafter. The contract award shall be legally binding at the time of award by City Council or Mayor.
- 18. Rejection of Qualifications:** The City of Pensacola reserves the right to accept or reject any or all qualifications, to award qualifications on a split-order basis by item or service number, to waive any irregularities, technicalities, or informalities, and to re-advertise for qualifications when deemed in the best interest of the City of Pensacola.
- 19. Sealed Qualifications:** The specifications and all executed qualification forms must be submitted in a sealed envelope. All qualifications must be signed by an authorized representative of the respondent. In the event more than one qualification submittal deadline is scheduled for the same date and time, do not include qualifications concerning different sets of specifications within the same envelope. **The face of the sealed envelope shall be plainly marked**

identifying the respondent, the RFQ title and the RFQ number. It shall be the sole responsibility of the respondent to assure receipt of qualification at the Purchasing Office prior to the published time for the qualification submittal deadline. No qualification will be accepted after closing time for receipt of qualifications, **nor will any offers by telephone, fax, internet or email be accepted.**

20. Tax: The City of Pensacola is exempt from all State and local sales tax.

21. Termination for Convenience: A contract may be terminated in whole or in part by the City at any time and for any reason in accordance with this clause whenever the City shall determine that such termination is in the best interest of the City. Any such termination shall be effected by the delivery to the contractor at least thirty (30) business days before the effective date of a Notice of Termination specifying the extent to which performance shall be terminated and the date upon which termination becomes effective. An equitable adjustment in the contract price shall be made for the completed service, but no amount shall be allowed for anticipated profit on unperformed services.

22. Unauthorized Aliens: The City of Pensacola shall consider the employment by any contracted vendor of unauthorized aliens a violation of Section 274A of the Immigration and Nationality Act. Such violation shall be cause for unilateral termination of this contract.

ANY AND ALL SPECIAL CONDITIONS AND SPECIFICATIONS ATTACHED HERETO WHICH VARY FROM THESE GENERAL CONDITIONS SHALL HAVE PRECEDENCE.

QUALIFICATION NO. 25-011

LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES

Signature Sheet

The undersigned, as Vendor, does declare that no other persons other than the Vendor herein named has any interest in this Qualification or in the contract to be taken, and that it is made without any connection with any other person or persons presenting a Qualification for the same articles, and it is in all respects fair and without collusion or fraud. The undersigned further declares that he has carefully examined the specifications and is thoroughly familiar with their provisions and penalties.

Survey: How did you obtain this solicitation?

☐ City of Pensacola website ☐ Central Bidding ☐ Demandstar

Other: _____

Signature _____ Date: _____

Printed Name: _____ Title: _____

Company: _____ Address: _____

Telephone: _____ City: _____

Fax: _____ State: _____ Zip: _____

E-mail: _____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

State of Florida
Affidavit Regarding the Use of Coercion for Labor and Services
Pursuant to Florida Statute 787.06(13)

Vendor Name: _____

Vendor FEIN: _____ Phone Number: _____

Vendor's Authorized Representative Name and Title: _____

Address: _____

City: _____ State: _____ ZIP: _____

Email Address: _____

Section 787.06(13) Florida Statutes requires all nongovernmental entities executing, renewing, or extending a contract with a governmental entity to provide an affidavit signed by an officer or representative of the nongovernmental entity under penalty of perjury that the nongovernmental entity does not use coercion for labor or services.

The undersigned hereby certifies that he/she is an officer or authorized representative of the vendor identified above and that said vendor does not use coercion for labor or services as defined in Section 787.06 Florida Statutes.

Florida Statute 787.06

(2)(a) "Coercion" means:

1. *Using or threatening to use physical force against any person;*
2. *Restraining, isolating, or confining or threatening to restrain, isolate, or confine any person without lawful authority and against her or his will;*
3. *Using lending or other credit methods to establish a debt by any person when labor or services are pledged as a security for the debt, if the value of the labor or services as reasonably assessed is not applied toward the liquidation of the debt, the length and nature of the labor or services are not respectively limited and defined;*
4. *Destroying, concealing, removing, confiscating, withholding, or possessing any actual or purported passport, visa, or other immigration document, or any other actual or purported government identification document, of any person;*
5. *Causing or threatening to cause financial harm to any person;*
6. *Enticing or luring any person by fraud or deceit; or*
7. *Providing a controlled substance as outlined in Schedule I or Schedule II of s. 893.03 to any person for the purpose of exploitation of that person.*

(2)(e) "Labor" means work of economic or financial value.

(2)(h) "Services" means any act committed at the behest of, under the supervision of, or for the benefit of another. The term includes, but is not limited to, forced marriage, servitude, forced marriage, servitude, or the removal of organs.

Under penalties of perjury, I declare that I have read the foregoing document and that the facts stated in it are true.

By: _____
AUTHORIZED SIGNATURE

Print Name and Title: _____

Date: _____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

**52.209-5 FAR Certification Regarding Debarment, Suspension,
Proposed Debarment, and Other Responsibility Matters**

1. The Offeror certifies, to the best of its knowledge and belief, that the Offeror and/or any of its Principals:
 - A. Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency.
 - B. Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and
 - C. Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph 1-B of this provision.
2. The Offeror has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.
 - A. "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

This Certification Concerns a Matter Within the Jurisdiction of an Agency of the United States and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution Under Section 1001, Title 18, United States Code.

- B. The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- C. A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.
- D. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- E. The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

Company Name: _____

Date: _____

Authorized

Signature: _____ Printed Name: _____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

52.209-6 FAR Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment

1. The Government suspends or debars Contractors to protect the Government's interests. The Contractor shall not enter into any subcontract in excess of \$25,000 with a Contractor debarred, suspended, or proposed for debarment unless there is a compelling reason to do so.
2. The Contractor shall require each proposed first-tier subcontractor, whose subcontract will exceed \$25,000, to disclose to the Contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the Federal Government.
3. A corporate officer or a designee of the Contractor shall notify the Contracting Officer, in writing, before entering into a subcontract with a party debarred, suspended, or proposed for debarment (see FAR 9.404 for information on the Excluded Parties List System). The notice must include the following:
 - A. The name of the subcontractor.
 - B. The Contractor's knowledge of the reasons for the subcontractor being in the Excluded Parties List System.
 - C. The compelling reason(s) for doing business with the subcontractor notwithstanding its inclusion in the Excluded Parties List System.
 - D. The systems and procedures the Contractor has established to ensure that it is fully protecting the Government's interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.

Company Name

Authorized Signature

Printed Name

Date

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

DRUG-FREE WORKPLACE CERTIFICATE

IDENTICAL TIE BIDS - Pursuant to Section 287.087, Florida Statutes, preference shall be given to business with Drug-Free Workplace Programs. Whenever two or more bids which are equal with respect to price, quality, and service are received for the procurement of commodities or contractual services, a bid received from a business that certifies that it has implemented a Drug-Free Workplace Program shall be given preference in the award process. Established procedures for processing tie bids will be followed if none of the tied vendors have a Drug-Free Workplace Program. In order to have a Drug-Free Workplace Program, a business shall:

- 1) Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
- 2) Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a Drug-Free Workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
- 3) Give each employee engaged in providing the commodities or contractual services under bid a copy of the statement specified in subsection (1).
- 4) In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
- 5) Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
- 6) Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

AS THE PERSON AUTHORIZED TO SIGN THE STATEMENT, I CERTIFY THAT THIS COMPANY COMPLIES FULLY WITH THE ABOVE REQUIREMENTS.

Signature

Printed Name

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

VETERAN BUSINESS ENTERPRISE STATEMENT

In order to foster economic development and business opportunities for service- disabled veterans and wartime veterans who have made extraordinary sacrifices on behalf of the nation, the City of Pensacola has adopted a Veteran Business Enterprise (“VBE”) Preference. For further information regarding this program, please refer to Section 3-3-12 AND 3-3-13 of the Code of the City of Pensacola.

In order for a respondent to receive credit for being VBE vendor, it must perform useful business functions on the contract, have its principal place of business in Escambia or Santa Rosa County and be certified as a veteran business enterprise by the State of Florida Department of Management Services (“DMS”) as set forth in Section 295.187 of the Florida Statutes as of the date set for submittal of bids. For purposes of the City’s VBE Program, the respondent’s principal place of business must be within Escambia County, FL, or Santa Rosa County, FL.

There shall be no third-party beneficiaries of the Veteran Business Enterprise Preference provisions of this solicitation or resulting contract. The City of Pensacola shall have the exclusive means of enforcement of the Veteran Business Enterprise Preference Ordinance and any contract terms. The City of Pensacola is the sole judge of compliance. All solicitations and submittals awarded will be evaluated in accordance with the Code of the City of Pensacola.

If the Respondent is a qualifying VBE, please complete the boxes below:
If not, please mark N/A.

Respondent’s Name:	Respondent’s Principle Place of Business	Florida Certification Number as issued by State of Florida DMS:

THIS FORM MUST BE SUBMITTED WITH RESPONSE.

MINORITY AND WOMEN BUSINESS ENTERPRISE STATEMENT

The City has implemented a Minority/Women Business Enterprise (MWBE) program to assist certified minority- and women-owned businesses with identifying and participating in City of Pensacola procurement and construction opportunities as set in the Code of the City of Pensacola, Ordinance No. 4-15.

In order for a respondent to receive credit for being a MWBE vendor, it must perform useful business functions on the contract, have its principal place of business in Escambia, Santa Rosa, Okaloosa, Walton County in Florida or Mobile, Alabama, and have received a certification letter issued from the City of Pensacola.

There shall be no third-party beneficiaries of the Minority and Women Business Enterprise provisions of this solicitation or resulting contract. The City of Pensacola shall have the exclusive means of enforcement of the Minority and Women Business Enterprise Ordinance and any contract terms. The City of Pensacola is the sole judge of compliance. All solicitations and submittals awarded will be evaluated in accordance with the Code of the City of Pensacola.

Respondent's Name:	Respondent's Principal Place of Business

If your firm is partnering with or subcontracting with a certified M/WBE, please provide the information requested below.

<u>NAME OF M/WBE FIRM</u>	<u>PARTNER OR SUBCONTRACTOR</u>	<u>% OF CONTRACT PERFORMANCE</u>
1. _____		
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

CITY OF PENSACOLA
SMALL BUSINESS ENTERPRISE STATEMENT

The Pensacola City Council adopted a Small Business Enterprise Ordinance #61-89. This ordinance encourages participation of small business in the City procurement process. Participation goals will be provided on a project-by-project basis, based on the availability of certified small businesses.

A Small Business is defined as an independently owned and operated business employing 50 or fewer permanent full-time employees and having a net worth of not more than \$1 million. The business must be located in Escambia or Santa Rosa County.

You must provide the following information sought in the accompanying forms for your submittal to be considered responsive:

RFQs **with** a specified Small Business Enterprise (SBE) goal will include a Bidder Questionnaire, Sub-contractor Solicitation, SBE Intent to Perform as a Sub-contractor and SBE Participation forms.

RFQs **without** a specified Small Business Enterprise (SBE) goal will include a Bidder Questionnaire form only.

BIDDER QUESTIONNAIRE

Name of Business _____

Address _____

Owner's Name _____ Phone _____

If your company has been awarded a bid by the City of Pensacola as a prime or sub-contractor in the past five years, please list those projects.

	<u>PROJECT NAME</u>	<u>YEAR</u>	<u>DOLLAR AMOUNT</u>	<u>PRIME OR SUB.</u>
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

STATEMENT OF NO RESPONSE
Bid/RFP/RFQ #25-011

If you are unable to submit a proposal at this time, please complete the following and return by e-mail to purchasing@cityofpenscola.com. Your choices or comments below will assist us in properly notifying you of future opportunities.

We have declined to respond to the solicitation for the following reason(s):

SPECIFICATIONS

- ☐ Specifications too "tight" (i.e., limited to one brand or manufacturer)
- ☐ Specifications unclear
- ☐ Unable to meet specifications

NATURE OF AWARD

- ☐ Insufficient time to respond
- ☐ Equivalent options not offered
- ☐ Other (please explain below)

Explanation:

We request to:

- ☐ remain in this service category for future City of Pensacola solicitations.
- ☐ be removed from this service category and remain on the City's solicitation list.
- ☐ be removed from the City's solicitation list.

Company Name: _____

Officer Name: _____ Title: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Office: (____) _____ Fax: (____) _____

Email: _____

Signature of Officer: _____ Date: _____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

EVALUATION SHEET
RFQ NO.: 25-011

LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES

Name of Firm(s): _____

Reviewer: _____

Points Available: 90

- | | |
|---|-----------------|
| 1. Company Experience | 20 Points _____ |
| a. Relevant project experience | |
| b. Years in business | |
| 2. Financial Capability and Bondability | 10 Points _____ |
| a. Resources and working capital | |
| b. Evidence of bonding capacity | |
| 3. Team Composition | 15 Points _____ |
| a. Appropriate letter of commitment | |
| b. Qualifications and years of experience of key personnel | |
| c. Licensed staff | |
| 4. Professionalism | 20 Points _____ |
| a. Written responses to professional characteristic | |
| b. Team professional appearance | |
| 5. Troubleshooting Capabilities | 10 Points _____ |
| a. Past example of Troubleshooting | |
| b. Problem-solving approach | |
| 6. Quality of Submission | 10 Points _____ |
| a. Clarity and thoroughness | |
| b. Adherence to submission guidelines | |
| 7. Certification as or partnership with a City-certified Small, Minority or Woman-owned Business Enterprise | 3 Points _____ |
| 8. Certification as or partnership with a City-eligible Veteran Business Enterprise Firm | 2 Points _____ |

Total Points _____

Notes: _____

EXHIBIT B

RFQ

RESPONSE

The RFQ Response dated DECEMBER 23, 2024, which Contractor submitted in response to the RFQ Documents (Exhibit A). The RFQ Response includes all attachments and addenda submitted by Contractor.

Rotolo Consultants, Inc.
www.RotoloConsultants.com



ROOTED IN TRADITION • GROWING THE FUTURE

Landscape Installation and Maintenance Services
Proposal Prepared For:
The City of Pensacola



December 30, 2024

LETTER FROM OUR PRESIDENT



12/30/2024

City of Pensacola

Attention: Purchasing
222 West Main Street
Pensacola, FL 32502

Re: RFQ No. 25-011: Landscape Installation and Maintenance Services

Dear Ms. Dedria Lunderman,

Rotolo Consultants, Inc. (RCI) is pleased to submit our Statement of Qualifications (SOQ) in response to RFQ No. 25-011 for Landscape Installation and Maintenance Services. We understand the City is seeking a professional landscape maintenance firm for the outlined project areas. At RCI, we specialize in landscape design + build, installation, and long-term maintenance of high-profile properties. With over 45 years of experience in the landscaping industry, RCI is committed to enhancing the natural beauty of the City of Pensacola, creating welcoming public spaces, and supporting the City's vision of maintaining high-quality landscapes.

RCI understands the vital role that well-maintained landscapes play in creating vibrant communities. With a proven track record of delivering exceptional results for public spaces and high-profile projects like Seaside, WaterColor, Kaiya, and Latitude Margaritaville, our dedicated team of horticulturists, arborists, and irrigation specialists is prepared to meet and exceed the City's expectations. Guided by our core values—creativity, integrity, and passion—we are committed to delivering expertly maintained, visually stunning landscapes that reflect the unique character of Pensacola.

Our dedicated staff consists of a number of degreed horticulturists, arborists, turf specialists, agronomists, irrigation experts, and hands-on owners. We have assembled a team that shares a passion for providing the best possible service in our industry. At RCI, we pride ourselves on ensuring our clients receive the highest quality care for their properties.

The person authorized to contractually obligate RCI is:

Michael Rotolo - President & COO

Phone: (800) 641-2427 | Email: mrotolo@rotoloconsultants.com

For questions regarding this submission, please contact:

K. Scott Brewer- Corporate Strategist

Phone: (800) 641-2427, Ext. 102 | Email: sbrewer@rotoloconsultants.com

We are confident in our ability to deliver exceptional landscaping services tailored to the specific needs of the City of Pensacola. Thank you for considering RCI as your trusted partner for this important initiative. We look forward to the opportunity to collaborate with the City in maintaining and enhancing its public spaces.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Rotolo", is written over a circular stamp or seal.

Michael Rotolo

President & COO | Rotolo Consultants, Inc.



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A. Introduction

A. INTRODUCTION: SIGNATURE SHEET

Please flip to the following page to see the original signed document as required in the RFQ.

QUALIFICATION NO. 25-011

LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES

Signature Sheet

The undersigned, as Vendor, does declare that no other persons other than the Vendor herein named has any interest in this Qualification or in the contract to be taken, and that it is made without any connection with any other person or persons presenting a Qualification for the same articles, and it is in all respects fair and without collusion or fraud. The undersigned further declares that he has carefully examined the specifications and is thoroughly familiar with their provisions and penalties.

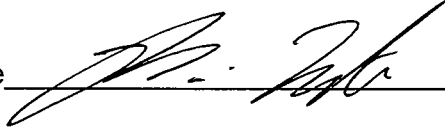
Survey: How did you obtain this solicitation?

☐ City of Pensacola website

☐ Central Bidding

☒ Demandstar

Other: _____

Signature:  Date: 12-23-24

Printed Name: BRIAN ROTOLO Title: CFO

Company: Rotolo Consultants, Inc. Address: 38001 Brownsville Rd.

Telephone: (800) 641-2427 City: Slidell

Fax: N/A State: Louisiana Zip: 70460

E-mail: Info@RotoloConsultants.com

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

A. INTRODUCTION:
STATE OF FLORIDA AFFIDAVIT REGARDING THE USE OF
COERCION FOR LABOR AND SERVICES PURSUANT TO FLORIDA
STATUTE 787.06(13)

Please flip to the following page to see the original signed document as required in the RFQ.

State of Florida
Affidavit Regarding the Use of Coercion for Labor and Services
Pursuant to Florida Statute 787.06(13)

Vendor Name: Rotolo Consultants, Inc.
Vendor FEIN: 72-1285520 Phone Number: (800) 641-2427
Vendor's Authorized Representative Name and Title: Brian Rotolo - CFO
Address: 38001 Brownsville Rd.
City: Slidell State: LA ZIP: 70460
Email Address: _____

Section 787.06(13) Florida Statutes requires all nongovernmental entities executing, renewing, or extending a contract with a governmental entity to provide an affidavit signed by an officer or representative of the nongovernmental entity under penalty of perjury that the nongovernmental entity does not use coercion for labor or services.

The undersigned hereby certifies that he/she is an officer or authorized representative of the vendor identified above and that said vendor does not use coercion for labor or services as defined in Section 787.06 Florida Statutes.

Florida Statute 787.06

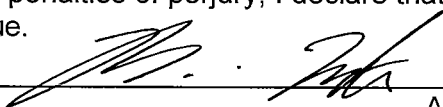
(2)(a) "Coercion" means:

1. Using or threatening to use physical force against any person;
2. Restraining, isolating, or confining or threatening to restrain, isolate, or confine any person without lawful authority and against her or his will;
3. Using lending or other credit methods to establish a debt by any person when labor or services are pledged as a security for the debt, if the value of the labor or services as reasonably assessed is not applied toward the liquidation of the debt, the length and nature of the labor or services are not respectively limited and defined;
4. Destroying, concealing, removing, confiscating, withholding, or possessing any actual or purported passport, visa, or other immigration document, or any other actual or purported government identification document, of any person;
5. Causing or threatening to cause financial harm to any person;
6. Enticing or luring any person by fraud or deceit; or
7. Providing a controlled substance as outlined in Schedule I or Schedule II of s. 893.03 to any person for the purpose of exploitation of that person.

(2)(e) "Labor" means work of economic or financial value.

(2)(h) "Services" means any act committed at the behest of, under the supervision of, or for the benefit of another. The term includes, but is not limited to, forced marriage, servitude, forced marriage, servitude, or the removal of organs.

Under penalties of perjury, I declare that I have read the foregoing document and that the facts stated in it are true.

By:  AUTHORIZED SIGNATURE

Print Name and Title: BRIAN ROTOLO, CFO

Date: 12/23/2024

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

**A. INTRODUCTION:
52.209-5 FAR CERTIFICATION REGARDING DEBARMENT,
SUSPENSION, PROPOSED DEBARMENT, AND OTHER
RESPONSIBILITY MATTERS**

Please flip to the following page to see the original signed document as required in the RFQ.

**52.209-5 FAR Certification Regarding Debarment, Suspension,
Proposed Debarment, and Other Responsibility Matters**

1. The Offeror certifies, to the best of its knowledge and belief, that the Offeror and/or any of its Principals:
 - A. Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency.
 - B. Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and
 - C. Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph 1-B of this provision.
2. The Offeror has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

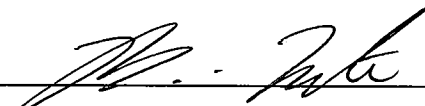
- A. "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

This Certification Concerns a Matter Within the Jurisdiction of an Agency of the United States and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution Under Section 1001, Title 18, United States Code.

- B. The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
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- D. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- E. The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

Company Name: Rotolo Consultants, Inc.

Date: 12-23-24

Authorized
Signature: 

Printed Name: BRIAN ROTOLO, CFO

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

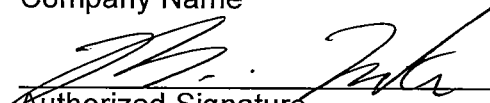
A. INTRODUCTION:
52.209-6 FAR PROTECTING THE GOVERNMENT'S INTEREST
WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED,
SUSPENDED, OR PROPOSED FOR DEBARMENT

Please flip to the following page to see the original signed document as required in the RFQ.

52.209-6 FAR Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment

1. The Government suspends or debar Contractors to protect the Government's interests. The Contractor shall not enter into any subcontract in excess of \$25,000 with a Contractor debarred, suspended, or proposed for debarment unless there is a compelling reason to do so.
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3. A corporate officer or a designee of the Contractor shall notify the Contracting Officer, in writing, before entering into a subcontract with a party debarred, suspended, or proposed for debarment (see FAR 9.404 for information on the Excluded Parties List System). The notice must include the following:
 - A. The name of the subcontractor.
 - B. The Contractor's knowledge of the reasons for the subcontractor being in the Excluded Parties List System.
 - C. The compelling reason(s) for doing business with the subcontractor notwithstanding its inclusion in the Excluded Parties List System.
 - D. The systems and procedures the Contractor has established to ensure that it is fully protecting the Government's interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.

Rotolo Consultants, Inc.
Company Name


Authorized Signature

BRIAN ROTULO, CFO
Printed Name

12/23/2024
Date

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

A. INTRODUCTION: DRUGFREE WORKPLACE CERTIFICATE

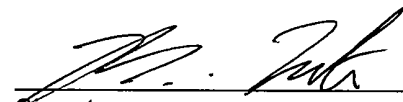
Please flip to the following page to see the original signed document as required in the RFQ.

DRUG-FREE WORKPLACE CERTIFICATE

IDENTICAL TIE BIDS - Pursuant to Section 287.087, Florida Statutes, preference shall be given to business with Drug-Free Workplace Programs. Whenever two or more bids which are equal with respect to price, quality, and service are received for the procurement of commodities or contractual services, a bid received from a business that certifies that it has implemented a Drug-Free Workplace Program shall be given preference in the award process. Established procedures for processing tie bids will be followed if none of the tied vendors have a Drug-Free Workplace Program. In order to have a Drug-Free Workplace Program, a business shall:

- 1) Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
- 2) Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a Drug-Free Workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
- 3) Give each employee engaged in providing the commodities or contractual services under bid a copy of the statement specified in subsection (1).
- 4) In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
- 5) Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
- 6) Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

AS THE PERSON AUTHORIZED TO SIGN THE STATEMENT, I CERTIFY THAT THIS COMPANY COMPLIES FULLY WITH THE ABOVE REQUIREMENTS.



Signature

BRIAN ROTOLO, CFO

Printed Name

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

A. INTRODUCTION: VETERAN BUSINESS ENTERPRISE STATEMENT

Please flip to the following page to see the original signed document as required in the RFQ.

VETERAN BUSINESS ENTERPRISE STATEMENT

In order to foster economic development and business opportunities for service- disabled veterans and wartime veterans who have made extraordinary sacrifices on behalf of the nation, the City of Pensacola has adopted a Veteran Business Enterprise ("VBE") Preference. For further information regarding this program, please refer to Section 3-3-12 AND 3-3-13 of the Code of the City of Pensacola.

In order for a respondent to receive credit for being VBE vendor, it must perform useful business functions on the contract, have its principal place of business in Escambia or Santa Rosa County and be certified as a veteran business enterprise by the State of Florida Department of Management Services ("DMS") as set forth in Section 295.187 of the Florida Statutes as of the date set for submittal of bids. For purposes of the City's VBE Program, the respondent's principal place of business must be within Escambia County, FL, or Santa Rosa County, FL.

There shall be no third-party beneficiaries of the Veteran Business Enterprise Preference provisions of this solicitation or resulting contract. The City of Pensacola shall have the exclusive means of enforcement of the Veteran Business Enterprise Preference Ordinance and any contract terms. The City of Pensacola is the sole judge of compliance. All solicitations and submittals awarded will be evaluated in accordance with the Code of the City of Pensacola.

If the Respondent is a qualifying VBE, please complete the boxes below:
If not, please mark N/A.

Respondent's Name:	Respondent's Principle Place of Business	Florida Certification Number as issued by State of Florida DMS:
N/A	N/A	N/A

THIS FORM MUST BE SUBMITTED WITH RESPONSE.

A. INTRODUCTION: MINORITY/WOMEN BUSINESS ENTERPRISE PARTICIPATION FORM

Please flip to the following page to see the original signed document as required in the RFQ.

MINORITY AND WOMEN BUSINESS ENTERPRISE STATEMENT

The City has implemented a Minority/Women Business Enterprise (MWBE) program to assist certified minority- and women-owned businesses with identifying and participating in City of Pensacola procurement and construction opportunities as set in the Code of the City of Pensacola, Ordinance No. 4-15.

In order for a respondent to receive credit for being a MWBE vendor, it must perform useful business functions on the contract, have its principal place of business in Escambia, Santa Rosa, Okaloosa, Walton County in Florida or Mobile, Alabama, and have received a certification letter issued from the City of Pensacola.

There shall be no third-party beneficiaries of the Minority and Women Business Enterprise provisions of this solicitation or resulting contract. The City of Pensacola shall have the exclusive means of enforcement of the Minority and Women Business Enterprise Ordinance and any contract terms. The City of Pensacola is the sole judge of compliance. All solicitations and submittals awarded will be evaluated in accordance with the Code of the City of Pensacola.

Respondent's Name:	Respondent's Principal Place of Business
N/A	N/A

If your firm is partnering with or subcontracting with a certified M/WBE, please provide the information requested below.

<u>NAME OF M/WBE FIRM</u>	<u>PARTNER OR SUBCONTRACTOR</u>	<u>% OF CONTRACT PERFORMANCE</u>
1. N/A		
2.		
3.		
4.		
5.		
6.		

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

CITY OF PENSACOLA
SMALL BUSINESS ENTERPRISE STATEMENT

The Pensacola City Council adopted a Small Business Enterprise Ordinance #61-89. This ordinance encourages participation of small business in the City procurement process. Participation goals will be provided on a project-by-project basis, based on the availability of certified small businesses.

A Small Business is defined as an independently owned and operated business employing 50 or fewer permanent full-time employees and having a net worth of not more than \$1 million. The business must be located in Escambia or Santa Rosa County.

You must provide the following information sought in the accompanying forms for your submittal to be considered responsive:

RFQs **with** a specified Small Business Enterprise (SBE) goal will include a Bidder Questionnaire, Sub-contractor Solicitation, SBE Intent to Perform as a Sub-contractor and SBE Participation forms.

RFQs **without** a specified Small Business Enterprise (SBE) goal will include a Bidder Questionnaire form only.

BIDDER QUESTIONNAIRE

Name of Business Rotolo Consultants, Inc.

Address 38001 Browns village Rd., Slidell, LA 70460

Owner's Name Brian Rotolo Phone (800) 641-2427

If your company has been awarded a bid by the City of Pensacola as a prime or sub-contractor in the past five years, please list those projects.

<u>PROJECT NAME</u>	<u>YEAR</u>	<u>DOLLAR AMOUNT</u>	<u>PRIME OR SUB.</u>
1. <u>VA - Pensacola</u>	<u>2023</u>	<u>\$69,816.⁰⁰</u>	<u>Sub</u>
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____
6. _____	_____	_____	_____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

**A. INTRODUCTION:
ACKNOWLEDGEMENT OF ADDENDA (ADDENDUM'S SIGNATURE
PAGE)**

Please flip to the following page to see the original signed document as required in the RFQ.

STATEMENT OF NO RESPONSE
Bid/RFP/RFQ #25-011

If you are unable to submit a proposal at this time, please complete the following and return by e-mail to purchasing@cityofpenscola.com. Your choices or comments below will assist us in properly notifying you of future opportunities.

We have declined to respond to the solicitation for the following reason(s):

SPECIFICATIONS

- ☐ Specifications too "tight" (i.e., limited to one brand or manufacturer)
- ☐ Specifications unclear
- ☐ Unable to meet specifications

NATURE OF AWARD

- ☐ Insufficient time to respond
- ☐ Equivalent options not offered
- ☐ Other (please explain below)

Explanation:

N/A - RCI submits a Proposal in compliance
with RFQ #25-011.

We request to:

- ☐ remain in this service category for future City of Pensacola solicitations.
- ☐ be removed from this service category and remain on the City's solicitation list.
- ☐ be removed from the City's solicitation list.

Company Name: Rotolo Consultants, Inc.

Officer Name: BRIAN ROTOLO Title: CFO

Address: 38001 Browns village Rd.

City: Slidell State: LA Zip Code: 70460

Office: (800) 641-2427 Fax: ()

Email: Info@RotoloConsultants.com

Signature of Officer: [Signature] CFO Date: 12/23/2024

THIS FORM MUST BE INCLUDED IN SUBMITTAL.



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B. Company Information

B. COMPANY INFORMATION: RCI'S EXPERIENCE, STRUCTURE, AND WORKFORCE OVERVIEW

1. Business Structure

Rotolo Consultants, Inc. (RCI) is a nationally recognized corporation that has been providing landscape maintenance services across the Gulf Coast region for over 45 years. Established in 1977, RCI operates as a corporation and maintains its proper incorporation status as recognized by the Secretary of State. The company is fully compliant with the legal and professional requirements for its operations and holds a current Florida Professional Registration Certificate for general contractor certification, ensuring compliance with all state regulations.

RCI's leadership team includes:

- Michael Rotolo – President and Chief Operations Officer
- Brian Rotolo – Chief Financial Officer
- Brandt Martin – Chief Operations Officer of Maintenance
- Jodi Corey – Vice President of Operations - Construction
- Kasey Doerr – Chief Marketing Officer
- Keith Rotolo – Chairman of the Board

This executive team brings decades of combined experience and expertise in landscape maintenance and installation services, positioning RCI as a trusted leader in the industry.

2. Number of Years in Business

Rotolo Consultants, Inc. (RCI) has been providing professional landscaping services since its establishment in **1977**. With over **47** years of experience, RCI has grown into a trusted and leading provider of landscape maintenance and installation services across the Southeast U.S.

3. Total Number of Employees and Upper Management's Experience Profile

- As of Winter 2024, Rotolo Consultants, Inc. (RCI) employs approximately **1,000** professionals, which includes:
 - **Full-Time Staff:** 368 personnel
 - **Seasonal Staff:** 584 personnel
 - **Temporary Staff:** 22 personnel

Provided on the following pages are profiles of our team's experience.

B. COMPANY INFORMATION: WORKFORCE OVERVIEW CONTINUED

Upper Management Profiles: Executive Team

MICHAEL ROTOLO | President & Chief Operations Officer

Michael Rotolo has been with RCI since 2005 and serves as the company's President and Chief Operations Officer. He is a graduate of the Georgia Institute of Technology where he earned a degree in Mechanical Engineering. With nearly two decades of experience at RCI, Michael's experience and expertise ensures the highest quality of services are provided to each and every RCI client. Under his leadership, the company has seen significant growth and innovation, continually adapting to meet the evolving needs of its clients. His passion for engineering and leadership is matched only by his dedication to making a positive impact both within and outside of RCI.

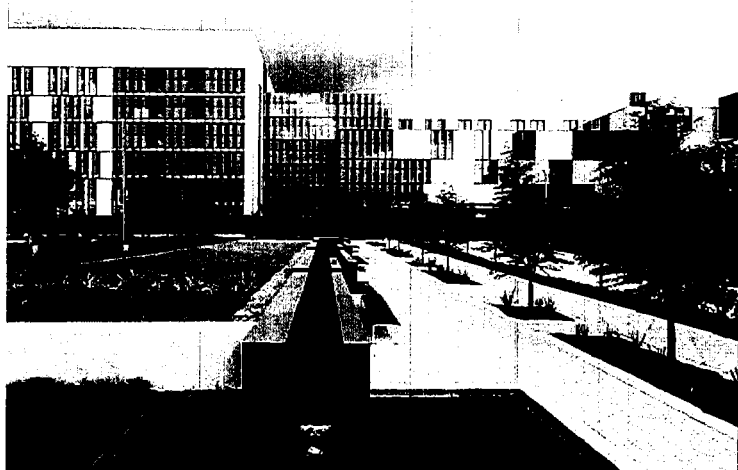
BRANDT MARTIN | Chief Operations Officer of Maintenance

As Chief Operations Officer of Maintenance, Brandt Martin oversees all aspects of multiple maintenance divisions throughout a seven-state area with a specific focus on customer relations, contracting, acquisition/integration, resource allocation and field operations. Brandt Martin is an accomplished executive with 10+ years in landscape and construction. In partnership with his executive management team, Brandt creates customer service packages that support the company's mission and goals while providing best-in-class products and services for the company's maintenance clients across the Southeastern U.S.

DAVID WELLS | Regional Vice President

David Wells serves as Regional Vice President of Maintenance for RCI. With over two decades of experience and nearly 15 years at RCI, he has held various leadership roles at the company. Since joining in 2010, David Wells has served as Supervisor, Area Manager, Regional Manager, Division Manager, and currently RVP of Maintenance. He brings a wealth of industry knowledge to every role he undertakes. His dedication to excellence, coupled with his extensive experience in all facets of landscaping operations, positions him as a seasoned and accomplished professional in the industry.

Pictured Below: University Medical Center
New Orleans, LA | Hardscape, Install, Maintenance



B. COMPANY INFORMATION: WORKFORCE OVERVIEW CONTINUED

Upper Management Profiles: Corporate Team

CORPORATE IRRIGATION MANAGER

STEVEN PUGH

Having over 30 years of industry experience Steven is passionate about helping customers build top-tier landscape irrigation systems. In 1996, Steven obtained his Texas Irrigation License, Certified Irrigation Technician (CIT), Backflow Testers Certification, and Landscape Irrigation Auditor Certification (CLIA) from Texas A&M. Steven was also a former ASP for Rain Bird Pump Station(s), Rain Bird IQ Central, and PPS Pump Station(s) as well as Rain Bird Maxi-Com certified. Steven specializes in water conservation, creating irrigation systems that work in harmony with the natural environment to keep landscapes looking their best. He currently leads RCI's team of irrigation techs that are certified by the Irrigation Association.

CORPORATE SAFETY OFFICER

EDDY FERNANDEZ

As Safety Manager, Eddy Fernandez identifies, develops, and implements risk management programs, policies, and initiatives, including analysis and recognition of trends as well as risk mitigation programs to manage exposure and loss. Eddy leads RCI's weekly toolbox talk giving managers a weekly safety topic to discuss in further detail with crews each day. Eddy is bilingual with the ability to speak and write both English and Spanish. With over 24 years of experience in safety management, Eddy boasts many safety certifications, a few of which being OSHA 10, 30, 500, and 501.

CORPORATE HORTICULTURIST

RUSSELL HARRIS

Russell Harris, RCI's Corporate Horticulturist, supports the construction and maintenance divisions at RCI across all markets. Harris has a Bachelor of Science in Horticultural Systems and a Master of Science in Horticulture and Pesticide Chemistry. He has been a licensed Commercial Pesticide Applicator for industrial, right of way, ornamentals & turf, and aquatics since 1997, has held a horticultural service license since 1997, and an arborist license since 2009. His work experience includes 25+ years working in the golf course industry, landscape industry, and as a county agent.



B. COMPANY INFORMATION: WORKFORCE OVERVIEW CONTINUED

Upper Management Profiles: Regional Team

DIVISION MANAGER

CHRISTOPHER BILLINGSLEY

Chris Billingsley serves as a Division Manager and has nearly 20 years of landscape and construction experience with over 10 years spent in management positions. He holds a Bachelor's Degree in Construction Management from the University of Southern Mississippi. Chris possesses the knowledge, leadership, experience, and management skills to maintain excellent service quality. He specializes in landscape maintenance managing many casinos, multifamily properties, and high-end HOAs and assisting with post-storm disaster relief.

REGIONAL MANAGER

MATTHEW RIDGEWAY

Matthew Ridgeway brings years of experience in the landscape industry to his role as Regional Manager at RCI. He's passionate about everything green and takes pride in helping his team grow while delivering top-notch service to clients. Matthew is all about exceeding expectations and ensuring every project reflects RCI's commitment to quality and care. Known for his dedication and drive, Matthew focuses on creating a safe and positive work environment while keeping things running smoothly across his region. A University of Tennessee graduate, he blends his love for landscaping with a goal-oriented approach to make sure every client gets the best RCI has to offer.

AREA MANAGER

SCOTT KNOWLES

Scott Knowles serves as Area Manager and has 18 years of landscaping experience with over 16 years spent in management positions. He holds a Bachelor of Science in Agronomy and Soils from Auburn University. Scott possesses the knowledge, leadership experience, and management skills to maintain excellent service quality. His specialization in turf projects, multifamily properties, and high-end HOAs has made him an invaluable asset at RCI.

B. COMPANY INFORMATION: PROXIMITY, COMPLIANCE, AND SERVICE CAPABILITIES

4. Distance from the Site- The office responsible for servicing the City of Pensacola's properties is located at **22490 Doc McDuffie Road, Foley, Alabama**. This office is approximately **37.4 miles** from Pensacola's City Hall at **222 West Main Street, Pensacola, FL 32502**.

5. Litigation, Disputes, Contract Defaults, and Liens in the Last 10 Years- Rotolo Consultants, Inc. (RCI) confirms that it has not been involved in any litigation, major disputes, contract defaults, or liens within the past 10 years. RCI takes pride in maintaining professional relationships with its clients and partners while adhering to high standards of performance and accountability.

6. Surety Bond Capacity- Rotolo Consultants, Inc. (RCI) has the proven capacity to obtain surety bonds for projects as required. **Attached on the following page is a letter from Cadence Insurance, certifying RCI's ability to secure bonds up to the required amount of \$1,000,000.** Over the years, RCI has consistently demonstrated its financial stability and reliability by successfully obtaining and maintaining surety bonds for various large-scale municipal and commercial projects. This history reflects our commitment to ensuring compliance and delivering quality services.

7. Arborists Utilized

For arborist services in Pensacola, RCI's Regional Manager, Matthew Ridgeway, will subcontract to trusted local professionals, such as Tri-State Tree Service. This ensures all arboricultural needs are addressed by certified experts, maintaining the highest standards of quality and professionalism.



B. COMPANY INFORMATION: BOND LETTER

CADENCE Insurance

A Gallagher Company

4041 Essen Lane, Suite 400
Baton Rouge, LA 70809
United States

cadenceinsurance.com

December 16, 2024

Rotolo Consultants, Inc.
38001 Brownsvillage Rd.
Slidell, LA 70460

Re: Bondability Letter

To Whom It May Concern:

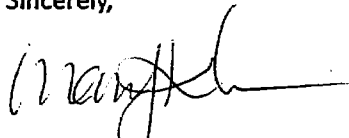
It has been the privilege of Cadence Insurance, A Gallagher Company to provide bonds on behalf of Rotolo Consultants, Inc. since 2016. In our opinion, Rotolo Consultants, Inc. remains properly financed, well equipped and capably managed. Their surety companies are Swiss Re Corporate Solutions America Insurance Corporation and Nationwide Mutual Insurance Company. Rotolo Consultants, Inc. has been approved for a combined bonding program with a single limit of \$20 million and aggregate limit of \$40 million.

Swiss Re Corporate Solutions America Insurance Corporation is rated A+ (Superior) by A.M. Best and Nationwide Mutual Insurance Company is rated A+ (Superior) by A.M. Best.

As always, Swiss Re and Nationwide reserve the right to perform normal underwriting at the time of any bond request, including, without limitation, prior review and approval of relevant contract documents, bond forms and project financing. We assume no liability to any if for any reason we do not execute such bonds.

Please let me know if you have any questions or concerns.

Sincerely,



Mary Kleinpeter
Account Executive

B. COMPANY INFORMATION: PEST CONTROL & CHEMICAL LICENSURE

8. Licenses or Certifications for Pest Control and Chemical Applicators-

Supplied below are copies of a **Florida Certified Pest Control Operator** license and **Florida LTD Commercial Fertilizer Applicator** license from regional staff members Brian Todd Waddle - Horticulture Manager and Austin Roy Taylor - Chemical Technician.

STATE OF FLORIDA Department of Agriculture and Consumer Services BUREAU OF LICENSING AND ENFORCEMENT		
Date October 10, 2023	File No. JF341530	Expires June 1, 2024
THE CERTIFIED PEST CONTROL OPERATOR NAMED BELOW HAS REGISTERED UNDER THE PROVISIONS OF CHAPTER 482 FOR THE PERIOD EXPIRING: June 1, 2024		
BRIAN TODD WADDLE 647 WHISPERING CREEK AVE FREEPORT, FL 32439		Lawn and Ornamental
 WILTON SIMPSON, COMMISSIONER		

STATE OF FLORIDA Department of Agriculture and Consumer Services BUREAU OF LICENSING AND ENFORCEMENT	
BRIAN TODD WADDLE CERTIFIED PEST CONTROL OPERATOR	
JF341530	
HAS PAID THE FEE REQUIRED BY CHAPTER 482 FOR THE PERIOD EXPIRING June 1, 2024	
 WILTON SIMPSON COMMISSIONER	
Signature	
Wallet Card Wallet Card - Fold Here	
BUREAU OF LICENSING & ENFORCEMENT 3125 CONNER BLVD. BLDG. 8 TALLAHASSEE, FLORIDA 32399-1650	

STATE OF FLORIDA Department of Agriculture and Consumer Services BUREAU OF LICENSING AND ENFORCEMENT		
Date August 8, 2023	File No. LF340979	Expires August 8, 2027
THE LTD COMMERCIAL FERTILIZER APPLICATOR HOLDER NAMED BELOW HAS REGISTERED UNDER THE PROVISIONS OF CHAPTER 482 FOR THE PERIOD EXPIRING: August 8, 2027		
AUSTIN ROY TAYLOR 1504 KENTUCKY AVENUE LYNN HAVEN, FL 32444		
 WILTON SIMPSON, COMMISSIONER		

STATE OF FLORIDA Department of Agriculture and Consumer Services BUREAU OF LICENSING AND ENFORCEMENT	
AUSTIN ROY TAYLOR LTD COMMERCIAL FERTILIZER APPLICATOR HOLDER	
LF340979	
HAS PAID THE FEE REQUIRED BY CHAPTER 482 FOR THE PERIOD EXPIRING August 8, 2027	
 WILTON SIMPSON COMMISSIONER	
Signature	
Wallet Card Wallet Card - Fold Here	
BUREAU OF LICENSING & ENFORCEMENT 3125 CONNER BLVD. BLDG. 8 TALLAHASSEE, FLORIDA 32399-1650	

B. COMPANY INFORMATION: KEY CONTRACTS AND PROVEN EXPERTISE

9. Major Contracts in the Last 3 Years

Rotolo Consultants, Inc. (RCI) is proud to service over 600 locations across 24 cities in 8 states throughout the Southeastern U.S. Due to the scale and scope of our operations, providing exhaustive data for all contracts is challenging. However, we have selected the following notable municipal clients that align closely with the City of Pensacola's landscape maintenance and installation needs. These contracts demonstrate our ability to manage large-scale, complex projects with similar requirements:

FBI L&B

Location: Louisiana

Timeline: 2015 – Current

Scope: Landscape maintenance, irrigation, and pest control.

Gretna City Hall

Location: Gretna, Louisiana

Timeline: 2020 – Current

Scope: Landscape maintenance and enhancements.

Jackson Barracks

Location: New Orleans, Louisiana

Timeline: 2022 – Current

Scope: Grounds maintenance and pest control.

MDOT (Mississippi Department of Transportation)

Location: Mississippi

Timeline: 2019 – Current

Scope: Maintenance for 9 locations, including mowing, pruning, and irrigation.

New Orleans City Park

Location: New Orleans, Louisiana

Timeline: 2021 – Current

Scope: Maintenance of 15 locations involving irrigation, annual installations, and pest control.

Panama City Beach Parks

Location: Panama City Beach, Florida

Timeline: 2020 – Current

Scope: Maintenance and installation for 2 park locations.

Shelby Farms Park

Location: Memphis, Tennessee

Timeline: 2016 – Current

Scope: Maintenance of 28 sections, including irrigation, pest control, and tree care.

Town of Summerdale

Location: Summerdale, Alabama

Timeline: 2022 – Current

Scope: Maintenance of 20 locations focusing on irrigation and pest control.

For a detailed list or additional client references, we are happy to provide specific project summaries and contact details upon contract award.



**B. COMPANY INFORMATION:
FLORIDA CONTRACTOR'S LICENSE**



Ron DeSantis, Governor

Melanie S. Griffin, Secretary

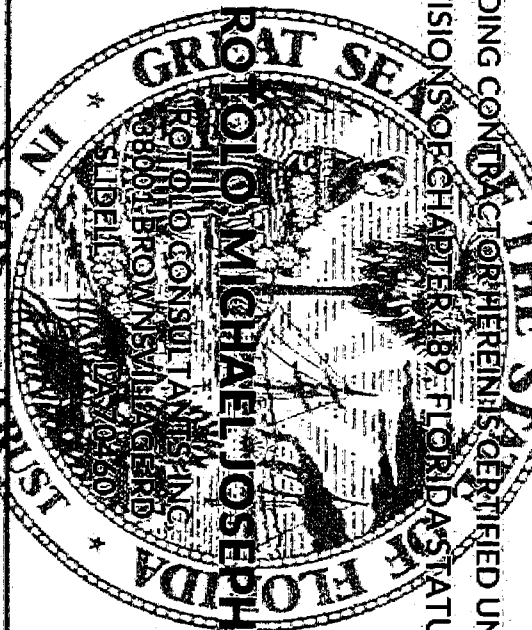
STATE OF FLORIDA



DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

CONSTRUCTION INDUSTRY LICENSING BOARD

THE BUILDING CONTRACTOR HEREIN IS CERTIFIED UNDER THE
PROVISIONS OF CHAPTER 489, FLORIDA STATUTES



LICENSE NUMBER: CBC 1262789

EXPIRATION DATE: AUGUST 31, 2026

Always verify licenses online at MyFloridaLicense.com

ISSUED: 05/29/2024

Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.



B. COMPANY INFORMATION:
ESCAMBIA COUNTY BUSINESS LICENSE: TAX RECEIPT

ESCAMBIA COUNTY BUSINESS TAX RECEIPT



Scott Lunsford
Escambia County Tax Collector

LANDSCAPING/TREE SURGERY

ROTOLO CONSULTANTS INC

38001 BROWNSVILLE RD

SLIDELL, LA 70460

2024/2025

EXPIRES: SEPTEMBER 30, 2025

BUSINESS: ROTOLO CONSULTANTS INC

ACCOUNT NO: 701107

OWNER NAME: ROTOLO CONSULTANTS INC

LOCATION: 38001 BROWNSVILLEGROUP TYPE: 30130 TOTAL: 26.25

Paid 07/17/2024

26.25

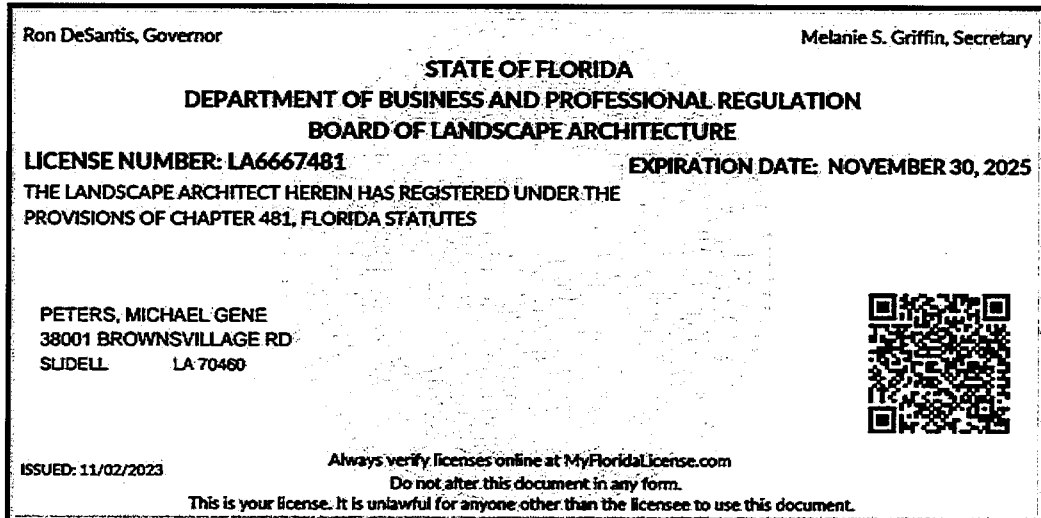
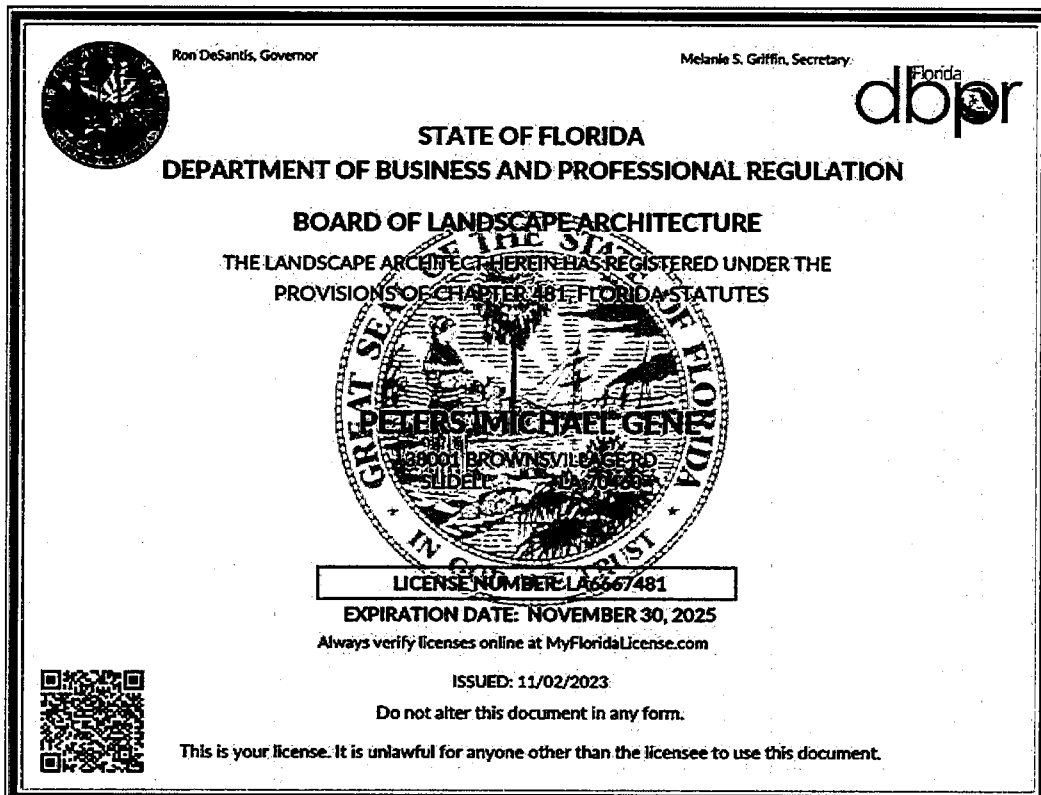
This business tax receipt is in addition to and not in lieu of any other license required by law or local ordinance and is subject to regulations of zoning, health, contractor licensing, and other lawful authority.

THE ISSUANCE OF THIS RECEIPT DOES NOT ENSURE COMPETENCY

B. COMPANY INFORMATION: FLORIDA LANDSCAPE ARCHITECTURE LICENSE

DIRECTOR OF LANDSCAPE ARCHITECTURE GENE PETERS

Gene Peters serves as the Director of Landscape Architecture at RCI. With more than twenty years of experience in the industry, he collaborates with clients to deliver imaginative and effective hardscape and landscape solutions of various sizes and complexities. Combining vast professional expertise with a remarkable design sensibility, Gene Peters consistently ensures a successful outcome on any project RCI undertakes.





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C. Company Experience

C. COMPANY EXPERIENCE: STATEMENT OF QUALIFICATIONS

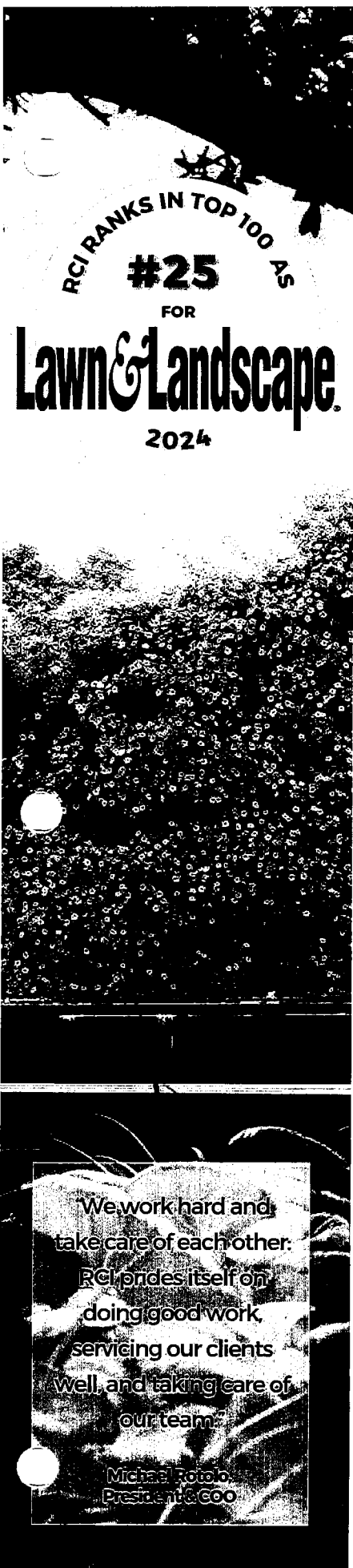
Rotolo Consultants, Inc. (RCI) is a nationally recognized leader in landscape maintenance and installation services with over 47 years of experience. Established in 1977, RCI has successfully delivered full-suite landscaping services to municipalities, commercial properties, and public spaces across 24 cities in 8 Southeastern states, managing over 1,000 properties.

RCI's core competencies include high-quality landscape maintenance, construction, design-to-budget, and installation supported by an experienced team of professionals, including certified irrigation technicians, horticulture specialists, and landscape architects, and hands-on ownership.

RCI specializes in landscape installation, including soil preparation, irrigation systems, and plant selection, as well as long-term maintenance services such as mowing, pruning, pest control, and fertilization. We have extensive experience managing high-visibility, large-scale projects in USDA Plant Hardiness Zones 8 and 9, ensuring environmental resilience and aesthetic excellence. Notable projects such as **Camp Creek**, **Latitude Margaritaville**, **Tom Lee Park**, and the **OWA Amusement Park** are spotlighted further in our proposal.

In Pensacola, RCI is proud to maintain prominent properties such as **VA-Pensacola**, **Forest Oaks Plaza**, **Altura Apartments & Townhomes**, **Palmilla Residences, LLC**, **The Verandas**, **Maritime Place**, **De Villiers Square**, **Urban Core**, and **One Pensacola Plaza**. These projects reflect our commitment to delivering exceptional service and maintaining the highest standards of quality in the local community.

RCI maintains a proven track record of meeting deadlines, adhering to budgets, and exceeding client expectations, supported by our financial stability and bonding capacity of up to \$1,000,000 makes us a trusted partner for municipal landscaping needs.



C. COMPANY EXPERIENCE: NOTABLE PROJECTS- TOM LEE PARK IN MEMPHIS, TN

Transforming a Riverfront Icon

Tom Lee Park, a celebrated 30-acre urban greenspace along the Mississippi River, has been reimagined into a vibrant and inviting destination for Memphis residents and visitors. In partnership with the Memphis River Parks Partnership, Rotolo Consultants, Inc. (RCI) played a pivotal role in this ambitious project, contributing to its successful transformation and ensuring the park's highly anticipated grand reopening on Labor Day Weekend 2023.

RCI collaborated with leading industry professionals to deliver a meticulously executed landscape overhaul. Every element of the project reflects our commitment to excellence, precision, and the highest professional standards. From pre-opening enhancements to ongoing care, RCI's expertise ensured the park achieved a polished and enduring result that continues to impress visitors and stakeholders alike.

Ongoing Stewardship and Maintenance Excellence

Today, RCI proudly continues its stewardship of Tom Lee Park, preserving its immaculate appearance and functionality. Our comprehensive maintenance services include:

- **Basic Grounds Maintenance Services:** Ensuring the park's turf, pathways, and public areas remain pristine and inviting.
- **Landscape Bed and Ornamental Plant Management:** Strategic chemical applications to support plant health and maintain vibrant, thriving landscapes.
- **Mulching Services:** Enhancing the visual appeal and protecting the root systems of trees and shrubs.
- **Irrigation Monitoring:** Maintaining precise water distribution to sustain the park's flourishing greenery.
- **Recipient of ASLA Merit Award**



Delivering Exceptional Results for the Memphis Community

RCI's work on Tom Lee Park exemplifies our core values of **passion, creativity, and integrity**. Our passion drives us to deliver exceptional results, ensuring every detail is executed to perfection. Our creativity shines in the innovative approaches we bring to enhancing and maintaining the park's landscapes. And our integrity underscores our commitment to exceeding expectations with transparency and reliability. This project is a proud reflection of our dedication to creating extraordinary outdoor spaces that inspire pride and connection in the communities we serve.

Photos curtesy of:

<https://www.scapestudio.com/projects/tom-lee-park/>.

C. COMPANY EXPERIENCE:

NOTABLE PROJECTS- CAMP CREEK RESORT VILLAGES IN WATERSOUND, FL

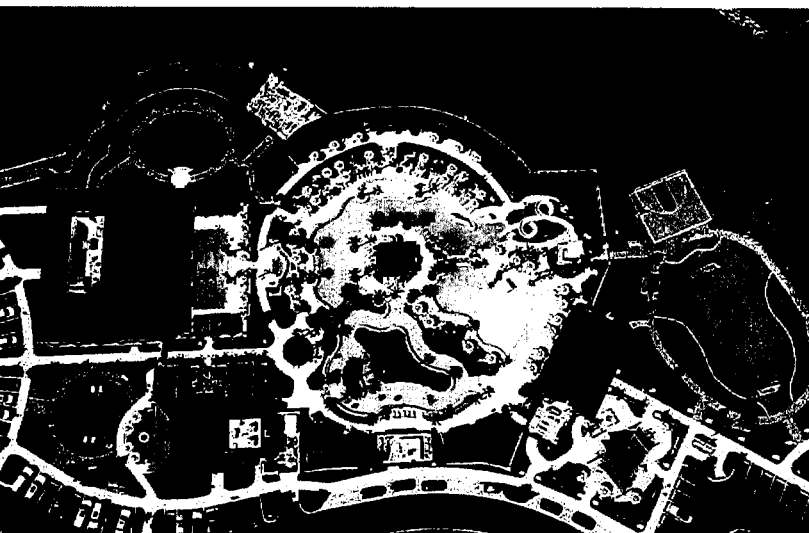


Project Overview:

Rotolo Consultants, Inc. (RCI) was contracted to provide comprehensive landscape, irrigation, aquatic and hardscape services for Camp Creek Inn, a boutique hotel and amenity club that opened in 2023 along the iconic 30A corridor. The project encompassed the design, installation, and maintenance of the resort's outdoor spaces, enhancing the property's aesthetic appeal and guest experience.

Scope of Services:

- **Landscape Installation:** Implemented a landscape plan that complements the hotel's Louisiana-inspired architecture and tranquil ambiance. Selected and installed a variety of native and ornamental plant species to create a lush, inviting environment for guests.
- **Irrigation System Installation:** Designed and installed an efficient irrigation system to ensure optimal water usage and maintenance of the resort's landscaped areas.
- **Hardscape & Aquatic Installations:** Provided installation for their lap pool, lazy river, family pool, pool deck and aggregate pathways with masonry edging.

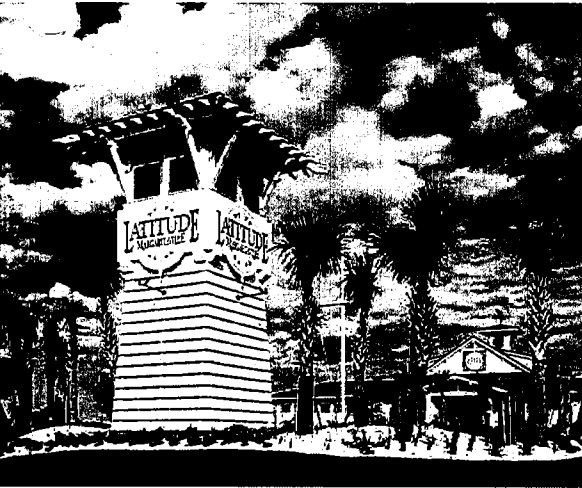


Excellence in Execution and Ongoing Stewardship

RCI's work at Camp Creek Inn exemplifies our ability to deliver remarkable results on highly complex projects while maintaining the highest standards of professionalism. From the intricacies of installing hardscapes that seamlessly integrates with the resort's luxurious aesthetic to implementing advanced irrigation systems, RCI has proven its expertise in managing every detail with precision and care.

C. COMPANY EXPERIENCE:

NOTABLE PROJECTS- LATITUDE MARGARITAVILLE IN PANAMA CITY BEACH, FL



Project Overview:

At Latitude Margaritaville at Watersound, RCI provides comprehensive landscaping and irrigation services for this vibrant, resort-inspired community. Designed to reflect the tropical charm and laid-back atmosphere synonymous with the Margaritaville brand, the community features lush greenery, pristine grounds, and thoughtfully maintained landscapes that enhance the quality of life for residents and visitors alike.

Scope of Services:

RCI delivers a comprehensive range of landscape maintenance and enhancement services including:

- **Basic Grounds Maintenance:** RCI performs turf mowing, edging, and string trimming to ensure a neat and polished appearance. The team conducts hand weeding and removes debris generated during servicing. Litter is regularly cleared, and shrubs and trees are pruned and shaped for optimal health and aesthetics.
- **Landscape Bed & Plant Care:** Fertilization and insect control are applied to all ornamental plants and trees. Pre-emergent and post-emergent weed control is carried out, including treatments for cracks and crevices in concrete joints.
- **Turf Chemical Applications:** RCI administers comprehensive fertilization programs and weed control treatments to maintain vibrant, healthy lawns.
- **Palm Pruning:** Dead fronds and seed heads are removed. Cleanup of debris generated during palm pruning is conducted meticulously.
- **Irrigation Monitoring:** Irrigation systems are inspected monthly during the growing season to identify and address repair needs. Weekly adjustments are made to irrigation schedules based on weather, plant needs, and community events.
- **Seasonal Enhancements:** Pine straw mulch is applied to enhance visual appeal and support plant health. Annual flowers are installed, including soil preparation, fertilization, and ongoing maintenance for their typical 3-6 month growing cycles. Fertilization, insect control, fungicide treatments, and snail control ensure the vibrancy of annual displays.

Why RCI?

RCI's unwavering commitment to excellence has established Latitude Margaritaville as a premier destination for carefree living. Our meticulous attention to detail, responsive service, and ability to create lush, vibrant environments ensure that residents enjoy beautifully maintained landscapes year-round.



C. COMPANY EXPERIENCE: NOTABLE PROJECTS- OWA AMUSEMENT PARK IN FOLEY, AL

Project Overview:

Rotolo Consultants, Inc. (RCI) is proud to showcase our work at OWA Amusement Park in Foley, AL, a premier destination combining entertainment, retail, and recreation. With its dynamic blend of attractions, OWA needed an exceptional landscape that complemented its vibrant atmosphere and visitor appeal.

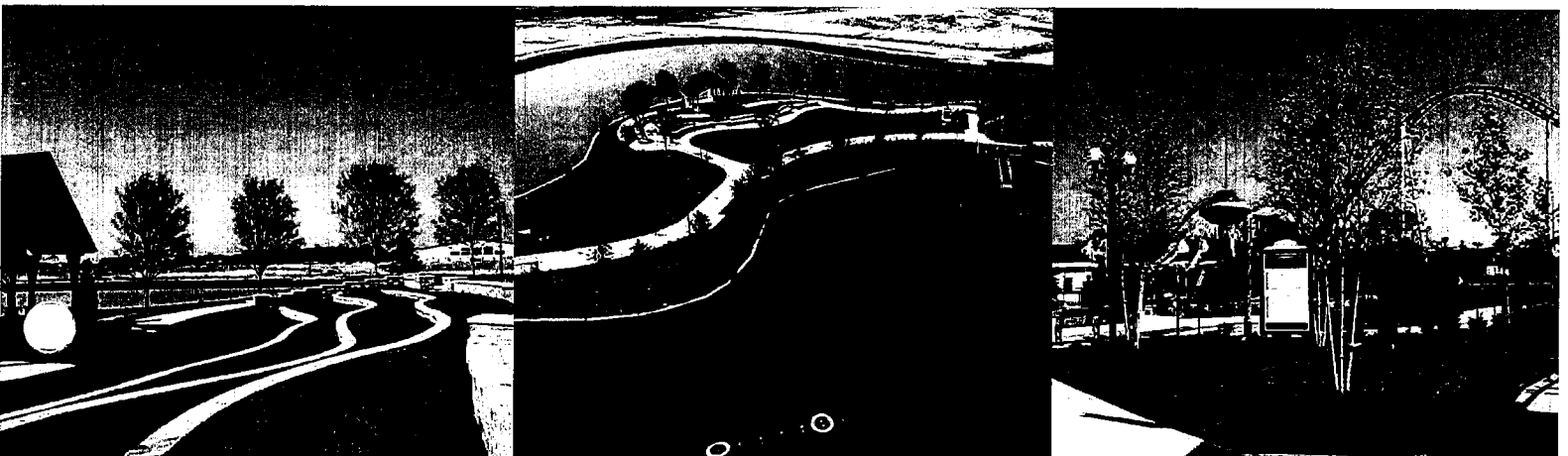
Enhancing OWA's Appeal with Expert Landscaping

RCI's work at OWA Amusement Park elevated the guest experience by creating picturesque and relaxing outdoor spaces within a bustling entertainment environment. Through flawless execution and meticulous maintenance, we helped solidify OWA's reputation as a premier destination in Foley, AL. Our efforts strengthened the park's identity with unique and memorable aesthetics, showcasing RCI's ability to deliver large-scale, high-profile projects with precision and creativity. By combining expert landscaping with attention to detail, we enhanced the charm and functionality of this vibrant venue, setting the stage for unforgettable visitor experiences.

Scope of Services:

RCI's comprehensive services at OWA included:

- **Landscape Installation:** Install visually striking and functional outdoor spaces that enhance the park's overall appeal.
- **Landscape Maintenance:** Provided meticulous care for lawns, trees, and flowerbeds to keep the park consistently inviting and well-manicured.
- **Aquatic Features:** Installed of water features that serve as focal points throughout the park.



C. COMPANY EXPERIENCE: RCI STATISTICS



45+ years in business.



Recognized as one of the top 20 largest commercial landscape companies in the United States.



Currently operational in 24 cities in the southern U.S.



1,200+ employees



1,000+ landscape maintenance clients



100+ current construction clients



300+ fleet



Over \$20 million in owned equipment



Retention rate of over 95% on existing maintenance clients



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D. Financial Capability

D. FINANCIAL CAPABILITY: FINANCIAL STABILITY



Secure, Transparent, and Accountable Financial Management

RCI follows Generally Accepted Accounting Principles (GAAP). GAAP provides a common set of accounting principles, standards and procedures to compile our financial data and statements. RCI has Internal Control Systems in place to ensure the integrity of financial and accounting information, promote accountability, and prevent fraud. Key components of our Internal Control Systems include Segregation of Duties, Authorization Controls, Physical Controls and Reconciliations. Annually, RCI hires an Independent CPA firm to conduct a financial audit of the company's financial statements to ensure they are accurate and follow regulatory guidelines.

At Rotolo Consultants, Inc. (RCI), we prioritize the confidentiality and security of our sensitive financial information. Therefore, in lieu of detailed financial reports, RCI is able to provide letters certifying financial stability and capability from our auditor, LaPorte (supplied on the following page). RCI is fully capable of meeting the financial obligations and performance requirements.

Upon request following award of contract, we can provide a summary of our financial health, including key metrics and assurances from our financial auditors. Additionally, we are open to addressing any specific financial questions or providing alternative documentation to meet your requirements.

We understand the importance of transparency and trust in our business relationships and strive to maintain the highest standards of integrity and professionalism. Our commitment to financial responsibility ensures that all projects are managed efficiently and effectively, with the utmost regard for fiscal prudence.

D. FINANCIAL CAPABILITY: BOND LETTER

CADENCE Insurance

A Gallagher Company

4041 Essen Lane, Suite 400
Baton Rouge, LA 70809
United States

cadenceinsurance.com

December 16, 2024

Rotolo Consultants, Inc.
38001 Brownsville Rd.
Slidell, LA 70460

Re: Bondability Letter

To Whom It May Concern:

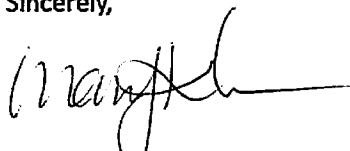
It has been the privilege of Cadence Insurance, A Gallagher Company to provide bonds on behalf of Rotolo Consultants, Inc. since 2016. In our opinion, Rotolo Consultants, Inc. remains properly financed, well equipped and capably managed. Their surety companies are Swiss Re Corporate Solutions America Insurance Corporation and Nationwide Mutual Insurance Company. Rotolo Consultants, Inc. has been approved for a combined bonding program with a single limit of \$20 million and aggregate limit of \$40 million.

Swiss Re Corporate Solutions America Insurance Corporation is rated A+ (Superior) by A.M. Best and Nationwide Mutual Insurance Company is rated A+ (Superior) by A.M. Best.

As always, Swiss Re and Nationwide reserve the right to perform normal underwriting at the time of any bond request, including, without limitation, prior review and approval of relevant contract documents, bond forms and project financing. We assume no liability to any if for any reason we do not execute such bonds.

Please let me know if you have any questions or concerns.

Sincerely,



Mary Kleinpeter
Account Executive

D. FINANCIAL CAPABILITY EQUIPMENT AND R&D PARTNERSHIPS

RCI holds professional relationships with industry leaders such as **Isuzu**, **John Deere**, and **Stihl**. Our purchasing power assures government-level pricing structure and “front of the line” ability to secure equipment on short notice. In addition, with over **\$20 million of owned equipment** currently, RCI has the ability to deploy any level of equipment and vehicles required initially to commence operations at any level.

RCI has the ability and proven track record to quickly staff large-scale operations. We hold the philosophy of maintaining “bench strength” management and supervisors at all times in order to absorb the on average **15% year-over-year growth** that we have successfully absorbed over the last decade. Our ongoing internal training system ensures all staff are fully trained on all equipment employed on a job site. With multiple purchasing agents, all necessary stock, supplies, and inventory are identified and in place prior to the start of any project we undertake.

Built within our entire proposal are the staff and equipment to assure a quality project. Historically, we have a **retention rate of over 95%** on existing landscape maintenance clientele. This does not happen by accident but only through proper management and staffing with checks and controls ensuring every team member is held responsible for their area of work.

RCI is also proud of our **300+ fleet** of trucks and numerous large equipment pieces. As **proud R&D partners** with **John Deere** and **Rain Bird**, we serve as strategic account holders for both. RCI remains on the cutting edge of what is happening within the green industry, standing ready to offer our clients superior service.

ISUZU

The power behind it all.™



JOHN DEERE

RAIN BIRD® **STIHL®**



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E. Team Composition

E. TEAM COMPOSITION: MANAGEMENT STRUCTURE

RCI's management structure is one of the facets that sets us apart from other competitors. This structure is based on each manager managing their own book of business. This is how RCI provides a small business feel while still providing the service of a Top 25 Company. The checks that are in place due to this management structure are also what leads to the RCI quality standard. Each level of management completes quality checks to ensure the best possible service.

DIVISION MANAGER CHRIS BILLINGSLEY

RCI Division Managers oversee a team of five Regional Managers whom each supervise a total of ten Area Managers or Project Managers. Responsibilities of this role include overall direction, coordination, and evaluation of subordinate managers. The Division Manager is also responsible for interviewing, hiring, and training employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems. While on-site at least once a month the Division Manager will inspect for quality as well as ensure crews are completing work in the most efficient timeframes.

REGIONAL MANAGER MATTHEW RIDGEWAY

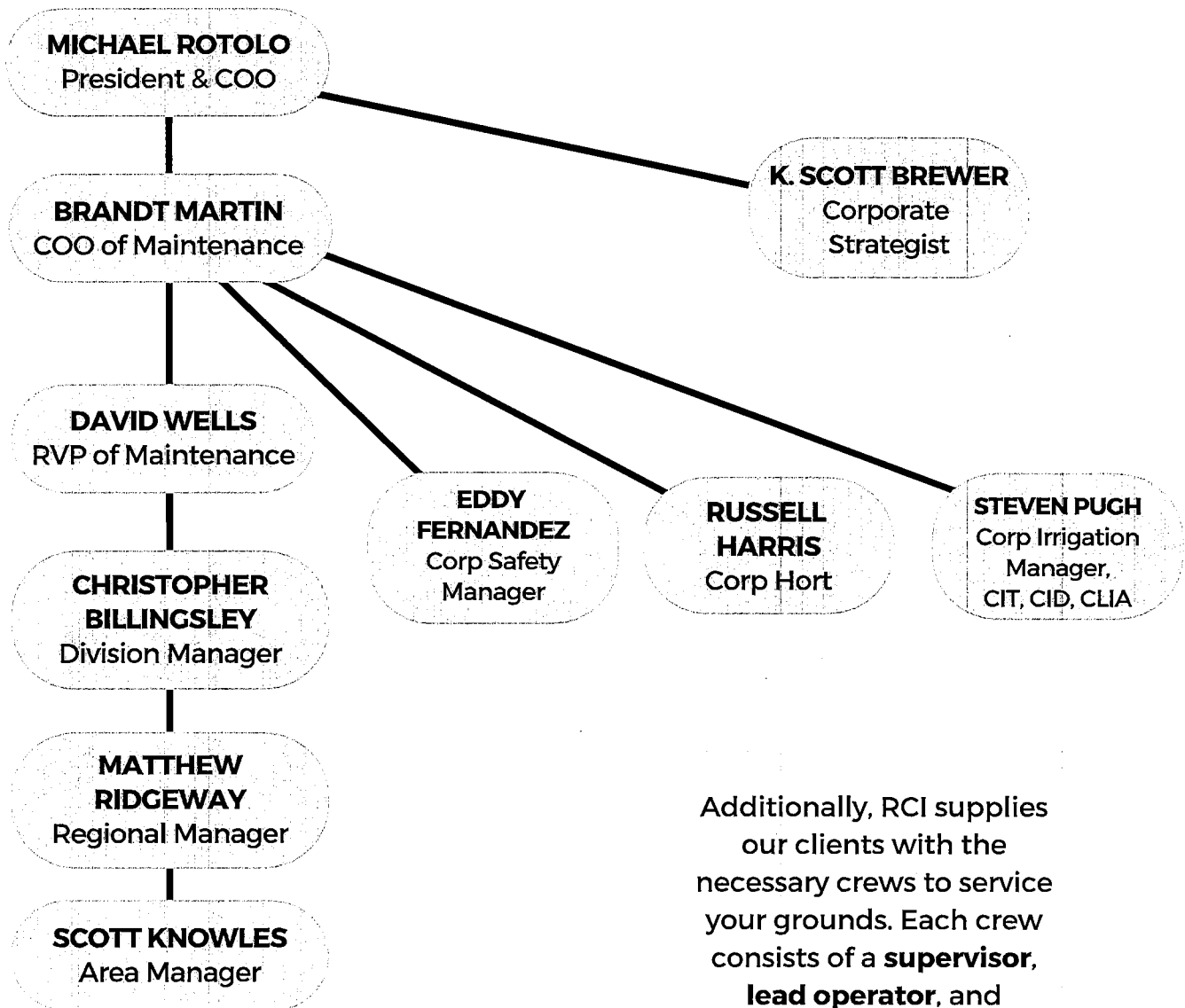
RCI Regional Managers work directly with Area Managers to manage the overall customer experience. They will ensure the delivery of contracted services as promised and within budget. RCI's Regional Manager will be the direct contact for any customer service questions or issues. All customer service needs will be handled in under 24 hours of contact.

AREA MANAGER SCOTT KNOWLES

The Area Manager will be responsible for the management of all field operations within their assigned properties. This includes crews, equipment, and scheduling in order to optimize service efficiency within RCI quality standards. The Area Manager will be on-site daily as needed. They will also complete the weekly and monthly quality inspections to ensure every corner of the property is consistent with RCI quality standards.

E. TEAM COMPOSITION: ORG CHART FOR THE CITY OF PENSACOLA

We create a unique staffing chart specific to each project we undertake to ensure that our clients' needs are aptly met. RCI has developed one of the largest teams of industry professionals in the green industry through diligent recruiting efforts and industry leading employee retention. Below is the Org Chart of our regional team that would be assigned to the care of your City's properties.



LETTER OF COMMITMENT



City of Pensacola

Attention: Purchasing Manager
City Hall, 6th Floor
222 West Main Street
Pensacola, FL 32502

Subject: Letter of Commitment – RFQ No. 25-011

Dear Members of the Selection Committee,

In compliance with the RFQ's specifications, this Letter of Commitment certifies that RCI is fully committed to providing the City of Pensacola with the highest level of service, expertise, and professionalism throughout the term of this contract.

RCI has assembled a dedicated team of experienced professionals. Our team includes certified irrigation technicians, horticulture specialists, landscape architects, and a strong support staff to ensure every project is executed efficiently and to the City's satisfaction.

RCI is prepared to allocate the resources and personnel required to perform all work outlined in the RFQ. We are fully committed to adhering to project timelines, maintaining communication, and exceeding the expectations of the City of Pensacola. We also affirm our ability to provide a surety bond in the amount required for any project under this contract.

We appreciate the opportunity to partner with the City of Pensacola and look forward to demonstrating our qualifications and dedication to delivering exceptional results.

Regards,

Brian Rotolo
Rotolo Consultants, Inc.
(800) 641-2427



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Trouble Shooting Capabilities

G. TROUBLE SHOOTING: CASE STUDY- MEMPHIS-SHELBY COUNTY SCHOOLS TRANSITION

SWIFT EXECUTION AND TRANSITION SUCCESS

One of our current clients is Memphis Shelby County Schools (MSCS). The contract with Memphis Shelby County School is also one of our larger projects within our portfolio. Notable about this project is the speed required to quickly transition the project, relocate equipment and team, mobilize all assets required for a successful transition of services etc. Please see timeline of events and details below regarding the quick transition.

- RCI awarded contract for MSCS is approved mid-February 2023 with a March 2023 start date **Less than 30-day turnaround time.**
- MSCS consists of more than 200 Locations.
- Large portion of MSCS properties had not been serviced in a substantial amount of time prior to RCI taking over.
- This contract requires more than \$600,000.00 in assets consisting of and not limited to the following vehicles and Landscape servicing equipment.
 - 8 vehicles including and not limited to Isuzu Box trucks, Spray Trucks, All Purpose Trucks.
 - Multiple varieties of lawn mowers ranging from 60", 70", and 96" decks.
 - Multiple spray rigs and z-sprayers for chemical applications.
 - Variety of landscape maintenance power tools and hand tools.
- Transition Team included: Regional Vice President (RVP), Corporate Strategy Manager (CSM), Division Manager (DM), Regional Manager (RM), Area Managers (AM), Safety Officer (SO), Corporate Horticulturist (CH) Administrative Assistant (AA).

This was a large transition with a lot of moving parts and a very tight timeline. However, RCI's experience and familiarity with large scale maintenance projects allowed this transition to be one we deem successful. Through proper preparation, an experienced transition team, and a solid foundation in which to build upon, we have been able to achieve the level of quality service that MSCS and RCI expects collectively.

For additional information regarding our capabilities and performance, please contact:

Shelby County Schools

Contact: Lakeisha Ballard

Phone: 901-416-4100

Email: ANDERSONL2@scsk12.org



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**Additional Supplemental Materials:
Company Protocols**

IRRIGATION SERVICES: INDUSTRY-LEADING IRRIGATION MONITORING

Our Expertise in Irrigation Management

Rotolo Consultants, Inc. (RCI) offers best-in-class irrigation system monitoring, installation, maintenance, and repair services to clients. With over 45 years of excellence in landscape and green industry services, RCI has earned a reputation for providing innovative, water-wise, and cost-effective irrigation solutions tailored to meet the specific needs of each property. Our proactive approach ensures that every irrigation system we manage operates at peak efficiency, conserving resources while maintaining the lush, vibrant landscapes our clients desire.

Key Features of RCI's Irrigation Services

Proactive Inspections:

- Each scheduled service includes a thorough inspection of the entire irrigation system.
- Our trained technicians identify, report, and address potential issues before they become costly problems.

Real-Time Problem Resolution:

- Our Corporate Irrigation Manager and certified technicians remain on-call to respond swiftly to any unforeseen system failures or emergencies.

Advanced Reporting:

- We provide clients with detailed irrigation reports, including performance metrics, maintenance recommendations, and repair summaries.

Water Conservation:

- Utilizing state-of-the-art tools, including Rain Bird IQ and other weather-based monitoring systems, we ensure optimal water usage to save 30%-50% on water costs.



Partner with RCI for Smarter Irrigation Management

From residential developments to large-scale commercial properties, RCI's irrigation services are designed to deliver measurable value and enduring results. Let us help you enhance the health and longevity of your landscapes with customized irrigation solutions.

IRRIGATION SERVICES: EXPERTISE & TRAINING FOR BEST IRRIGATION MANAGEMENT

Why Choose RCI for Irrigation Management?

With unmatched expertise led by our Corporate Irrigation Manager, Steven Pugh—who brings over 30 years of industry experience and multiple certifications—RCI's irrigation team delivers unparalleled service quality. Our **proactive management approach** ensures preventative maintenance to keep systems operational with minimal downtime, while our commitment to **smart irrigation monitoring** is evident through initiatives like the Water-Wise Irrigation Program, which helps clients achieve their environmental goals while reducing operational costs. By combining **industry-leading knowledge** with **cutting-edge technology**, RCI stands as a trusted partner for smarter, more efficient irrigation management.

RCI's Certified Irrigation Specialists

Our tiered Irrigation Certification Program ensures that our team remains equipped with the highest level of expertise:

- **Stage 1: Irrigation Technician Helper/Apprentice** – Assists in various projects while acquiring foundational skills.
- **Stage 2: Certified Irrigation Technician** – Licensed through the Irrigation Association (IA) or state-specific certifications.
- **Stage 3: Landscape Irrigation Auditor** – Specializes in irrigation audits and efficiency optimization.
- **Stage 4: Authorized Pump Technician** – Factory-certified by Rain Bird, Watertronic, and other leading brands.
- **Stage 5: Certified Irrigation Designer (CID)** – Develops innovative, water-wise irrigation systems.

Comprehensive Training and Certification Programs

RCI's commitment to excellence is supported by ongoing employee training through internal programs such as:

- **Irrigation 101 & 102:** Basics of irrigation components and system setup.
- **Advanced Courses:** Cover electrical troubleshooting, water conservation strategies, and remote irrigation management.
- **Factory Certifications:** Our team is factory-trained in Rain Bird Maxi-Com, Precision Pumping Systems, and other cutting-edge technologies.

DISASTER RELIEF PROTOCOL: HURRICANE PREP & EMERGENCY RESPONSE

At Rotolo Consultants, Inc., we have an entire division dedicated to natural disaster response. Please see below for an overview of our **Disaster Relief & Hurricane Response** practices.

In the event of inclement weather, RCI will dispatch crews to arrive on the job site as soon as safely possible. As a contractor with a proven history of disaster response, RCI is typically able to mobilize teams at the same time emergency service vehicles are on the road. Supervisors and crews will assess damages and prepare a plan of action for remediation of the property. RCI has extensive experience responding to natural disasters, and as such, we are prepared to handle hazardous materials, monitor debris, and plan pre-events during storm season.

RCI has the ability to provide immediate assistance and solutions in incredibly overwhelming situations. We've helped a variety of clients navigate disaster damage, including casinos, large residential complexes, and complete cities. We've also helped various communities recover from hurricanes, tornados, fires, floods, and more. RCI is committed to providing all necessary tools for recovery.

In the wake of hurricanes, RCI can provide push crews to clear debris, demolition crews, crews to repair or install hardscape features, and landscape repair or redesign. We work with our clients to revert properties to their previous state, providing restorative solutions within clients' budgets.

Swift and Reliable Disaster Recovery in Action:

"We were really impressed with RCI post-hurricane. They were out at Algiers the Thursday right after the hurricane— before we even opened to patients. RCI had outside looking like nothing ever happened before our first patient arrived."

**Sarah Cassanova, Manager of
Clinic Operations at Ochsner
Health System**



CHEMICAL SAFETY PROTOCOL: TRAINING & INTEGRATED PEST MANAGEMENT PRACTICES

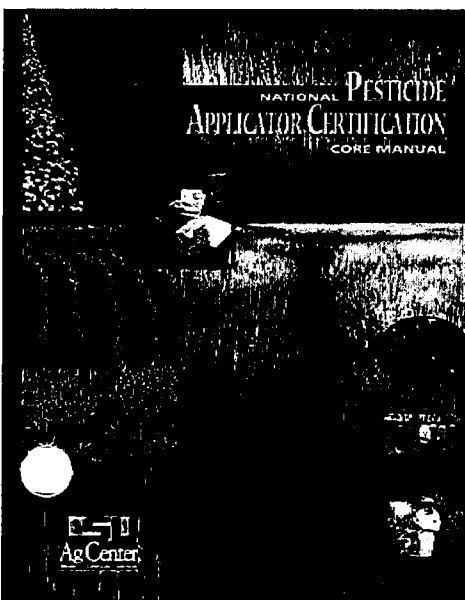
RCI believes ensuring safe chemical application is critical on any project. Please see below for an overview of RCI's **Integrated Pest Management (IPM)** practices.

Integrated Pest Management:

According to the USDA, Integrated Pest Management (IPM) is a science-based decision-making process that combines tools and strategies to identify and manage pests. As defined in 7 U.S.C. § 136r, IPM is "a sustainable approach to managing pests by combining biological, cultural, physical, and chemical tools in a way that minimizes economic, health, and environmental risks." RCI follows the principles of Integrated Pest Management (IPM) which employ the use of all suitable pest control methods to keep pest populations below the economic injury level. Automatically and routinely applying pesticides can be counterproductive, economically wasteful, and environmentally unsound. IPM methods include

- cultural practices;
- the use of biological, physical, and genetic control agents;
- and the selective use of pesticides to limit environmental impacts.

Additionally, RCI follows all state and federal pesticide laws and abides by our clients' directives. Spray techs are required to wear the personal protective equipment (PPE) recommended by the product label and must apply all pesticides in accordance with the label. RCI provides clientele with a **written record of all pesticides applied, the rate at which they were applied, the location they were applied, the total amount applied, and the reason they were applied.** All records are maintained for on-demand inspection by federal and state regulating agencies as well as clientele.



Comprehensive Chemical Training: Building Expertise & Ensuring Safety

RCI ensures all spray team members undergo initial chemical handling and safety classes when hired. RCI uses a combination of classroom and experiential learning followed by a one year apprenticeship. RCI uses the 'National Pesticide Applicator Certification Core Manual' in the classroom and sends spray techs to educational seminars provided by cooperative extension services and state agricultural departments/bureaus.

At present, over half of our staff are state licensed commercial applicators. RCI'S end goal is to have every spray tech become a state licensed commercial pesticide applicator at the Spray Tech 1 level (Supervisor).

SAFETY PROTOCOL: RCI SAFETY PROGRAM

Rotolo Consultants, Inc. (RCI) maintains an **industry-leading safety record**. Please see below for a breakdown of RCI's methodology regarding RCI's **Safety Program** and **Job Hazard Analysis (JHA)** tools.

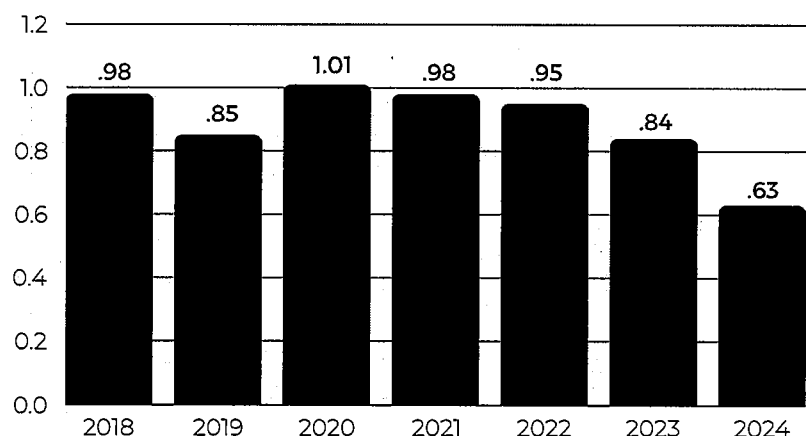
- ✓ Leading Safety Experts
- ✓ Promotes Workplace Safety
- ✓ OSHA Compliant
- ✓ Risk Management
- ✓ Full-Vetted Staff
- ✓ Consistent Safety Training
- ✓ Professional Crews
- ✓ Insured & Compliant
- ✓ Daily Equipment Inspections

A robust safety and training program is crucial for minimizing damages, claims, and injuries on projects. Our company maintains an **industry-leading safety record**, largely due to our **Job Hazard Analysis (JHA)** tool, completed before project commencement. Led by our safety manager and key staff, this analysis identifies and addresses safety issues comprehensively, from equipment operation to specific job sites.

Continuously utilized throughout projects, our JHA tool informs weekly safety meetings and evolves with project knowledge. Additionally, our staff undergoes thorough equipment training before operation, documented in their personnel files. We utilize factory training guides, visits by manufacturer's representatives, and our own experience in completing the requisite training.

Our supervisors are responsible for inspecting all the equipment being used for the day prior to the start of work. After inspection, they must complete **equipment and vehicle inspection forms** that are turned into the project manager.

OSHA Recordable Performance



HOW RCI CARES FOR OUR EQUIPMENT: MAINTENANCE, REPAIR, & PROTOCOL

At Rotolo Consultants, Inc. (RCI), we take great pride in maintaining our equipment to the highest standards. Proper care not only ensures our tools and vehicles are in top condition but also helps us deliver the best service to our clients.



Routine Maintenance: A Priority

We approach equipment care with a proactive mindset. For example, mowers are monitored based on usage hours and cutting performance, ensuring timely maintenance. Trucks and other vehicles follow a strict maintenance schedule, with logs updated weekly to track their condition and service history.



Driver Responsibility

Each vehicle has a dedicated driver who is accountable for its care. Drivers maintain a folder with essential documents and checklists to monitor the truck's performance daily. This system ensures that any issues are quickly identified and addressed.



Comprehensive In-House Repairs

From transmission and engine swaps to custom fabrication and body repairs, all our equipment maintenance is handled in-house. This allows us to maintain full control over the quality of work and minimize downtime.



Data-Driven Care

Fuelers track mileage for all vehicles, providing valuable data for scheduling maintenance. This ensures our fleet stays efficient and reliable while avoiding costly, unexpected repairs.



At RCI, equipment care isn't just about keeping things running—it's about upholding the high standards our clients deserve. By investing in proper maintenance, we ensure our team has the tools they need to deliver exceptional results every time.

DRIVER SAFETY PROTOCOL: DRIVER SAFETY POLICY OVERVIEW

At Rotolo Consultants, Inc. (RCI), safety is a top priority, and our **Driver Safety Policy** reflects our commitment to creating a safe and supportive environment for all employees who operate company vehicles. This policy not only promotes adherence to safety standards but also builds a strong safety culture across our organization.

The **RCI Driver Safety Policy** is designed to:

- Reduce both preventable and non-preventable accidents.
- Enhance productivity by minimizing vehicle incidents.
- Promote safe driving practices that align with federal and state regulations.
- Support employee well-being and retention through a health-conscious work environment.

Driver Requirements

To participate in RCI's Driver Safety Program, employees must:

- Successfully complete all required safety training.
- Maintain a clean driving record with no disqualifying violations in the past three years.
- Adhere to Federal Motor Carrier Safety Regulations, including conducting pre-trip and post-trip vehicle inspections.
- Avoid behaviors that trigger major telematics violations, such as excessive speeding, unsafe phone use, or tampering with dash cameras.

Dash Camera and Monitoring Program

RCI utilizes dash cameras and telematics to monitor and improve driver performance. These tools:

- Identify unsafe behaviors such as hard braking, speeding, and distracted driving.
- Provide real-time data for safety coaching and feedback.
- Lower operational and insurance costs by addressing incidents proactively.

Roles and Responsibilities

- Drivers: Must prioritize safety by adhering to traffic laws, conducting vehicle inspections, and maintaining a professional demeanor.
- Managers: Monitor performance, ensure compliance, and provide feedback.
- Safety Department: Manage telematics systems, ensure adherence to safety policies, and coordinate training.

Incident Reporting and Appeals

Drivers must report all injuries, near misses, and incidents involving property damage immediately. If a driver disputes the ruling on accident preventability, an appeal process is available, with the final decision resting with the CEO/President.

Disciplinary Process

To uphold safety standards, the following disciplinary actions apply for violations:

1. First Violation: Written warning and mandatory retraining.
2. Second Violation: One-week driving suspension and retraining.
3. Third Violation: Termination of employment.

COMMUNICATION PROTOCOL: REPORTING SERVICES

At RCI we strive to maintain effective lines of communication for each and every one of our clients. Please see below for an overview of our **communication protocol**.

At RCI, we supply our clients with **weekly service reports** detailing the services crews completed for that work week. These service reports are sent to the designated facility manger and contain a brief description of the services performed at each property location along with any noted areas of concern on the property— from leaning trees to leaking irrigation zones, RCI has you covered. In addition, RCI can provide irrigation and agronomics reports on a monthly or as requested basis. RCI agrees to furnish our clients with additional reports upon request.

Our commitment to transparency and responsiveness ensures that our clients are always well-informed about the status and quality of our services. Beyond the regular reports, we encourage open dialogue with our clients, welcoming feedback and suggestions to continually enhance our service offerings.

Our team is always on the lookout for potential issues before they become problems, conducting thorough inspections and implementing preventive measures. Whether it's seasonal adjustments to irrigation schedules or customized agronomic treatments, we tailor our services to meet the unique needs of each property.

We believe that strong partnerships are built on trust and reliability. By consistently delivering timely and accurate reports, we aim to empower our clients with the information they need to make informed decisions about their property maintenance. Together, we can ensure that every property location remains safe, beautiful, and functional all year round.



COMMUNICATION PROTOCOL: REPORTING SERVICES— RCI SERVICE NOW

RCI Service Now— Projected Launch Q1 2025:

As part of our ongoing commitment to delivering high-quality landscaping services, Rotolo Consultants, Inc. (RCI) is dedicated to enhancing communication and accessibility for our clients. To support this goal, RCI is currently developing a comprehensive service reporting app— **RCI Service Now**, projected to launch Q1 of 2025. Our Area Managers and Supervisors will use this mobile app to communicate service reports to clients. It will come through email and contain a pdf report detailing the services completed accompanied by pictures of the job-site.

The app will streamline client interactions by offering a centralized communication method, helping clients stay informed and engaged with their landscaping projects. RCI's new service app underscores our commitment to transparency and operational excellence, enabling us to provide an elevated client experience through responsive, reliable communication tools.

RCI
LANDSCAPE • MAINTENANCE • CONSTRUCTION

RCI Service Now:
Service Updates
Made Easy

RCI
2401 St. Louis Rd.
Slidell, LA 70460
www.RotoloConsultants.com
(800) 643-2427

The following services were performed at **YMCA** on 10-21-24:

- Turf Mow
- Soiling Trim/Edging
- Blow/Cleanup
- Irrigation Monitoring and Control
- Mulch Install
- Annuals Install
- Tree Pruning
- Palm Pruning
- Hedge/Topiary Pruning
- Demolition
- Seasonal Color Watering
- Shrub Pruning
- Pond Maintenance
- Other

GRAND CHAMPIONS

STAFFING PROTOCOL APPROACH, E-VERIFY, & CREW TRACKING

RCI believes ensuring safe and proper staffing is crucial on all projects. Please see below for an overview of RCI's **Staffing Protocol**. The following are some specifics relative to RCI's staffing procedures:

1. **Initial Drug Screen** - RCI performs an initial drug screening, and also random drug testing throughout employment.
2. **Motor Vehicle Record Check** - Performed not only to confirm authorized drivers of company vehicles, but also provides information pertinent to the suitability of employment.
3. **E-Verify** - RCI is a fully compliant E-Verify company.

E-Verify.

EXAKTIME

RCI currently utilizes ExakTime, a state-of-the-art time entry and tracking application, using geolocation for clock-in/clock-out times. Crews have the capability to use ExakTime on their smartphone without an internet connection. Supervisors are not only able to check their crew in and out at a site but also change the cost code at each site throughout the day. Managers are able to utilize its ability to run reports on many aspects of the crews' day, such as job hours, work hours, and cost code hours to track work time and productivity.

ExakTime

An ARCORO Product



We appreciate you taking the time to evaluate our proposal for your landscaping needs.

Should you have any questions, please don't hesitate to reach out to our team.



K. SCOTT BREWER
Corporate Strategy

Office: (800) 641-2427, Ext 102

Direct: (901) 331-1247

Email: Sbrewer@rotoloconsultants.com

Scan below to view our
online portfolio:



www.RotoloConsultants.com
(800) 641-2427



ROTOCON-04

HHELTON

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/3/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER World Insurance Associates, LLC 3636 South I-10 Service Road, Suite 100 Metairie, LA 70001	CONTACT NAME: Linda Bourgeois	
	PHONE (A/C, No, Ext): (504) 455-4545 242199	FAX (A/C, No):
INSURED Rotolo Consultant Incorporated 38001 Brownsville Rd Slidell, LA 70460-4875	E-MAIL ADDRESS: lindabourgeois@worldinsurance.com	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Arch Specialty Insurance Company	NAIC # 21199
	INSURER B: Admiral Insurance Company	24856
	INSURER C: The Gray Insurance Company	36307
	INSURER D:	
INSURER E:		
INSURER F:		

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☒ PROJECT ☐ LOC ☐ OTHER:			ZAGLB1104200	8/31/2024	1/1/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000
A	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY			ZACAT1206900	8/31/2024	1/1/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	☒ UMBRELLA LIAB ☒ OCCUR ☒ EXCESS LIAB ☐ CLAIMS-MADE DED \$ RETENTION \$			UX0000108201	8/31/2024	8/31/2025	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) ☒ Y/N ☒ N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	XSWC100094	8/31/2024	7/1/2025	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Subject to policy terms, conditions and exclusions; the certificate holder shall be considered an Additional Insured on a Primary and Non-Contributory basis in respects to General Liability (Additional Insured Form Includes Completed Operations), Automobile Liability and Excess policies when required by written contract or agreement with a Waiver of Subrogation granted in their favor in respects to General Liability, Automobile Liability, Worker's Compensation, and Excess policies when required by written contract, but only to the extent of the Named Insured's obligation to indemnify, defend and/or hold harmless the certificate holder when required by written contract. Auto Physical Damage is included on the auto policy referenced above with a \$5,000 physical damage deductible.

SEE ATTACHED ACORD 101

CERTIFICATE HOLDER

CANCELLATION

**** SAMPLE ****

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



AGENCY CUSTOMER ID: ROTOCON-04

HHELTON

LOC #: _____

ADDITIONAL REMARKS SCHEDULEPage 1 of 1

AGENCY World Insurance Associates, LLC		NAMED INSURED Rotolo Consultant Incorporated 38001 Brownsville Rd Slidell, LA 70460-4875 Saint Tammany	
POLICY NUMBER SEE PAGE 1			
CARRIER SEE PAGE 1	NAIC CODE SEE P 1	EFFECTIVE DATE: SEE PAGE 1	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance**Description of Operations/Locations/Vehicles:**

Subject to policy terms, conditions and exclusions; 30 Day Notice of Cancellation shall be given in respects to General Liability, Auto Liability and Workers Compensation and Excess policies referenced above.

Blanket Alternate Employer is included on the Worker's Compensation policy when required by written contract or agreement.

WORKERS COMPENSATION COVERAGE FOR OTHER STATES:**FLORIDA**

Applies Per Statue - Includes Waiver of Subrogation to certificate holder when required by written contract

Policy No: GWC100445

Carrier: The Gray Insurance Company

Policy Dates: 8/31/24-7/1/2025

E.L. EACH ACCIDENT - \$1,000,000

E.L. DISEASE - EA EMPLOYEE - \$1,000,000

E.L. DISEASE - POLICY LIMIT - \$1,000,000

ALABAMA, KANSAS, MISSISSIPPI, NEW MEXICO, OKLAHOMA, TENNESSEE, TEXAS

Applies Per Statue - Includes Waiver of Subrogation and 30 day Notice of Cancellation to certificate holder when required by written contract

Policy No: GWC100177

Carrier: The Gray Insurance Company

Policy Dates: 8/31/2024-7/1/2025

E.L. EACH ACCIDENT - \$1,000,000

E.L. DISEASE - EA EMPLOYEE - \$1,000,000

E.L. DISEASE - POLICY LIMIT - \$1,000,000

Excess Policies are follow form in respects to General Liability, Auto Liability and Workers Compensation.

\$5M Excess/ Umbrella shares combination of:

Allied World Assurance Company

Landmark American Insurance Company

Amiral Insurance Company

EXHIBIT C

NEGOTIATED TERMS

ROTOLO HOURLY COSTS		
Initial Consultaion & Site Assessment	Hourly	\$125.00
Landscaping Design & Planning	Hourly	\$125.00
Site Preparation	Hourly	\$165.00
Installation of Hardscaping	Hourly	\$150.00
Installion of Softscaping	Hourly	\$175.00
Irrigation System Setup	Hourly	\$125.00
Lawn & Garden Mainteance Services	Hourly	\$80.00
Equipment and System Maintenance	Hourly	\$125.00
Pest & Weed Control	Hourly	\$103.00
Client Communication & Reporting	Hourly	\$109.00
Skid Steer or Mini ex plus machine Operator	Hourly	\$150.00
Provided hourly rates are calculated per man hour and do not include any material costs that may be necessary.		

**CONTRACT BETWEEN CITY OF PENSACOLA AND
WALLACE SPRINKLER & SUPPLY, INC. D/B/A
THE WALLACE COMPANY
BASED UPON REQUEST FOR QUALIFICATIONS #25-011**

THIS CONTRACT (“Contract”) is made this ____ day of _____, 2025, by and between the City of Pensacola (“City”), a Florida municipal corporation created and existing under the laws of the State of Florida, located at 222 W. Main Street, Pensacola, Florida 32502, and WALLACE SPRINKLER & SUPPLY, INC. D/B/A THE WALLACE COMPANY, (“Contractor”), a Florida corporation authorized to do business in Florida, located at 3607 ANDREW AVENUE PENSACOLA, FLORIDA 32505, (the City and Contractor collectively referred to hereinafter as the “Parties”).

WITNESSETH:

WHEREAS, the City published Request for Qualifications #25-011, on NOVEMBER 29, 2024 (“RFQ”) for LANDSCAPE INSTALLATION & MAINTENANCE, as modified by any addendum to the RFQ (“Addenda”), all as attached hereto as Exhibit A and incorporated herein by this reference (collectively referred to hereinafter as the “RFQ Documents”); and

WHEREAS, in response to the RFQ Documents, the Contractor submitted to the City a proposal dated December 10, 2024, including a statement of qualifications and experience, and/or any other documents submitted in response to the RFQ Documents (“RFQ Response”) attached hereto as Exhibit B and incorporated herein by this reference; and

WHEREAS, the City has selected the Contractor pursuant to the selection criteria or process as specified in the RFQ Documents based on the Contractor’s RFQ Response and any other requested information, and the Parties have agreed upon negotiated fees and services (“Negotiated Terms”) as attached hereto in Exhibit C and incorporated herein by this reference; and

WHEREAS, the Parties desire the Contractor to perform as described in the RFQ Documents and the RFQ Response, the Negotiated Terms, and pursuant to the terms and conditions of this Contract; and

WHEREAS, the Parties desire to enter into this Contract;

NOW, THEREFORE, in consideration of the work to be performed and the payment for the performance of the work, of the mutual covenants and benefits contained herein, and for other good and valuable consideration, the Parties agree as follows:

Section 1. Recitals.

The recitals contained above are true and correct and are incorporated into this Contract.

Section 2. Contractor's Obligations.

The Contractor shall perform all work and services described in, and in accordance with, the Contract. The Contractor warrants that all equipment, materials, and workmanship furnished, whether furnished by Contractor or its subcontractors or sub-suppliers, will comply with the Contract and any City specifications, drawings, and other descriptions supplied or adopted. The Contractor further warrants that the supplies and workmanship will be new, fit, and sufficient for the purpose for which they are intended, of good materials, design, and workmanship, and free from defects or failure. The City or its duly authorized representative shall at all times have full opportunity to inspect the materials to be furnished and the work to be done under this Contract. The Contractor shall comply with all applicable federal, state, and local laws, ordinances, rules, and regulations pertaining to the performance of this Contract. The Contractor is responsible for and shall indemnify the City against all damage or loss caused by fire, theft, or otherwise to materials, tools, equipment, and consumables left on City property by the Contractor.

Section 3. Term of Contract.

Subject to the right of termination for cause or convenience, the term of this Contract shall be as specified in the attached RFQ Documents.

Section 4. Payment.

The Contractor agrees to perform all work and services in Section 2 at the rates, costs, and any not-to-exceed amount provided for in Exhibit C, Negotiated Terms and Attachment B, Payment Schedule. The amount will be paid by the City based on invoices submitted by Contractor and payments approved by the City, only after written acceptance by the City pursuant to the Contract. Such payment shall be in accordance with the Florida Prompt Payment Act. In the event that the Consultant does not fully perform its obligations under the Contract, the City reserves the right to withhold payments for work not performed, to engage an alternative Contractor to complete work not performed, and to withhold such amounts as may be required to hold the City harmless from any claims or damages, direct, indirect or consequential, that may be sustained on account of the Contractor's acts or omissions in the performance of this Contract.

Section 5. Bond.

Is a bond required? ☒ Yes ☐ No

Performance bond required for landscape installation.

If yes: Contractor shall provide all bond(s) as required in the Contract. Should the City in the City's sole discretion at any time deem any of the sureties upon such bond to be unsatisfactory or if for any reason such bond shall cease to be adequate security for the City, the Contractor shall within five (5) days of written notice from the City furnish a new or additional bond in full sum and satisfactory to the City. No payment shall be deemed to be due or to be made to the Contractor unless and until such new or additional bond shall be furnished and approved in writing by the City. The premium and all expenses associated with such new or additional bond shall be paid by, and the sole responsibility of, the Contractor.

Section 6. Performance Schedule.

The Contractor shall commence and complete all work and services pursuant to the Contract.

Section 7. Necessary Approvals.

Contractor shall procure all permits, licenses, and certificates and any approvals in performance and completion of this Contract as may be required by federal, state, and local laws, ordinances, rules, and regulations, and in accordance with the Contract.

Section 8. No Waiver.

No waiver, alterations, consent, or modification of any of the provisions of the Contract shall be binding unless in writing and signed by the Mayor or his/her designee.

Section 9. Governing Law.

This Contract is governed and construed in accordance with the laws of the State of Florida. The law of the State of Florida shall be the law applied in the resolution of any claim, actions, or proceedings arising out of this Contract.

Section 10. Venue.

Venue for any claim, actions, or proceedings arising out of this Contract shall be Escambia County, Florida.

Section 11. No Discrimination.

Contractor shall not discriminate on the basis of any class protected by federal, state, or local law in the performance of this Contract.

Section 12. Assignment.

The rights and privileges conferred by this Contract shall not be assigned or transferred without the written consent of the City, which consent shall not be unreasonably withheld.

Section 13. No Other Agreements.

The Parties agree the Contract contains all the terms and conditions agreed upon by the Parties. No other agreements, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind either Party.

Section 14. Remedies for Failure to Perform or Breach of Contract.

The City reserves the right to seek all remedies available under law in the event of a failure to perform or other breach of this Contract by the Contractor, and the failure of the City to employ a particular remedy shall not be regarded by the Parties as a waiver of that or any other available remedy.

Section 15. Termination for Convenience.

The City may terminate this Contract without cause upon thirty (30) days prior written notice.

Section 16. Public Records Act.

The parties acknowledge and agree to fulfill all obligations respecting required contract provisions in any contract entered into or amended after July 1, 2016, in full compliance pursuant to Section 119.0701, *Florida Statutes*, and obligations respecting termination of a contract for failure to provide public access to public records. The parties expressly agree specifically that the contracting parties hereto shall comply with the requirements within Attachment "A" attached hereto and incorporated by reference.

Section 17. Mandatory Use of E-Verify System.

In compliance with the provisions of F.S. 448.095, the parties to this contract and any subcontractors engaged in the performance of this contract hereby certify that they have registered with and shall use the E-Verify system of the United States Department of Homeland Security to verify the work authorization status of all newly hired employees, within the meaning of the statute.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed and sealed the day and year first above written.

CONTRACTOR

CITY OF PENSACOLA, FLORIDA

WALLACE SPRINKLER & SUPPLY, INC.
D/B/A THE WALLACE COMPANY

Contractor

Mayor, D. C. Reeves

By _____
President

Attest: _____
City Clerk, Ericka L. Burnett

VICTOR WALLACE

Approved as to Substance:

Attest _____
Corporate Secretary

CRA Division Manager

Legal in form and execution:

(CORPORATE SEAL)

Grace Parola, Assistant City Attorney

Attachment "A"

PUBLIC RECORDS: Contractor shall comply with Chapter 119, Florida Statutes. Specifically, Contractor shall:

- A.** Keep and maintain public records required by the City to perform the service.
- B.** Upon request from the City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- C.** Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Contract term and following the completion of the Contract if Contractor does not transfer the records to the City.
- D.** Upon completion of the Contract, transfer, at no cost, to the City, all public records in possession of Contractor or keep and maintain public records required by the City to perform the service. If Contractor transfers all public records to the City upon completion of the Contract, Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Contractor keeps and maintains public records upon completion of the Contract, Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request of the City's custodian of public records, in a format that is compatible with the information technology systems of the City.

Failure by Contractor to comply with Chapter 119, Florida Statutes, shall be grounds for immediate unilateral cancellation of this Contract by the City.

IF CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE PUBLIC RECORDS COORDINATOR AT:

THE OFFICE OF THE CITY CLERK, (850) 435-1715

PUBLCRECORDS@CITYOFPENSACOLA.COM

222 WEST MAIN STREET, PENSACOLA, FL 32502

Attachment "B"
PAYMENT SCHEDULE

1. Compensation of Consultant/Vendor/Contractor will be based on (check the appropriate method):

☐ Lump Sum/Flat Fee

☒ Hourly Rate(s)

☒ Other: See Exhibit C

2. Compensation of Consultant/Vendor/Contractor as described in #1 above will be as follows (attach an additional page if necessary):

☐ Lump Sum/Flat Fee: _____

☐ Hourly Rate(s) are: _____

☒ Other: See Exhibit C

3. Costs to be reimbursed by the City include (list reimbursable costs or attach reimbursable cost schedule):

Pursuant to service authorization

4. Invoice(s) of Consultant/Vendor/Contractor will be paid as follows (check the appropriate method):

☐ One-time, lump sum at the end of the work/project

☒ After submission of monthly or periodic invoices

☐ Other: _____

EXHIBIT A
RFQ DOCUMENTS

**CITY OF PENSACOLA
REQUEST FOR QUALIFICATIONS**

**RFQ NO.: 25-011
LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES**

The City of Pensacola is requesting sealed statements of interest and qualifications from companies with experience in landscape installation and maintenance services for a three (3) year contract term with provisions for two (2) one-year extensions upon mutual agreement of the Contractor and City. Work may continue under the contracts until all projects assigned have been completed, at the discretion of the City.

Sealed and complete hardcopy statements of interest and qualifications **with original or electronic signature and five (5) additional copies, plus one (1) complete electronic copy (SINGLE PDF) on flash drive or CD**, must be received no later than, **December 30, 2024, 2:30 P.M.**, local time, at the following location.

**City Hall (lobby)
222 West Main Street
Pensacola, Florida, 32502
Attention: Purchasing**

The OUTER FACE of the sealed submittal package shall **identify the respondent, the RFQ title, and the RFQ number** (whether hand-delivered, mailed, or via UPS/FedEx or other courier service). Submittals received after the closing time will not be accepted. Multiple submittals from the same entity will not be accepted. After the submittal deadline those submittals received will be opened and publicly acknowledged. Interested parties may attend.

Alternatively, electronic bids may be submitted to [Demandstar](#) or [Central Bidding](#). Both sites require registration and varying fees for notifications and document downloads. **If submitting electronic bids and a bid/proposal bond is required, that bond must be delivered separately to the address above.**

Specifications will be posted to the City's website at www.cityofpensacola.com/bids.aspx. Addenda will be posted to the City's website. **Bidders are responsible for obtaining addenda and are advised to check the website frequently.** There is no cost to view or download documents from the City website.

A tabulation of qualifications and/or a Notice of Intent to Award will be posted to the City's website at www.cityofpensacola.com/bids.aspx. Respondents are advised to check the website frequently.

Any questions concerning the RFQ should be addressed and submitted in writing **no later than December 16, 2024, at 10:00 A.M., local time, to:**

Dedria Lunderman, Purchasing Manager
City Hall 6th Floor
222 West Main Street
Pensacola, Florida 32502
purchasing@cityofpensacola.com

The City of Pensacola adheres to the Americans with Disabilities Act and will make reasonable accommodations for access to City services, programs, and activities. Please email ADACoordinator@cityofpensacola.com or call (850) 436-5600. Requests must be made at least 48 hours in advance of the event in order to allow the City time to provide the requested services.

The City reserves the right to accept or reject any or all submittals, to waive any submittal informalities and to re-advertise for submittals when deemed in the best interest of the City.

Attest:
Ericka L. Burnett
City Clerk

CITY OF PENSACOLA
D. C. Reeves
Mayor

The City of Pensacola provides equal access in employment and public services.

SECURITY NOTICE

Visitors to City Hall may be required to stay in the lobby unless otherwise directed.

Late submittals will not be accepted.

GENERAL INSTRUCTIONS

- A. Companies responding to the RFQ must be available for formal presentations/interviews to the Selection Committee. These will be held in person at City Hall, 1st Floor Whibbs Room, 222 West Main Street, Pensacola, FL 32502.
- B. Submittals should respond to each item noted in the Submittal Format and Evaluation Criteria in the order noted. Identify responses with the same paragraph notation as this RFQ. [Example: When completing Section III. Submittal subsection A. Introduction please provide a page divider or tab divider indication A. Introduction and include all components of that identified section behind the labeled divider.]
- C. Submittals must be typed or printed. All corrections made by the respondent prior to the opening must be initialed and dated by the respondent. No changes or corrections will be allowed after submittals are opened.
- D. **Any addendum issued will be made available on the City's website at <http://www.cityofpensacola.com/bids.aspx>. Interested bidders are advised to check the site frequently.**
- E. The City of Pensacola is not liable for any costs incurred by any interested party in responding to this RFQ.
- F. By responding to this RFQ you are giving permission for the City to contact anyone you name as an associate, sub-contractor or reference to confirm information provided.

SCHEDULE OF EVENTS (dates subject to change)

Date	Activity
November 29, 2024	Publish RFQ
December 16, 2024, 10:00 a.m.	Questions due
December 30, 2024, 2:30 p.m.	Submittals due
January 6, 2025	Distribution of Materials for Review
January 9, 2025, 9:00 a.m. City Hall 6 th floor conference room 222 West Main Street, Pensacola, FL 32502	Evaluation Committee Meeting Ranking / Shortlisting Qualifications
January 21, 2025, 9:00 a.m. City Hall 1st floor conference room 222 West Main Street, Pensacola, FL 32502	Evaluation Committee Meeting Oral Presentations Recommendation of Continuing Services Contract Awards

All times are local time.

I. PURPOSE

The purpose of this RFQ is to identify multiple highly qualified companies who can provide exceptional high quality landscape installation and maintenance services for city and/or CRA owned and maintained areas.

Contracts offered through this RFQ process are intended to augment City of Pensacola (City) staff in areas where additional expertise and work force are needed when workload will not permit the timely completion of landscape installation or maintenance. These contracts will allow the City to solicit proposals directly from the contractor for individual landscaping projects, or tasks, and to procure needed services without soliciting separate competitive proposals for every project or task.

The City reserves the right to at any time solicit separate competitive proposals for any and all projects or tasks, regardless of fee or value. Selection by the City as a landscape installation/maintenance contractor does not guarantee that the contractor will be called on a regular basis during the contract term, nor does it guarantee a minimum level of compensation with respect to volume of work or fees.

Qualifications:

Companies will be required to demonstrate, as a condition precedent to award, that the respondent has the qualifications and is capable of performing all of the services described herein. **WITH THE EXCEPTION OF ARBORICULTURAL, SUBCONTRACTING SHALL ONLY BE ALLOWED WITH THE PRIOR WRITTEN CONSENT OF THE CITY.** The minimum requirements for respondents shall be as follows:

- A. Commercial landscaping **MUST** be the primary business of the bidder. Primary is defined as providing no less than 51% of the respondent's annual income.
- B. Bidders must possess, or have on staff at least one permanent senior employee who possesses, one or more of the following degrees and/or certifications (proof of such credentials shall be required):
 - 1. Landscape Architecture or Design
 - 2. Environmental Horticulture
 - 3. Horticulture
 - 4. Agribusiness
 - 5. Landscape Technology
 - 6. Certification with the Florida Nursery, Growers, and Landscape Association
 - 7. Certification as a Florida Master Gardener
- C. Bidders or at least one member of staff must be certified in accordance with Florida Law to provide the required lawn and ornamental pest control services.

- D. Bidders or at least one member of staff must hold a LCFAC license in accordance with Florida Law (effective January 2014) to apply fertilizer commercially to provide the required fertilizer services.
- E. Bidders or at least one member of staff must be licensed to provide commercial irrigation system troubleshooting and repair services in order to provide the required irrigation system services.
- G. Bidders or at least one member of staff must be an International Society of Arboriculture (ISA) Certified Arborist.
- H. Bidders must have a minimum of five (5) years' experience in commercial landscape maintenance services.
- I. Bidders must have performed a contract with similar scope of services and of a size and complexity within the past three (3) years. Please see the sample projects listed below for more information regarding potential complexity of existing and future projects.
- J. Respondents must be able to provide a **Performance and Payment Bond**. The bond shall be in a form and with a surety acceptable to the City and shall insure the full and faithful performance of the contractor of all terms and conditions of certain projects and stand as security for payment by the contractor of all valid claims by the City. Respondents must be able to provide proof of their ability to provide this bond in the amount up to **one million** dollars (\$1,000,000).

Sample Projects:

The following sample projects are examples of high visibility project areas that the company may be selected to maintain. The company will be expected to exhibit the skills and qualifications necessary to provide ongoing maintenance for projects of a similar scale and scope.

1. Bruce Beach Park - 601 W Main Street

Once a thriving industrial hub serving the early 20th-century maritime industry, and later a neighborhood gathering place for Pensacola's black community, a 10-acre property along Pensacola's waterfront known as Bruce Beach was a littered homeless camp by the mid-1970's. This all changed with the recent completion of the park by the Pensacola CRA to create a connected, accessible public realm along the water's edge. Today Bruce Beach is transformed into a waterfront park with a central plaza, native plants, cultural exhibits, wildlife-friendly lighting, shade structures, learning garden, volleyball court, kayak launch and pedestrian bridge that overlooks historic Washerwoman Creek.

The park was professionally designed by SCAPE landscape architecture and HDR

Engineering and includes a wide variety of native plantings and a lush, but developing, tree canopy. This park represents a significant CRA investment valued at over \$11 million in a harsh waterfront environment. Therefore, skillful landscape management methods must be applied to achieve full establishment and mitigate plant loss.

Design plans for these projects may be found in Attachments A1 and A 2.

2. Garden Street Median Improvements – “A” Street to Alcaniz Street

The Garden Street corridor beginning at Alcaniz Street serves as the gateway into Downtown Pensacola for many residents, workers and tourists entering downtown from the I-110 interstate. The corridor features a wide median which contains a mixture of mature trees and shrubs and recently installed ground cover (grass, jasmine and perennial peanut), and variety of plants, trees and a substantially new irrigation system and well which was installed in 2022. The project was partially funded by an FDOT Beautification grant and must adhere to the standards expected by the state. This high-visibility gateway must be maintained with the utmost care to provide a welcoming entry to downtown.

Design plans for these projects may be found in Attachments B1 and B2.

DeVilliers Streetscape – Cervantes to Main Street

DeVilliers Street connects the historic city neighborhoods of North Hill, Belmont DeVilliers and Tanyard to the Pensacola Bay waterfront and Community Maritime Park. Streetscape improvements including the installation of decorative sidewalk and pedestrian-level streetlighting, street trees, sunshine ligustrum, groundcover, potted trees and irrigation were completed in 2021. An important connection for pedestrians, bicyclists and area residents and visitors, the landscape along this corridor must flourish to provide an inviting and comfortable experience for its users. Unfortunately, this project area needs remedial replanting and irrigation repairs which must be performed to accomplish the goals set for the project.

Design plans for these projects may be found in Attachments C1 and C2.

II. SCOPE OF SERVICES

The City of Pensacola and its Community Redevelopment Agency (CRA), (jointly, the “City”) have constructed a variety of streetscape, park and public space improvements and acquired various properties for redevelopment over the years which require ongoing landscape maintenance services. Additionally new project areas continue to be identified which require landscape maintenance and installation services.

The companies selected through this RFQ process will provide commercial landscape services for the City’s project areas and must demonstrate expertise in commercial

landscape design, installation and long-term maintenance. Installation and maintenance work must be performed according to the highest standards in the industries of horticulture and arboriculture. The selected companies must employ professionalism in both appearance and demeanor when interacting with stakeholders and in the conduct of their work. Companies selected through this RFQ will clearly show, through their submission, their standard of professionalism both in the clarity in writing of the submission and through pictures of company employees and equipment in the community on a daily basis, such as uniformed employees and truck/equipment signage.

As a landscaping specialist, the company will be expected to adequately advise the City on sound installation and maintenance applications that achieve optimal performance and mitigate the loss of plant materials.

Common Services:

The common services expected to be performed under a continuing service contract award are as follows. The actual services required will vary by project area.

1. Mowing
2. Removal of litter and debris
3. Irrigation system installation, testing and maintenance (as required)
4. Sweeping, edging and trimming
5. Pruning shrubs and trees (tree pruning performed by or under the supervision of a certified arborist.)
6. Weeding landscape and hardscape (by hand and by chemical application)
7. Weeds control
8. Disease and insect control
9. Mulching landscape beds
10. Fertilization of shrubs, turf, beds and trees
11. Conducting and analyzing soil testing to determine appropriate soil treatments
12. Soil aeration
13. Installation of a wide variety of plant materials according to design plans and/or specifications. This would include any necessary soil amendments, planting at appropriate depths and widths, and necessary watering to ensure the new plants would become well established and thrive in optimum conditions.
14. Removal and replanting of trees (particularly street trees and trees in urban settings).
15. Maintenance and installation of potted plants and trees.
16. Coordination with landscape design professionals, such as landscape architects and landscape inspectors.
17. Other related landscape services necessary to maintain commercially landscaped areas, right of ways, parks, public spaces and redevelopment sites.

The contractor shall furnish all labor, tools, specialized equipment, material, supplies, supervision and transportation to perform landscape services as specifically outlined in this section.

III. SUBMITTAL FORMAT

Submittals shall be in the format described below. The selection criteria and points that will be used in ranking the submittals are noted in each section.). Submittals shall be limited to forty (40) single-sided 8½ x 11" pages. Page count excludes the cover, cover letter, table of contents, section dividers, and any City-provided form. Qualifications shall be bound with spiral or similar binding that ensures the integrity of the submission. Each section in the submittal should follow the format/organization noted in this section

(Sections A. – I.). Companies may be shortlisted based on the information provided on the forms and in the additional sections and those companies invited to an in-person interview. The City reserves the right to select directly from the Statements of Qualifications.

An Authorized Representative of the company shall sign submittals. All information requested must be submitted. Failure to submit all information may result in a lowered evaluation score of the submittal. At its discretion, the City may waive minor discrepancies or reject submittals substantially incomplete or lacking key information.

A. Introduction

This section will contain a cover letter of no more than two (2) pages, signed by an authorized representative of the offering company. A table of contents will follow the cover letter. This section should also include those required City forms within the RFQ, and acknowledgement of any addenda issued.

- 1) Signature Sheet
- 2) State of Florida Affidavit Regarding the Use of Coercion for Labor and Services Pursuant to Florida Statute 787.06(13)
- 3) 52.209-5 FAR Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters
- 4) 52.209-6 FAR Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment
- 5) Drugfree Workplace Certificate
- 6) Veteran Business Enterprise Statement
- 7) Minority/Women Business Enterprise Participation Form
- 8) Small Business Enterprise Participation Form
- 9) Acknowledgement of addenda (addendum's signature page)

B. Company Information

Briefly describe the company's organization. Address each of the following items:

- 1) Business Structure (Corporation, Joint Venture, Partnership); proper incorporation by the Secretary of State and current Florida Professional Registration Certificate for general contractor certification.

- 2) Number of years in business.
- 3) Total number of employees and upper management's experience profile. This criterion identifies the relative size of the company, including management, technical, and support staff. Technical staff shall be those persons proposed to be associated with the implementation of any project, project managers, engineers, supervisors, estimators, quality control manager, arborist, chemical and pest control applicators, irrigation installers, etc.
- 4) Distance from the Site – Simply, the location in miles of the proposed operating office to City Hall.
- 5) Describe and explain any litigation, major disputes, contract defaults, and liens in the last 10 years.
- 6) Although not every project contracted will require a surety bond the company submitting for consideration under this RFQ must provide evidence of having the capacity to obtain a bond when needed.
- 7) For all arborists intended to be utilized either on staff or as a sub-contractor please provide their name, contact information and credentials for consideration.
- 8) Provide copies of licenses or certifications for all pest control and chemical applicator personnel.
- 9) Provide a list of **all** major contracts within the past 3 years requiring similar tasks listed under the scope of services herein. Include in the contract list the name and contact information of your client's representative who was most directly involved in overseeing the work performed.

1. Submit to the City the following information:

- A.** Copy of Florida certification to provide lawn and ornamental pest control services.
- B.** Copy of the LCFAC license to apply fertilizer commercially.
- C.** Copy of license to provide sprinkler system repair services.
- D.** Copy of ISA Arborist certification.
- E.** Name, location, point-of-contact and telephone number of other entities for which the bidder has performed similar services of a similar size.

- F. Detailed explanation of any contracts revoked and of any contracts awarded but not executed.
- G. Copy of the bidder's current business license with the City of Pensacola or Escambia County enabling them to provide landscape maintenance services, as well as a copy of the current business license of any proposed subcontractor, the State of Florida enabling them to provide services.
- H. Copies of degrees and/or certifications as listed in the Qualifications paragraph above.
- I. Proof of ability to provide performance and payment bond and maintenance bond in an amount of up to one million dollars (\$1,000,000.00) each, respectively.

EVALUATION CRITERIA BEGINS

This section outlines the evaluation information expected to be included within the submission, the order it should be presented and how each section will be evaluated.

C. Company Experience (20 points)

Please provide a concise Statement of Qualifications regarding your company's experience as an introduction to this section.

Major consideration will be given to the successful completion and/or maintenance of previous projects comparable in nature, design, scope, and complexity with projects currently being maintained or installations anticipated by the city soon. To understand the types of landscape maintenance work being procured refer to the sample projects being maintained provided in **Attachments A1 through C2** referenced above.

In addition, major consideration will be given to those contractors who can provide evidence of successful experience in the installation and/or maintenance of corporate/commercial and/or government landscaping projects in USDA Plant Hardiness Zones 8 and/or 9 or within the western Florida panhandle area.

Photos or other evidence of experience will be accepted and encouraged. If photos are provided, please label them clearly as to what project the photo(s) reflects and date of photo.

The city will consider statements of interest from companies that have not previously delivered or maintained a large or complex project, if the company otherwise demonstrates success on delivery of quality projects. Letters of recommendation or other evidence will be accepted and encouraged.

To allow the review committee to thoroughly understand the depth of the

company's experience please provide a list of the projects which best illustrate the experience of the contractor and current staff. (List no more than 10 projects, and no projects which were completed more than 5 years ago.)

For each company on the list provided include the following to illustrate contractor experience:

- Name and location of the project
- Nature of the contractor's responsibility on this project (i.e. design, installation, maintenance, etc.)
- Project owner's name, address and phone number
- Project owner's representative's name, address, and phone number if other than owner (current information)
- Date project was completed or is anticipated to be completed
- Size of project (gross SF of construction or total acreage)
- Cost of project (construction cost)
- Work for which the staff was responsible (List all tasks that apply)
- If the project is not complete, present status of this project (On time, delayed and if delayed, please provide an explanation).
- Please indicate if the identified project was installed by your company or if it is only maintained by your company. If a project was installed by your company, please describe in detail the installation parameters such as:
 - Acreage of project site,
 - Number of different varieties of plant selections installed
 - Quantity of plant selections
 - Was irrigation installed and if so, how many linear feet, sprinkler heads and type
 - Other indicators which will effectively show the complexity of the project being described.
 - Include in the contract list the name and contact information of the person who oversaw the contract execution by your client, if different from those listed above.

In determining the level of quality desired, the city will consider the nature of previous contractual relationships. Please include a list of previous work performed by the company for the City of Pensacola, if applicable, separately from the list requested above. Please include the following:

- Name/location/date of the project
- Nature of the contractor's responsibility on this project (i.e. design, installation, maintenance, etc.)
- Department contracted through and Department contact
- Work for which the staff was responsible (List all tasks that apply)
- If the project is not complete, present status of this project (On time, delayed and if delayed, please provide an explanation)

- Please indicate if the identified project was installed by your company or if it is only maintained by your company. If a project was installed by your company, please describe in detail the installation parameters such as:
 - Acreage of project site,
 - Number of different varieties of plant selections installed
 - Quantity of plant selections
 - Was irrigation installed and if so, how many linear feet, sprinkler heads and type
 - Other indicators which will effectively show the complexity of the project being described.
 - Include in the contract list the name and contact information of the person who oversaw the contract execution by your client, if different from those listed above.

D. Financial Capability (10 points)

Indicate the company's available resources and the necessary working capital to assure financial stability to the complete projects assigned. The financial capability should also include the bonding capacity of the company. Please provide a letter from your bonding agency stating, as of the date of the letter your company can be bonded or obtain a bond for bid, contract, maintenance, etc. and the limits of each.

E. Team Composition (15 points)

The project team is comprised of experienced and qualified staff and on-site employees, or field crews, assigned to specific projects. The company shall provide a letter of commitment for each of the key management staff to be assigned to any project. This letter shall not be counted towards the page limit of the response package.

In addition, please list all upper-level employees as indicated below and include all licenses and/or certifications held by each, if applicable. Also, provide the following information by employee category:

1) Upper level/Office Staff

Describe the general and specific project-related capability of the in-house staff and indicate the adequate depth and abilities of the organization which it can draw upon as needed. This will include management, technical, and support staff. Give a brief résumé of key people to be assigned to city projects, including, but not limited to:

- a) Name and title
- b) How many years with the company
- c) How many years with other similar companies

- d) Experience
 - 1) Type of projects
 - 2) Size of projects (dollar value & SF of project)
 - 3) What was their specific project involvement?
- e) Education
- f) Active Registration (P.E., G.C., etc.)
- g) Other experience and qualifications

2) Field Crew/On-site Employees

Similarly, the ability and experience of the field employees will be evaluated with specific attention to related experience on projects of similar size and scope. Describe the general and specific project-related capability of the supervisors and/or lead crew members that would be assigned to any city project. Give a brief resume of key employees listed to include but not limited to:

- a. Name and title
- b. How many years with the company
- c. How many years with other similar companies
- d. Experience
 - 1) Type of projects
 - 2) Size of projects (dollar value & SF of project)
 - 3) What was their specific project involvement?
- e. Education
- f. Active Registration (P.E., G.C., etc.)
- g. Other experience and qualifications

3) Organization Approach – (Office Staff and On-Site Management)

Provide an organization chart indicating key personnel and their relationships. The organization chart should include a statement committing that the team proposed to the City of Pensacola will be the team that executes any City project contracted.

If the submittal is reflective of a joint venture or prime/subcontractor arrangement of two or more entities, indicate how the work will be distributed among the partners.

Describe how the organizational structure will ensure orderly communication, distribution of information, effective coordination of activities, and accountability.

F. Professionalism (20 points)

Below is a list of 9 characteristics expected to be exhibited by any contractor

selected through this RFQ process. When responding to this section, indicate how the company exhibits these characteristics.

- Proper Demeanor (in person, on-line and over the phone)
- Reliability
- Competency
- Communication
- Poised
- Ethical
- Organized
- Accountable
- Appearance-in addition to any appropriate company policies, if applicable, photos are encouraged to illustrate the company's expected appearance in the field.

G. Trouble Shooting Capabilities (10 points)

In no more than two pages describe a time when you had to troubleshoot a project that resulted in positive outcomes for both you and your client. Be specific in describing the problem, the steps you took, and the final outcomes achieved.

H. Quality of Submittal (10 points).

The quality, clarity, and thoroughness of the submission, including but not limited to the Statement of Qualifications provided in Section C, will be scored based on the reviewer's subjective assessment.

I. Certification as or partnership with an SBE/MBE/WBE (3 points).

Indicate whether or not the firm is itself or is partnered with any Small/Minority/Woman-Owned Business Enterprises as certified by the City of Pensacola.

J. Certification as or partnership with a VBE (2 points).

Indicate whether or not the firm is itself or is partnered with any Veteran-Owned Business Enterprises as certified by the City of Pensacola.

IV. INTERVIEW PROCESS

Companies will be evaluated for short-listing based upon the written material submitted in Sections C-H above to the City in response to this RFQ. The evaluation committee will review the submittals, and the City will schedule formal presentations/interviews for those three to five (3-5) companies short-listed. Companies selected for presentations/interviews will be required to have the proposed project manager present to participate in the presentation/interview. Presentations/interviews will be conducted in-person only.

Each company will be allowed up to 30 minutes for a formal presentation,

consisting of a reiteration of the submitted written qualification demonstrating the company's grasp of the quality expectations of work to be performed. The formal presentation will be followed by up to 15 minutes of Questions & Answers (Q&A).

Any unused formal presentation time will be added to the Q&A period. A projection system is available, but presenters are requested to bring their own laptop and flash drives containing the complete presentation and handouts if desired. The selection committee would prefer a PowerPoint presentation. The presentations are closed to the public. The committee's deliberations following the last presentation will be open to the public.

The evaluation committee will make a recommendation to the Mayor regarding the selection of companies based upon the final scoring after the formal presentations/interviews. The Mayor will then forward his recommendation for Continuing Service contract awards to the City Council for their approval.

V. GENERAL TERMS AND CONDITIONS

A. No Contingency Fees

By responding to this solicitation, each Respondent warrants that it has not and will not employ or retain any company or person, other than a bona fide employee working solely for the company, to solicit or secure an agreement pursuant to this solicitation and that it has not and will not pay or agree to pay any person, company, corporation, individual or company, other than a bona fide employee working solely for the company, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of an agreement.

B. Insurance and Indemnification

Before starting and until termination of work for, or on behalf of, the CITY, the CONTRACTOR and any/all sub-contractor shall procure and maintain insurance of the types and to the limits specified.

The term CITY as used in this section of the Contract is defined to mean the CITY of Pensacola itself, any subsidiaries or affiliates, elected and appointed officials, employees, volunteers, representatives and agents.

Insurance shall be issued by an insurer whose business reputation, financial stability and claims payment reputation is satisfactory to the CITY for the CITY's protection only. Unless otherwise agreed, the amounts, form and type of insurance shall conform to the following minimum requirements, Contractor understands and agrees that increased limits and/or additional types of insurance

may be required depending on the scope of service.

1. WORKERS' COMPENSATION

The CONTRACTOR shall purchase and maintain Worker's Compensation Insurance Coverage for all Workers' Compensation obligations as legally required. Additionally, the policy, or separately obtained policy, must include Employers Liability Coverage of at least \$100,000 each person - accident, \$100,000 each person - disease, \$500,000 aggregate - disease. The policy must include coverage for United States Longshore & Harbor Act (USL&H).

2. COMMERCIAL GENERAL, AUTOMOBILE, PROFESSIONAL LIABILITY AND UMBRELLA LIABILITY COVERAGES

The CONTRACTOR shall purchase coverage on forms no more restrictive than the latest editions of the Commercial General Liability and Business Auto policies filed by the Insurance Services Office. The CITY shall be an Additional Insured for Commercial General Liability and umbrella liability and such coverage shall be at least as broad as that provided to the Named Insured under the policy for the terms and conditions of this Contract. The CITY shall not be considered liable for premium payment, entitled to any premium return or dividend and shall not be considered a member of any mutual or reciprocal company. Minimum limits as outlined below must be provided, with umbrella insurance coverage making up any difference between the policy limits of underlying policies coverage and the total amount of coverage required.

Commercial General Liability coverage must be provided, including bodily injury and property damage liability for premises, operations, products and completed operations, contractual liability and independent contractors. The coverage shall be written on occurrence-type basis. Minimum limits of \$1,000,000 per occurrence and in the aggregate must be provided. The City of Pensacola must be listed as an additional insured.

Business Auto Policy coverage must be provided, including bodily injury and property damage arising out of operation, maintenance or use of owned, non-owned and hired automobiles. Minimum limits of \$1,000,000 CSL must be provided.

Professional Liability insurance coverage must be provided to afford protection for errors and omissions arising out of services provided under, or associated with this contract. Minimum limits of \$1,000,000 per occurrence and \$1,000,000 aggregate must be provided.

Umbrella Liability Insurance coverage shall not be more restrictive than the underlying insurance policy coverages. The coverage shall be written on an occurrence-type basis and the City listed as an additional insured.

CERTIFICATES OF INSURANCE

Required insurance shall be documented in the Certificates of Insurance that lists the specific contract and provides that the CITY shall be notified at least thirty (30) days in advance of cancellation, nonrenewal or adverse change or restriction in coverage. If required by the CITY, the CONTRACTOR shall furnish copies of the CONTRACTOR's insurance policies, forms, endorsements, jackets and other items forming a part of, or relating to such policies. Certificates shall be on the "Certificate of Insurance" form equal to, as determined by the CITY an ACORD 25. Any wording in a Certificate which would make notification of cancellation, adverse change or restriction in coverage to the CITY an option shall be deleted or crossed out by the insurance carrier or the insurance carrier's agent or employee. The CONTRACTOR shall replace any canceled, adversely changed, restricted or non-renewed policies with new policies acceptable to the CITY and shall file with the CITY Certificates of Insurance under the new policies prior to the effective date of such cancellation, adverse change or restriction. If any policy is not timely replaced, in a manner acceptable to the CITY, the CONTRACTOR shall, upon instructions of the CITY, cease all operations under the Contract until directed by the CITY, in writing, to resume operations.

INSURANCE OF THE CONTRACTOR PRIMARY

The CONTRACTOR's required coverage shall be considered primary, and all other insurance shall be considered as excess, over and above the CONTRACTOR's coverage. The CONTRACTOR's policies of coverage will be considered primary as relates to all provisions of the Contract.

LOSS CONTROL AND SAFETY

The CONTRACTOR shall retain control over its employees, agents, servants and subcontractors, as well as control over its invitees, and its activities on and about the subject premises and the manner in which such activities shall be undertaken and to that end, the CONTRACTOR shall not be deemed to be an agent of the CITY. Precaution shall be exercised at all times by the Contractor for the protection of all persons, including employees, and property from harm caused by negligent acts or omissions of the contractor.

HOLD HARMLESS

The Contractor shall indemnify and hold harmless the City of Pensacola, its officers and employees, from any and all liabilities, damages, losses, and costs to the extent caused by the negligence, recklessness or intentional wrongful misconduct of the Contractor and persons employed or utilized by the Contractor in the performance of the contract. The Contractor's obligation shall not be limited by, or in any way to, any insurance coverage or by any provision in or exclusion or omission from any policy of insurance.

PAY ON BEHALF OF THE CITY

The CONTRACTOR agrees to pay on behalf of the CITY, as well as provide a legal defense for the CITY, both of which will be done only if and when requested by the CITY, for all claims as described in the Hold Harmless_paragraph. Such

payment on behalf of the CITY shall be in addition to any and all other legal remedies available to the CITY and shall not be considered to be the CITY's exclusive remedy.

REQUEST FOR QUALIFICATIONS
CONTRACTUALSERVICES
GENERAL CONDITIONS

To ensure acceptance, all respondents submitting qualifications to the City of Pensacola shall be governed by the following conditions, attached specifications, and qualification form(s) unless otherwise specified. Qualifications not submitted on the qualification form(s) provided shall be rejected, and qualifications not complying with these conditions will be subject to rejection. **Multiple submittals from the same entity will not be accepted.**

1. **Alternate Solutions:** During the drafting of written specifications, a sincere effort is made to describe services best suited to the needs of the City. However, the City invites qualifications with alternate solutions to the performance objectives set forth in the specifications, unless a particular specification is expressly identified as mandatory.
2. **Award Determination to be Based on Best Interest of City:** There is no obligation on the part of the City to award a contract to any respondent and the City reserves the right to award a contract to or negotiate a contract with a responsible respondent submitting the most responsive or best alternative qualification for a resulting contract which is most advantageous to and in the best interest of the City. The City shall be the sole judge of the qualification and the resulting contract, and its decision shall be final.
3. **Bond (RFQ):** None.
4. **E-Verify System (Mandatory):** In compliance with the provisions of F.S. 448.095, the parties to this contract and any subcontractors engaged in the performance of this contract hereby certify that they have registered with and shall use the E-Verify system of the United States Department of Homeland Security to verify the work authorization status of all newly hired employees, within the meaning of the statute.
5. **Exceptions to Specifications:** In order that equal consideration be given in evaluating qualifications, any exceptions to or deviations from the specifications as written must be noted and fully explained. The Mayor is the final authority in determining the acceptability of any exceptions to specifications.
6. **Intent of Specifications:** It is the intent of the specifications attached hereto to set forth and describe a certain service(s) to be purchased by the City of Pensacola including all labor, materials, equipment, machinery, tools, apparatus, and means of transportation (including freight costs) necessary to provide the service(s).
7. **Interpretations:** All questions concerning the specifications or conditions shall be directed in writing to the Purchasing Office at least ten (10) days prior to submittal deadline, unless otherwise instructed on the Request for Qualifications Page.

Inquiries must reference the proposed service and the date of the qualification submittal deadline. Interpretations will be made in the form of an addendum placed on the City's website. The City shall not be responsible for any other explanation or interpretation.

8. **Legal Requirements**: All applicable provisions of Federal, State, County, and local laws including all ordinances, rules, and regulations shall govern the development, submittal and evaluation of all qualifications received in response to these specifications, and shall govern any and all claims between person(s) submitting a qualification response hereto and the City of Pensacola, by and through its officers, employees and authorized representatives. A lack of knowledge by the respondent concerning any of the aforementioned shall not constitute a cognizable defense against the legal effect thereof. The respondent agrees that it will not discriminate on the basis of race, creed, color, national origin, sex, age or disability.
9. **Licenses, Registration and Certificates**: Each respondent shall possess at the time of submitting its submittal all licenses, registrations and certificates necessary to engage in the business of contracting (or special contracting if the work to be performed necessitates a particular type of specialty contractor) in the City of Pensacola. Respondent must also possess all licenses, registrations and certificates necessary to comply with federal, state and local laws and regulations. The awarded respondent shall be registered at the time of contract execution as an active vendor with the Florida Department of State, Division of Corporations (www.sunbiz.org).
10. **Mistakes**: Respondents are expected to examine the conditions, scope of work, qualification prices, extensions, and all instructions pertaining to the services involved. Failure to do so will be at the respondent's risk. Unit prices will govern in award.
11. **Permits and Taxes**: The respondent shall procure all permits, pay all charges, fees, and taxes, and give all notices necessary and incidental to the due and lawful prosecution of the work.
12. **Pre-RFQ Meetings**: If an RFQ requires a mandatory pre-RFQ meeting, any representative of a company wishing to submit a qualification must sign in with the name of the responding company.
13. **Prohibited Conduct by Respondents**: Upon the publication of any solicitation for sealed bids, requests for proposals, requests for qualifications, or other solicitation of interest or invitation to negotiate by any authorized representative of the City of Pensacola, any party interested in submitting a bid, qualification, or other response reflecting an interest in participating in the purchasing or contracting process shall be prohibited from engaging in any communication **pertaining to formal solicitations** with any member of Pensacola City Council, the Mayor, or any member of a selection/evaluation committee for RFPs/RFQs, whether directly or

indirectly or through any representative or agent, whether in person, by mail, by facsimile, by telephone, by electronic communications device, or by any other means of communication, until such time as the City has completed all action with respect to the solicitation.

- 14. Protests:** Protests of the plans, specifications, and other requirements of requests for qualifications must be received in writing by the Purchasing Office at least ten (10) business days prior to the scheduled qualification opening. A detailed explanation of the reason for the protest must be included. Protests of the intended award of submittal or contract must be in writing and received in the Purchasing Office within five (5) business days of the notice of intent to award. A detailed explanation of the protest must be included.
- 15. Public Records:** Any material submitted in response to this Request for Qualification will become a public document pursuant to Florida Statute §119.07. This includes material which the responding respondent might consider to be confidential or a trade secret. Any claim of confidentiality is waived upon submission, effective after opening pursuant to Florida Statute §119.07.
- 16. Public Records Law:** The Parties shall each comply with Florida Public Records laws. The Parties hereby contractually agree that each Party shall allow public access to all documents, papers, letters, or other public records as defined in Chapter 119, Florida Statutes, made or received by either Party in conjunction with this agreement, or related thereto, unless a statutory exemption from disclosure exists. Notwithstanding any provision to the contrary, it is expressly agreed that Contractor's failure to comply with this provision, within seven (7) days of notice from the City, shall constitute an immediate and material breach of contract for which the City may, in the City's sole discretion, unilaterally terminate this agreement without prejudice to any right or remedy.
- 17. Qualification Withdrawals:** No qualification may be withdrawn after closing time for receipt of qualifications for a period of sixty (60) days thereafter. The contract award shall be legally binding at the time of award by City Council or Mayor.
- 18. Rejection of Qualifications:** The City of Pensacola reserves the right to accept or reject any or all qualifications, to award qualifications on a split-order basis by item or service number, to waive any irregularities, technicalities, or informalities, and to re-advertise for qualifications when deemed in the best interest of the City of Pensacola.
- 19. Sealed Qualifications:** The specifications and all executed qualification forms must be submitted in a sealed envelope. All qualifications must be signed by an authorized representative of the respondent. In the event more than one qualification submittal deadline is scheduled for the same date and time, do not include qualifications concerning different sets of specifications within the same envelope. **The face of the sealed envelope shall be plainly marked**

identifying the respondent, the RFQ title and the RFQ number. It shall be the sole responsibility of the respondent to assure receipt of qualification at the Purchasing Office prior to the published time for the qualification submittal deadline. No qualification will be accepted after closing time for receipt of qualifications, **nor will any offers by telephone, fax, internet or email be accepted.**

20. Tax: The City of Pensacola is exempt from all State and local sales tax.

21. Termination for Convenience: A contract may be terminated in whole or in part by the City at any time and for any reason in accordance with this clause whenever the City shall determine that such termination is in the best interest of the City. Any such termination shall be effected by the delivery to the contractor at least thirty (30) business days before the effective date of a Notice of Termination specifying the extent to which performance shall be terminated and the date upon which termination becomes effective. An equitable adjustment in the contract price shall be made for the completed service, but no amount shall be allowed for anticipated profit on unperformed services.

22. Unauthorized Aliens: The City of Pensacola shall consider the employment by any contracted vendor of unauthorized aliens a violation of Section 274A of the Immigration and Nationality Act. Such violation shall be cause for unilateral termination of this contract.

ANY AND ALL SPECIAL CONDITIONS AND SPECIFICATIONS ATTACHED HERETO WHICH VARY FROM THESE GENERAL CONDITIONS SHALL HAVE PRECEDENCE.

QUALIFICATION NO. 25-011

LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES

Signature Sheet

The undersigned, as Vendor, does declare that no other persons other than the Vendor herein named has any interest in this Qualification or in the contract to be taken, and that it is made without any connection with any other person or persons presenting a Qualification for the same articles, and it is in all respects fair and without collusion or fraud. The undersigned further declares that he has carefully examined the specifications and is thoroughly familiar with their provisions and penalties.

Survey: How did you obtain this solicitation?

☐ City of Pensacola website ☐ Central Bidding ☐ Demandstar

Other: _____

Signature _____ Date: _____

Printed Name: _____ Title: _____

Company: _____ Address: _____

Telephone: _____ City: _____

Fax: _____ State: _____ Zip: _____

E-mail: _____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

State of Florida
Affidavit Regarding the Use of Coercion for Labor and Services
Pursuant to Florida Statute 787.06(13)

Vendor Name: _____
Vendor FEIN: _____ Phone Number: _____
Vendor's Authorized Representative Name and Title: _____
Address: _____
City: _____ State: _____ ZIP: _____
Email Address: _____

Section 787.06(13) Florida Statutes requires all nongovernmental entities executing, renewing, or extending a contract with a governmental entity to provide an affidavit signed by an officer or representative of the nongovernmental entity under penalty of perjury that the nongovernmental entity does not use coercion for labor or services.

The undersigned hereby certifies that he/she is an officer or authorized representative of the vendor identified above and that said vendor does not use coercion for labor or services as defined in Section 787.06 Florida Statutes.

Florida Statute 787.06

(2)(a) "Coercion" means:

1. *Using or threatening to use physical force against any person;*
2. *Restraining, isolating, or confining or threatening to restrain, isolate, or confine any person without lawful authority and against her or his will;*
3. *Using lending or other credit methods to establish a debt by any person when labor or services are pledged as a security for the debt, if the value of the labor or services as reasonably assessed is not applied toward the liquidation of the debt, the length and nature of the labor or services are not respectively limited and defined;*
4. *Destroying, concealing, removing, confiscating, withholding, or possessing any actual or purported passport, visa, or other immigration document, or any other actual or purported government identification document, of any person;*
5. *Causing or threatening to cause financial harm to any person;*
6. *Enticing or luring any person by fraud or deceit; or*
7. *Providing a controlled substance as outlined in Schedule I or Schedule II of s. 893.03 to any person for the purpose of exploitation of that person.*

(2)(e) "Labor" means work of economic or financial value.

(2)(h) "Services" means any act committed at the behest of, under the supervision of, or for the benefit of another. The term includes, but is not limited to, forced marriage, servitude, forced marriage, servitude, or the removal of organs.

Under penalties of perjury, I declare that I have read the foregoing document and that the facts stated in it are true.

By: _____
AUTHORIZED SIGNATURE

Print Name and Title: _____

Date: _____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

**52.209-5 FAR Certification Regarding Debarment, Suspension,
Proposed Debarment, and Other Responsibility Matters**

1. The Offeror certifies, to the best of its knowledge and belief, that the Offeror and/or any of its Principals:
 - A. Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency.
 - B. Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and
 - C. Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph 1-B of this provision.
2. The Offeror has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.
 - A. "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

This Certification Concerns a Matter Within the Jurisdiction of an Agency of the United States and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution Under Section 1001, Title 18, United States Code.

- B. The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- C. A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.
- D. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- E. The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

Company Name: _____

Date: _____

Authorized

Signature: _____ Printed Name: _____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

52.209-6 FAR Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment

1. The Government suspends or debar Contractors to protect the Government's interests. The Contractor shall not enter into any subcontract in excess of \$25,000 with a Contractor debarred, suspended, or proposed for debarment unless there is a compelling reason to do so.
2. The Contractor shall require each proposed first-tier subcontractor, whose subcontract will exceed \$25,000, to disclose to the Contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the Federal Government.
3. A corporate officer or a designee of the Contractor shall notify the Contracting Officer, in writing, before entering into a subcontract with a party debarred, suspended, or proposed for debarment (see FAR 9.404 for information on the Excluded Parties List System). The notice must include the following:
 - A. The name of the subcontractor.
 - B. The Contractor's knowledge of the reasons for the subcontractor being in the Excluded Parties List System.
 - C. The compelling reason(s) for doing business with the subcontractor notwithstanding its inclusion in the Excluded Parties List System.
 - D. The systems and procedures the Contractor has established to ensure that it is fully protecting the Government's interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.

Company Name

Authorized Signature

Printed Name

Date

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

DRUG-FREE WORKPLACE CERTIFICATE

IDENTICAL TIE BIDS - Pursuant to Section 287.087, Florida Statutes, preference shall be given to business with Drug-Free Workplace Programs. Whenever two or more bids which are equal with respect to price, quality, and service are received for the procurement of commodities or contractual services, a bid received from a business that certifies that it has implemented a Drug-Free Workplace Program shall be given preference in the award process. Established procedures for processing tie bids will be followed if none of the tied vendors have a Drug-Free Workplace Program. In order to have a Drug-Free Workplace Program, a business shall:

- 1) Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
- 2) Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a Drug-Free Workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
- 3) Give each employee engaged in providing the commodities or contractual services under bid a copy of the statement specified in subsection (1).
- 4) In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
- 5) Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
- 6) Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

AS THE PERSON AUTHORIZED TO SIGN THE STATEMENT, I CERTIFY THAT THIS COMPANY COMPLIES FULLY WITH THE ABOVE REQUIREMENTS.

Signature

Printed Name

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

VETERAN BUSINESS ENTERPRISE STATEMENT

In order to foster economic development and business opportunities for service- disabled veterans and wartime veterans who have made extraordinary sacrifices on behalf of the nation, the City of Pensacola has adopted a Veteran Business Enterprise (“VBE”) Preference. For further information regarding this program, please refer to Section 3-3-12 AND 3-3-13 of the Code of the City of Pensacola.

In order for a respondent to receive credit for being VBE vendor, it must perform useful business functions on the contract, have its principal place of business in Escambia or Santa Rosa County and be certified as a veteran business enterprise by the State of Florida Department of Management Services (“DMS”) as set forth in Section 295.187 of the Florida Statutes as of the date set for submittal of bids. For purposes of the City’s VBE Program, the respondent’s principal place of business must be within Escambia County, FL, or Santa Rosa County, FL.

There shall be no third-party beneficiaries of the Veteran Business Enterprise Preference provisions of this solicitation or resulting contract. The City of Pensacola shall have the exclusive means of enforcement of the Veteran Business Enterprise Preference Ordinance and any contract terms. The City of Pensacola is the sole judge of compliance. All solicitations and submittals awarded will be evaluated in accordance with the Code of the City of Pensacola.

If the Respondent is a qualifying VBE, please complete the boxes below:
If not, please mark N/A.

Respondent’s Name:	Respondent’s Principle Place of Business	Florida Certification Number as issued by State of Florida DMS:

THIS FORM MUST BE SUBMITTED WITH RESPONSE.

MINORITY AND WOMEN BUSINESS ENTERPRISE STATEMENT

The City has implemented a Minority/Women Business Enterprise (MWBE) program to assist certified minority- and women-owned businesses with identifying and participating in City of Pensacola procurement and construction opportunities as set in the Code of the City of Pensacola, Ordinance No. 4-15.

In order for a respondent to receive credit for being a MWBE vendor, it must perform useful business functions on the contract, have its principal place of business in Escambia, Santa Rosa, Okaloosa, Walton County in Florida or Mobile, Alabama, and have received a certification letter issued from the City of Pensacola.

There shall be no third-party beneficiaries of the Minority and Women Business Enterprise provisions of this solicitation or resulting contract. The City of Pensacola shall have the exclusive means of enforcement of the Minority and Women Business Enterprise Ordinance and any contract terms. The City of Pensacola is the sole judge of compliance. All solicitations and submittals awarded will be evaluated in accordance with the Code of the City of Pensacola.

Respondent's Name:	Respondent's Principal Place of Business

If your firm is partnering with or subcontracting with a certified M/WBE, please provide the information requested below.

<u>NAME OF M/WBE FIRM</u>	<u>PARTNER OR SUBCONTRACTOR</u>	<u>% OF CONTRACT PERFORMANCE</u>
1. _____		
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

CITY OF PENSACOLA
SMALL BUSINESS ENTERPRISE STATEMENT

The Pensacola City Council adopted a Small Business Enterprise Ordinance #61-89. This ordinance encourages participation of small business in the City procurement process. Participation goals will be provided on a project-by-project basis, based on the availability of certified small businesses.

A Small Business is defined as an independently owned and operated business employing 50 or fewer permanent full-time employees and having a net worth of not more than \$1 million. The business must be located in Escambia or Santa Rosa County.

You must provide the following information sought in the accompanying forms for your submittal to be considered responsive:

RFQs **with** a specified Small Business Enterprise (SBE) goal will include a Bidder Questionnaire, Sub-contractor Solicitation, SBE Intent to Perform as a Sub-contractor and SBE Participation forms.

RFQs **without** a specified Small Business Enterprise (SBE) goal will include a Bidder Questionnaire form only.

BIDDER QUESTIONNAIRE

Name of Business _____

Address _____

Owner's Name _____ Phone _____

If your company has been awarded a bid by the City of Pensacola as a prime or sub-contractor in the past five years, please list those projects.

	<u>PROJECT NAME</u>	<u>YEAR</u>	<u>DOLLAR AMOUNT</u>	<u>PRIME OR SUB.</u>
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

STATEMENT OF NO RESPONSE
Bid/RFP/RFQ #25-011

If you are unable to submit a proposal at this time, please complete the following and return by e-mail to purchasing@cityofpenscola.com. Your choices or comments below will assist us in properly notifying you of future opportunities.

We have declined to respond to the solicitation for the following reason(s):

SPECIFICATIONS

- ☐ Specifications too "tight" (i.e., limited to one brand or manufacturer)
- ☐ Specifications unclear
- ☐ Unable to meet specifications

NATURE OF AWARD

- ☐ Insufficient time to respond
- ☐ Equivalent options not offered
- ☐ Other (please explain below)

Explanation:

We request to:

- ☐ remain in this service category for future City of Pensacola solicitations.
- ☐ be removed from this service category and remain on the City's solicitation list.
- ☐ be removed from the City's solicitation list.

Company Name: _____

Officer Name: _____ Title: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Office: (____) _____ Fax: (____) _____

Email: _____

Signature of Officer: _____ Date: _____

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

**EVALUATION SHEET
RFQ NO.: 25-011**

LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES

Name of Firm(s): _____

Reviewer: _____

Points Available: 90

- | | |
|--|-----------------|
| 1. Company Experience | 20 Points _____ |
| a. Relevant project experience | |
| b. Years in business | |
| 2. Financial Capability and Bondability | 10 Points _____ |
| a. Resources and working capital | |
| b. Evidence of bonding capacity | |
| 3. Team Composition | 15 Points _____ |
| a. Appropriate letter of commitment | |
| b. Qualifications and years of experience of key personnel | |
| c. Licensed staff | |
| 4. Professionalism | 20 Points _____ |
| a. Written responses to professional characteristic | |
| b. Team professional appearance | |
| 5. Troubleshooting Capabilities | 10 Points _____ |
| a. Past example of Troubleshooting | |
| b. Problem-solving approach | |
| 6. Quality of Submission | 10 Points _____ |
| a. Clarity and thoroughness | |
| b. Adherence to submission guidelines | |
| 7. Certification as or partnership with a City-certified Small,
Minority or Woman-owned Business Enterprise | 3 Points _____ |
| 8. Certification as or partnership with a City-eligible Veteran
Business Enterprise Firm | 2 Points _____ |

Total Points _____

Notes: _____

EXHIBIT B

RFQ

RESPONSE

The RFQ Response, dated December 10, 2024, which Contractor submitted in response to the RFQ Documents (Exhibit A). The RFQ Response includes all attachments and addenda submitted by Contractor.

QUALIFICATION NO. 25-011

LANDSCAPE INSTALLATION AND MAINTENANCE SERVICES

Signature Sheet

The undersigned, as Vendor, does declare that no other persons other than the Vendor herein named has any interest in this Qualification or in the contract to be taken, and that it is made without any connection with any other person or persons presenting a Qualification for the same articles, and it is in all respects fair and without collusion or fraud. The undersigned further declares that he has carefully examined the specifications and is thoroughly familiar with their provisions and penalties.

Survey: How did you obtain this solicitation?

☒ City of Pensacola website ☐ Central Bidding ☐ Demandstar

Other: _____

Signature Cindy Mills Date: 12/10/2024

Printed Name: CINDY MILLS Title: General Manager

Company: The Wallace Company Address: 3607 Andrew Avenue

Telephone: 850.434.1199 City: Pensacola

Fax: 850.434.1191 State: Florida Zip: 32505

E-mail: Cindy@thewallacecompany.com

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

State of Florida
Affidavit Regarding the Use of Coercion for Labor and Services
Pursuant to Florida Statute 787.06(13)

Vendor Name: The Wallace Company
Vendor FEIN: 59-1756060 Phone Number: 850-434-1199
Vendor's Authorized Representative Name and Title: Cindy Mills General Manager
Address: 3607 Andrew Avenue
City: Pensacola State: Florida ZIP: 32505
Email Address: Cindy@thewallacecompany.com

Section 787.06(13) Florida Statutes requires all nongovernmental entities executing, renewing, or extending a contract with a governmental entity to provide an affidavit signed by an officer or representative of the nongovernmental entity under penalty of perjury that the nongovernmental entity does not use coercion for labor or services.

The undersigned hereby certifies that he/she is an officer or authorized representative of the vendor identified above and that said vendor does not use coercion for labor or services as defined in Section 787.06 Florida Statutes.

Florida Statute 787.06

(2)(a) "Coercion" means:

1. Using or threatening to use physical force against any person;
2. Restraining, isolating, or confining or threatening to restrain, isolate, or confine any person without lawful authority and against her or his will;
3. Using lending or other credit methods to establish a debt by any person when labor or services are pledged as a security for the debt, if the value of the labor or services as reasonably assessed is not applied toward the liquidation of the debt, the length and nature of the labor or services are not respectively limited and defined;
4. Destroying, concealing, removing, confiscating, withholding, or possessing any actual or purported passport, visa, or other immigration document, or any other actual or purported government identification document, of any person;
5. Causing or threatening to cause financial harm to any person;
6. Enticing or luring any person by fraud or deceit; or
7. Providing a controlled substance as outlined in Schedule I or Schedule II of s. 893.03 to any person for the purpose of exploitation of that person.

(2)(e) "Labor" means work of economic or financial value.

(2)(h) "Services" means any act committed at the behest of, under the supervision of, or for the benefit of another. The term includes, but is not limited to, forced marriage, servitude, forced marriage, servitude, or the removal of organs.

Under penalties of perjury, I declare that I have read the foregoing document and that the facts stated in it are true.

By: Cindy Mills

AUTHORIZED SIGNATURE

Print Name and Title: Cindy Mills General Manager

Date: 12/10/2024

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

**52.209-5 FAR Certification Regarding Debarment, Suspension,
Proposed Debarment, and Other Responsibility Matters**

1. The Offeror certifies, to the best of its knowledge and belief, that the Offeror and/or any of its Principals:
 - A. Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency.
 - B. Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and
 - C. Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph 1-B of this provision.
2. The Offeror has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

- A. "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

This Certification Concerns a Matter Within the Jurisdiction of an Agency of the United States and the Making of a False, Fictitious, or Fraudulent Certification May Render the Maker Subject to Prosecution Under Section 1001, Title 18, United States Code.

- B. The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- C. A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.
- D. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- E. The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

Company Name: The Wallace Company

Date: 12/10/2024

Authorized Signature: Cindy Mills

Printed Name: CINDY MILLS

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

52.209-6 FAR Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment

1. The Government suspends or debar Contractors to protect the Government's interests. The Contractor shall not enter into any subcontract in excess of \$25,000 with a Contractor debarred, suspended, or proposed for debarment unless there is a compelling reason to do so.
2. The Contractor shall require each proposed first-tier subcontractor, whose subcontract will exceed \$25,000, to disclose to the Contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by the Federal Government.
3. A corporate officer or a designee of the Contractor shall notify the Contracting Officer, in writing, before entering into a subcontract with a party debarred, suspended, or proposed for debarment (see FAR 9.404 for information on the Excluded Parties List System). The notice must include the following:
 - A. The name of the subcontractor.
 - B. The Contractor's knowledge of the reasons for the subcontractor being in the Excluded Parties List System.
 - C. The compelling reason(s) for doing business with the subcontractor notwithstanding its inclusion in the Excluded Parties List System.
 - D. The systems and procedures the Contractor has established to ensure that it is fully protecting the Government's interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.

The Wallace Company
Company Name

Cindy Mills
Authorized Signature

CINDY MILLS
Printed Name

12/10/2024
Date

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

DRUG-FREE WORKPLACE CERTIFICATE

IDENTICAL TIE BIDS - Pursuant to Section 287.087, Florida Statutes, preference shall be given to business with Drug-Free Workplace Programs. Whenever two or more bids which are equal with respect to price, quality, and service are received for the procurement of commodities or contractual services, a bid received from a business that certifies that it has implemented a Drug-Free Workplace Program shall be given preference in the award process. Established procedures for processing tie bids will be followed if none of the tied vendors have a Drug-Free Workplace Program. In order to have a Drug-Free Workplace Program, a business shall:

- 1) Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
- 2) Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a Drug-Free Workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
- 3) Give each employee engaged in providing the commodities or contractual services under bid a copy of the statement specified in subsection (1).
- 4) In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
- 5) Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
- 6) Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

AS THE PERSON AUTHORIZED TO SIGN THE STATEMENT, I CERTIFY THAT THIS COMPANY COMPLIES FULLY WITH THE ABOVE REQUIREMENTS.


Signature


Printed Name

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

VETERAN BUSINESS ENTERPRISE STATEMENT

In order to foster economic development and business opportunities for service- disabled veterans and wartime veterans who have made extraordinary sacrifices on behalf of the nation, the City of Pensacola has adopted a Veteran Business Enterprise ("VBE") Preference. For further information regarding this program, please refer to Section 3-3-12 AND 3-3-13 of the Code of the City of Pensacola.

In order for a respondent to receive credit for being VBE vendor, it must perform useful business functions on the contract, have its principal place of business in Escambia or Santa Rosa County and be certified as a veteran business enterprise by the State of Florida Department of Management Services ("DMS") as set forth in Section 295.187 of the Florida Statutes as of the date set for submittal of bids. For purposes of the City's VBE Program, the respondent's principal place of business must be within Escambia County, FL, or Santa Rosa County, FL.

There shall be no third-party beneficiaries of the Veteran Business Enterprise Preference provisions of this solicitation or resulting contract. The City of Pensacola shall have the exclusive means of enforcement of the Veteran Business Enterprise Preference Ordinance and any contract terms. The City of Pensacola is the sole judge of compliance. All solicitations and submittals awarded will be evaluated in accordance with the Code of the City of Pensacola.

If the Respondent is a qualifying VBE, please complete the boxes below:

If not, please mark N/A.

Respondent's Name:	Respondent's Principle Place of Business	Florida Certification Number as issued by State of Florida DMS:
N/A	N/A	N/A

THIS FORM MUST BE SUBMITTED WITH RESPONSE.

MINORITY AND WOMEN BUSINESS ENTERPRISE STATEMENT

The City has implemented a Minority/Women Business Enterprise (MWBE) program to assist certified minority- and women-owned businesses with identifying and participating in City of Pensacola procurement and construction opportunities as set in the Code of the City of Pensacola, Ordinance No. 4-15.

In order for a respondent to receive credit for being a MWBE vendor, it must perform useful business functions on the contract, have its principal place of business in Escambia, Santa Rosa, Okaloosa, Walton County in Florida or Mobile, Alabama, and have received a certification letter issued from the City of Pensacola.

There shall be no third-party beneficiaries of the Minority and Women Business Enterprise provisions of this solicitation or resulting contract. The City of Pensacola shall have the exclusive means of enforcement of the Minority and Women Business Enterprise Ordinance and any contract terms. The City of Pensacola is the sole judge of compliance. All solicitations and submittals awarded will be evaluated in accordance with the Code of the City of Pensacola.

Respondent's Name:	Respondent's Principal Place of Business
N/A	N/A

If your firm is partnering with or subcontracting with a certified M/WBE, please provide the information requested below.

<u>NAME OF M/WBE FIRM</u>	<u>PARTNER OR SUBCONTRACTOR</u>	<u>% OF CONTRACT PERFORMANCE</u>
1. _____		
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

CITY OF PENSACOLA SMALL BUSINESS ENTERPRISE STATEMENT

The Pensacola City Council adopted a Small Business Enterprise Ordinance #61-89. This ordinance encourages participation of small business in the City procurement process. Participation goals will be provided on a project-by-project basis, based on the availability of certified small businesses.

A Small Business is defined as an independently owned and operated business employing 50 or fewer permanent full-time employees and having a net worth of not more than \$1 million. The business must be located in Escambia or Santa Rosa County.

You must provide the following information sought in the accompanying forms for your submittal to be considered responsive:

RFQs **with** a specified Small Business Enterprise (SBE) goal will include a Bidder Questionnaire, Sub-contractor Solicitation, SBE Intent to Perform as a Sub-contractor and SBE Participation forms.

RFQs **without** a specified Small Business Enterprise (SBE) goal will include a Bidder Questionnaire form only.

BIDDER QUESTIONNAIRE

Name of Business The Wallace Company

Address 3607 Andrew Avenue Pensacola, FL 32505

Owner's Name Victor Wallace Phone 850-434-1199

If your company has been awarded a bid by the City of Pensacola as a prime or sub-contractor in the past five years, please list those projects.

PROJECT NAME	YEAR	DOLLAR AMOUNT	PRIME OR SUB.
1. Garden Street Landscaping-A Street to Alcaniz	2022	\$564,391.80	Prime
2. Devilliers Street Revitalization	2020	\$144,335.00	Sub
3. Pensacola International Airport	2020	\$37,750.00	Sub
4. Plaza De Luna	2022	\$34,300.00	Sub
5. Pensacola International Airport Tiffin Ave. Parking Lot	2024	\$101,785.62	Sub
6. Garden Street Landscaping-A Street to Alcaniz	2024	\$49,917.71	Prime
Maritime Park	2019		
Admiral Mason Park			
Corrine Jones Park	2019		

THIS FORM MUST BE INCLUDED IN SUBMITTAL.

STATE OF FLORIDA
Department of Agriculture and Consumer Services
BUREAU OF LICENSING AND ENFORCEMENT

Date File No. Expires
June 6, 2024 JB189369 May 31, 2025

THE PEST CONTROL COMPANY FIRM NAMED BELOW HAS
REGISTERED UNDER THE PROVISIONS OF CHAPTER 482 FOR THE
PERIOD EXPIRING: May 31, 2025 AT

3607 ANDREW AVE
PENSACOLA, FL 32505

THE WALLACE COMPANY
PO BOX 1313
GULF BREEZE, FL 32562

Lawn and Ornamental


WILTON SIMPSON, COMMISSIONER

STATE OF FLORIDA
Department of Agriculture and Consumer Services
BUREAU OF LICENSING AND ENFORCEMENT

THE WALLACE COMPANY
3607 ANDREW AVE
PEST CONTROL COMPANY FIRM

JB189369

HAS PAID THE FEE REQUIRED BY CHAPTER 482 FOR THE PERIOD
EXPIRING May 31, 2025


COMMISSIONER

Signature

Wallet Card
Wallet Card - Fold Here

BUREAU OF LICENSING & ENFORCEMENT
3125 CONNER BLVD, BLDG. 8
TALLAHASSEE, FLORIDA 32399-1650

Cut
here



BOARD OF COUNTY COMMISSIONERS ESCAMBIA COUNTY, FLORIDA

Construction Competency Board • Board of Electrical Examiners

Building Services Department
3363 West Park Place, Pensacola, FL 32505
PH: (850) 595-3550 ~ FAX: (850) 595-3401
Email: contractorlicense@myescambia.com

Escambia County Board of Contractor Competency Examiners Letter of Good Standing

July 13, 2022

Okaloosa County Dept. Of Growth Mgmt.
Attn: Contractor Licensing
812 E. James Lee Blvd.
Crestview, FL 32539

Re: Victor Wallace
Escambia County Contractor Competency License No.: SP0507

To whom it may concern:

This **Letter of Good Standing** is to verify that our records indicate **Mr. Victor Wallace** has been licensed in *Escambia County* since the year of **2018**. Although we do not have a copy of **Mr. Wallace** passing test scores, the requirements at the time of **Mr. Wallace** obtaining his licensure was at the minimum a **75%** (a proctored exam) or higher score for the **Irrigation Exam** trade and a **75%** (a proctored exam) or higher score for the **Business and Law exam**. We can confirm that **Mr. Wallace** made the minimum requirement because he obtained licensure in Escambia County.

Mr. Wallace has consistently maintained an active license since his testing and has remained in good standing within our jurisdiction here in Escambia County. **Mr. Wallace** also, was a sitting member on Escambia County Competency Board.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Hampton".

Jennifer Hampton
Secretary to the
Escambia County Contractor Competency Board
& Board of Electrical Examiners

Florida Department of Agriculture and Consumer Services



CERTIFICATE OF STOCK DEALER REGISTRATION

Section 581.131, F.S. and Rule 5B-2.002, F.A.C

1911 S.W. 34th St. P.O. Box 147100, Gainesville, FL 32614-7100 (352) 395-4700

WILTON SIMPSON
COMMISSIONER

ISSUED TO:

THE WALLACE COMPANY
WALLACE SPRINKLER & SUPPLY, INC.
PO BOX 1313
GULF BREEZE, FL 32562-1313

THIS CERTIFICATE EXPIRES: 04/10/2025

FEE PAID: \$25.00

REGISTRATION NO.: 48024449

DATE ISSUED: 03/08/2024

THIS IS TO CERTIFY that the person or business firm listed hereon has been issued this Stock Dealer's Certificate after having filed with the Division of Plant Industry a signed application giving the source of nursery stock to be sold and has agreed to deal only in nursery stock that has been inspected by a duly authorized inspector of the Division of Plant Industry and accompanied by valid certificate tags and otherwise moved in conformity with the rules and regulations of the Division of Plant Industry.

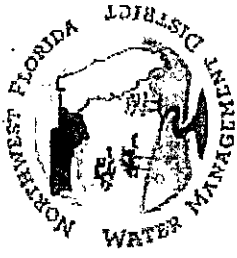
WILTON SIMPSON
Commissioner of Agriculture

FDACS-08023 Revised 03/05



STATE OF FLORIDA

Water Well Contractor License



Issued To

Vic Wallace

By

Northwest Florida Water Management District

Pursuant to Chapter 373, Florida Statutes

License Number

2271

A handwritten signature in black ink, appearing to read "Andrew Salzman".

Division Director of Regulatory Services

Issue Date: June 9, 2023

Expires: July 31, 2025

State of Florida

Department of State

I certify from the records of this office that WALLACE SPRINKLER & SUPPLY, INC. is a corporation organized under the laws of the State of Florida, filed on August 24, 1977.

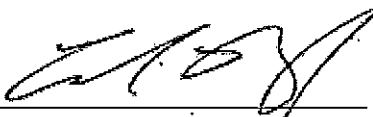
The document number of this corporation is 543761.

I further certify that said corporation has paid all fees due this office through December 31, 2024, that its most recent annual report/uniform business report was filed on January 15, 2024, and that its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

*Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this
the Fifteenth day of January, 2024*




Secretary of State

Tracking Number: 7305022298CC

To authenticate this certificate, visit the following site, enter this number, and then follow the instructions displayed.

<https://services.sunbiz.org/Filings/CertificateOfStatus/CertificateAuthentication>

STATE OF FLORIDA
Department of Agriculture and Consumer Services
BUREAU OF LICENSING AND ENFORCEMENT

Date	File No.	Expires
April 30, 2024	JF4117	June 1, 2025

THE CERTIFIED PEST CONTROL OPERATOR NAMED BELOW HAS
REGISTERED UNDER THE PROVISIONS OF CHAPTER 482 FOR THE
PERIOD EXPIRING: June 1, 2025

MICHAEL E HAND
5642 SANDSTONE DR
PACE, FL 32571

Lawn and Ornamental


WILTON SIMPSON, COMMISSIONER

STATE OF FLORIDA
Department of Agriculture and Consumer Services
BUREAU OF LICENSING AND ENFORCEMENT

MICHAEL E HAND
CERTIFIED PEST CONTROL OPERATOR

JF4117

HAS PAID THE FEE REQUIRED BY CHAPTER 482 FOR THE PERIOD
EXPIRING June 1, 2025



WILTON SIMPSON
COMMISSIONER

Signature

Wallet Card
Wallet Card - Fold Here

BUREAU OF LICENSING & ENFORCEMENT
3125 CONNER BLVD, BLDG. 8
TALLAHASSEE, FLORIDA 32399-1650

Cut
here



Escambia County Building Services

3363 West Park Place

Pensacola, Florida 32505

Phone: (850) 595-3550 ~ Fax: (850) 595-3401

contractorlicense@myescambia.com

BELOW IS YOUR NEW ESCAMBIA COUNTY CONTRACTOR CERTIFICATE OF COMPETENCY (LICENSE):

Expired or cancelled insurance automatically inactivates a license. Proof of current insurance must be provided in order to reactivate the license. Any license may be put on inactive status for an annually paid fee.

Name, address, or status change must be sent to this office within thirty (30) days to change.

24-Hour Automated IVR Line: (850) 595-0881

Fax: (850) 595-3401



Escambia County Building Services
Contractor Competency Board

Board of Electrical Examiners
Pensacola, Florida

Contractor's Name: VICTOR WALLACE Sr.

Business Name: WALLACE SPRINKLER & SUPPLY, INC

Category: SP (Lawn Sprinkler)

License #: SP0507

Issued: 3/4/2024

Exp. Date: 4/23/2025

LICENSED UNDER CH.489, FLORIDA STATUTES & ESCAMBIA COUNTY CODE OF ORDINANCES CH.18

SERVICES

For any questions, please call our office at 850-595-3550

Revised 08/18



Escambia County Building Services

3363 West Park Place
Pensacola, Florida 32505

Phone: (850) 595-3550 ~ Fax: (850) 595-3401
contractorlicense@myescambia.com

BELOW IS YOUR NEW ESCAMBIA COUNTY CONTRACTOR CERTIFICATE OF COMPETENCY (LICENSE):

Expired or cancelled insurance automatically inactivates a license. Proof of current insurance must be provided in order to reactivate the license. Any license may be put on inactive status for an annually paid fee.

Name, address, or status change must be sent to this office within thirty (30) days to change.

24-Hour Automated IVR Line: (850) 595-0881

Fax: (850) 595-3401



Escambia County Building Services
Contractor Competency Board

Board of Electrical Examiners
Pensacola, Florida

Contractor's Name: VICTOR WALLACE Jr.

Business Name: WALLACE SPRINKLER & SUPPLY, INC

Category: RW (Retaining Wall Contractor)

License #: RW0003

Issued: 3/4/2024 Exp. Date: 5/3/2025

LICENSED UNDER CH.489, FLORIDA STATUTES & ESCAMBIA COUNTY CODE OF ORDINANCES CH.18

SERVICES

For any questions, please call our office at 850-595-3550

Revised 08/18

CITY OF PENSACOLA, FLORIDA

LOCAL BUSINESS TAX

D.C. Reeves, Mayor

2024 - 2025

ACCOUNT # 118815

LOCATION 3607 ANDREW AVE
PENSACOLA, FL 32505

EXPIRES 09/30/2025

RECEIPT # 109589

OWNER(S) WALLACE VICTOR C

030000 Motor Vehicle Permit-Outside

Post in Conspicuous Place

WALLACE SPRINKLER & SUPPLY INC
PO BOX 1313
GULF BREEZE, FL 32562



WALLSPR-03

DSTEWART

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/2/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES FLOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
M.E. Wilson Company LLC dba Underwood Anderson Insurance
2302 North 9th Avenue
Pensacola, FL 32503

CONTACT NAME: Dixie Lee Stewart

PHONE (A/C, No, Ext): (850) 434-5526

FAX (A/C, No): (850) 438-0330

E-MAIL ADDRESS: dixie@underwoodanderson.com

INSURED
Wallace Sprinkler & Supply Inc
DBA The Wallace Company
P.O. Box 1313
Gulf Breeze, FL 32562

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A: Southern Owners Insurance

10190

INSURER B: Auto Owners Insurance Company

18988

INSURER C: Technology Insurance Company Inc.

42376

INSURER D:

INSURER E:

INSURER F:

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PROJECT ☐ LOC OTHER:	X	X	78622455	5/7/2024	5/7/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY	X	X	4762245500	5/7/2024	5/7/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ PIP \$ 10,000
B	☒ UMBRELLA LIAB ☒ EXCESS LIAB ☐ DED ☐ RETENTION \$			4762245501	5/7/2024	5/7/2025	EACH OCCURRENCE \$ 3,000,000 AGGREGATE \$ 3,000,000 Prod/Comp Ops \$ 3,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	TWC4458075	6/26/2024	6/26/2025	☒ PER STATUTE ☐ OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Leased/Rented Equip			78622455	5/7/2024	5/7/2025	Limit \$ 150,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Project: Garden Street Landscaping - From A Street to Alcaniz Street

Community Redevelopment Agency is an Additional Insured on a primary and non-contributory basis with regards to the General Liability as required by written contract. Community Redevelopment Agency is a Designated Insured with regards to the Auto Liability as required by written contract. Waiver of Subrogation in favor of Florida Department of Transportation applies to the General Liability, Auto Liability and Workers Compensation as required by written contract. 30 Day Notice of Cancellation Applies to the General Liability and Auto Liability. Umbrella follows form.

CERTIFICATE HOLDER

CANCELLATION

City of Pensacola
Department of Risk Management
PO Box 12910
Pensacola, FL 32521

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



www.underwoodanderson.com
agency@underwoodanderson.com
P: 850-434-5526 F: 850-438-0330

Your Insurance and Financial Services Agency; Educating and Protecting Those We Serve!

7/12/2024

Wallace Sprinkler & Supply Inc
P.O. Box 1313
Gulf Breeze FL 32562

RE: Bonding

To Whom It May Concern,

Wallace Sprinkler & Supply has been able to consistently procure binding through our agency for the last 16 years. We can ensure they can get bonded for up to \$2.5 million. If you have any questions feel free to give me a call.

Sincerely,

A handwritten signature in black ink, appearing to read 'OS', is positioned above the typed name.

Oliver Sumlin
Partner/Agent
Underwood Anderson



THE WALLACE COMPANY

COMPLETE LANDSCAPE SOLUTIONS

Since 1973, the professionals at The Wallace Company located at 3607 Andrew Avenue in Pensacola, Florida, 32505, have developed their reputation as a premiere, full-service landscaping contractor. This includes irrigation installs and repairs, landscaping, hardscaping, lighting, enhancements and lawn maintenance in the areas of Pensacola, Gulf Breeze, and Northwest Florida. We are located just 10 minutes from the City of Pensacola-City Hall. Providing expert services for residential and commercial clientele, our Pensacola landscaping professionals take pleasure in creating unique landscapes that naturally flow with your property's design, while holding their own individual strength and beauty.

We currently have 102 full time employees across all of our departments. From basic lawn and landscape maintenance to large-scale new landscaping installations and features, our skilled team of designers and landscapers are ready to transform your property. Choose the best for your landscaping needs to ensure a beautifully maintained and thriving outdoor space that enhances the value and appeal of your property.

The Wallace Company is incorporated by the Secretary of State. Copies will be provided in the packet.

Documentation provided in the packet will show that we are able to obtain a bond for 2.5 million dollars through our insurance agency. We have not had any litigation, major disputes, contract defaults, or liens in the last 10 years.

We have not had any issues with contracts being revoked or contracts being awarded and not executed.

A copy of our license with the City of Pensacola will be provided in the packet.

Trip Bellinger is current management that has been and will be involved in helping to maintain all major aspects of projects with the City of Pensacola. His contact email address is trip@thewallacecompany.com and his phone number is 678-209-5073.

With decades of experience in the landscaping industry, The Wallace Company has worked with a multitude of commercial clients along the Gulf Coast, providing top-notch

landscaping maintenance and all the services our clients need to keep a healthy, beautiful landscape. Our Pensacola landscaping maintenance crews work on a variety of high-profile commercial projects, a few of our current customers are; City of Pensacola (Garden street), Navy Federal Credit Union (building 5-8, recreational facility, warehouse), Georgia Pacific (Brewton plant), GE Bayside (Pensacola plant), Madison Shores (multifamily), Evergreen 9 mile (multifamily), This is only a small portion of the projects we currently service.

The beautification of Garden Street in Pensacola started in 2018. The City of Pensacola Community Redevelopment Agency (CRA) held an open house on October 27, 2020, to present the landscape beautification plans to the public. The project was funded in part by a \$98,000 grant from the Florida Department of Transportation, with the city providing matching funds. The Wallace Company was heavily involved with improvements in March 2022 for the irrigation system and well installation to over 15,000 linear feet of irrigation systems that were able to allow a variety of plants, trees, shrubs, and ground cover to be installed for this project. The total cost of this was \$564,391.80 and was completed in March of 2024. Since completion of this enhancement project The Wallace Company has taken on the job of regular maintenance for this site to date, caring for the irrigation, and all aspects of the 10 different species of plants at this site totaling over 3,234 individual plants.

Previous work provided by The Wallace Company for the City of Pensacola includes but is not limited to, Admiral Mason Park, Corinne Jones Park, Main Street Improvement project, Pensacola Airport parking expansions, Technology Park, Alcaniz streetscapes, DeVilliers streetscapes.

Our team is represented by experienced and qualified personnel. Below are the qualifications of our office staff.

Upper Level / Office Staff

Vic Wallace (Founder/CEO)

Vic started the business in 1973 with one truck and a few pieces of equipment. Over 50 years later, this one truck turned into over 70 trucks along with heavy equipment for construction as well as a fleet of maintenance equipment.

He has been involved with every aspect of the business since he founded it. He currently is focused on the irrigation side of the business, and is the first person that arrives to work every morning.

Victor Wallace (Owner/President)

In 1999 at an early age of 15, Victor started following in his father's footsteps. He has been and is currently involved in all aspects of the business. Victor grew the business from an irrigation company into a multi service company that can service or install any landscape project. Victor is very passionate about his family and his business.

Victor Wallace has been involved with projects such as Admiral Mason Park, Main Street Improvement, Bay View Park, Navy Federal Credit Union and Pensacola International Airport.

Cindy Mills (General Manager)

Cindy has been with The Wallace company for 5 years. Cindy has built a strong team in the office to carry out daily requirements of running a top notch business. She has been in a management role for 25 years, with 15 of those years in construction. She manages all aspects of the day to day workings of the business, to make the company run smoothly. She manages the finances, ensures regulations are followed, and oversees recruitment. Her determination has shown with the growth of The Wallace Company.

Trip Bellinger (Operations and Enhancements Manager)

Trip has been with The Wallace Company for a little more than 1 year. During this time he has built a support team 2nd to none adding 2 Account Managers, Eric Hendrickson and Sergio Negrete. Trip has been involved in landscaping for 21 years, owned and operated his own company for 15 years. He has been involved with Garden Street Maintenance and upkeep, Navy Federal installations and maintenance, Port of Pathstone maintenance and enhancements as well as Evergreen 9 Mile. These are among the many projects he has been involved with while at The Wallace Company.

Andrew McLellan (Construction Manager)

Andrew has been with The Wallace Company for more than 10 years handling multi million dollar landscape projects. With more than 6 crews running at a time and on 6 different projects from hardscape to installing plants and turf, his attention to detail on each project is outstanding.

Matt Markham (Sales and Design Manager)

Matt has been with The Wallace Company for the better part of 17 years now. Matt handles all in house design along with working with clients to create the landscape plans for individual client needs and desires all the while helping the cost down. And creating stunning finished projects.

Mike Hand (Horticulturist)

Mike's expertise in plant cultivation improves the quality and yield of healthy plants, flowers, trees, shrubs, grasses and turf. His knowledge with seeds, soil and plants has been an asset with The Wallace Company. He gives us a lot of guidance on which plants work best in a specific environment.

Michael Wolf (Landscape Architect)

Michael provides the highest level of professional landscape architecture planning, including architectural renderings, commercial landscaping, public park landscape design, and urban streetscape to name a few. His land planning design services discover creative and functional solutions while understanding, respecting and preserving ecological systems and the environment.

Orlando Ramirez Guillen
Rosha Bryant
Alma Solorzano
Roberto Lopez
Wendy Yanez
Darwin Ramirez
Rondell King
Frank Nord
Byran Rowe

These employees have a wide range of knowledge as it pertains to lawn maintenance and enhancements for any project. The lawn maintenance crew leaders have 1 to 5 years of employment with The Wallace Company and previous experience of up to 20 years with prior companies. They will be involved in lawn maintenance, enhancements, and the upkeep of projects that are awarded to The Wallace Company.

Our demeanor, work ethic and quality on the job and off the job is what makes us stand out above the rest. Our work sells itself. We receive a large amount of our projects from people seeing the work we provide for our customers. Our equipment is recognized by the Isuzu trucks with orange beds on the back and the Wallace name on the side. Our employees are recognized by the bright orange shirts that also display the Wallace name. We work to build a close relationship with all of our customers from the residential to the commercial client to make sure everything we provide is taken care of in a timely fashion. Our employees are proud to share the work and display the Wallace name on every job site. We want to make sure our quality work shows and stays so we have a committed group of employees that will go out and provide inspections of all jobs and site to make sure they are completed to our customers standards as well as The Wallace Company standards.

With any job comes trouble shooting to make sure the jobs stay up to our standards. While we were involved with the Garden Street Project some issues were brought to our attention and to make sure that the job was held to a high standard, Trip Bellinger and his staff have monthly meetings with project coordinators to do a monthly walk through on the entire length of the Garden Street project. They documented any issues that were found and took the opportunity to make sure they were handled. We work closely with our distributors to make sure that we have any and all product on hand, and to make sure we are able to tackle any project that we may take on.

Thank you for your time,

Signed: 

Date: 12/30/2024

A white pickup truck is parked on a paved driveway in a landscaped yard. The yard features a large tree on the right, a smaller tree on the left, and a house in the background. The truck has "The Wallace Company" written on its side. The scene is set in a well-maintained outdoor environment.

The Wallace Company

Over 50 years of complete landscape
solutions and outdoor development



Paver walkways and plant installation

- Design to installation is done in house by our qualified staff

Lighting Enhancement





Irrigation Installation



Irrigation Inspection

Weekly maintenance on Garden Street





The Quinn Construction project

Residential renovation









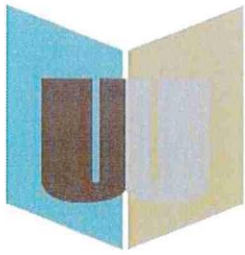












THE WALLACE COMPANY

COMPLETE LANDSCAPE SOLUTIONS

Phone: 850-434-1199

We are pleased to offer you the attached services and pricing for:

Garden Street Landscaping - A Street to Alcaniz Street, A Street - Alcaniz Street Pensacola, FL

CONTRACTOR STATEMENT:

Wallace Companies has been active in the Gulf States Region for over 45 years. We use a unique blend of art, science and construction to offer the top tier landscape architectural design-build services, irrigation and well installation, landscape maintenance, hardscapes and water features, horticultural services, and night lighting in the region. We can offer you the tropical paradise, the southern charm traditional, the coastal-native trend, waterfront living, xeriscaping and wildlife designs to name a few, in our duty to form fit your residential, commercial, or municipal grounds. We offer these services using the top of the line tools and equipment, sound environmental practices, and a very industry competitive rate. Our clients benefit from knowing their surroundings are being designed, built, and maintained by the same company for over 40 years and that means a lot. Our Management, staff, and crews are continually trained in team building, with a sense of family and community where it is not just a place to work. It's a place where multiple generations of local families have raised their children and some children's children as Wallace Company employees all suited with the same goal. Offer excellent services, at competitive rates, where we are not just vendors. We are partners with our clients, community, and environment.

SCOPE: Items in specifications will be adhered to as directed. Items below are for reference and can be added as addendum (Schedule of Services and Monthly Maintenance Report) can be submitted with fully executed Contract Documents.)

Landscape Maintenance Base Services

Quoted at 42 Visits Annually – (Weekly) March-October

(Bi-weekly) November - February

Contract dates:

February 2025 to January 2026

Turf Services-

- Mowing, hard edging, soft edging, string trimming, litter control, and debris removal in turf areas each visit.
- Cutting heights of turf will be left at approximately 3" after each cut
- Turf areas will be raked as needed to remove leaves or other sedentary debris in cold months to remove excess settling material.
- Edging will alternate between soft and hard edging each visit to keep aesthetically pleasing

Detail/Bed Services-

- Includes litter control, lawn debris.
- All hard areas (sidewalks, thoroughfares) will be blown to keep buildup of lawn clippings and general dust

and debris on property.

- Tree rings, annual beds, turf, and other mulched areas will be kept free of litter and debris each visit.
- Crack & Crevice weeds will be sprayed each visit to present an overall neat appearance of the property and transition areas.

Tree Maintenance-

- Tree limbs which hang in walkways and thoroughfares up to 8' will be pruned during maintenance visits as necessary.

Shrubs/Ornamental-

- Perform routine shaping of shrubs as needed during the scheduled visits to reflect a well-manicured area.
- Flowering shrubs will be pruned after their bloom time in addition to recurring shaping.
- Grasses will be cut back in cold season to remove dead/brown growth to a height determined by Client and Contractor to allow for view from interior and screening from the roadway.
- Groundcovers will be kept free of debris and weedy growth. Plant material will be kept within bed lines.

Pine Straw-

- 2x included in contract

Irrigation-

- To include 2 irrigation inspections and winter shutdown and spring startup per year to adjust heads and times according to needs of the time of year

Palm Trees-

- To include trimming the palms 1 time if needed
- Palms will typically be pruned in early fall for optimal timing of removing seed pods and fronds, and again late spring early summer
- Listed below are the specs provided by The City of Pensacola that The Wallace Company will adhere to

Palm Pruning

Palm typically do not require pruning to remain healthy, nor do they need pruning to reduce or prevent

storm damage, palms may be pruned for aesthetic reasons to eliminate basal sprouts, dead fronds, and

seedpods. Live healthy fronds should not be removed.

Palms to prune: 30-Sabal palms located in the center median of Garden Street, A to Alcaniz.

Pruning system: Natural

Objective: Removal of dead fronds, seedpods, fruit, and excessive debris from individual palm heads.

Pruning:

All palms shall be pruned to removed dead fronds, seedpods, fruit from individual palm heads.

Fronds shall remain and not removed above the 9 & 3 O'clock position

Lose frond bases (lose petioles) shall be removed by hand, no power equipment shall be used to

removed older palm frond bases.

All resulting debris shall be removed from site with palms fronds remaining at a 9 & 3 o'clock position.

Limitations:

No palms shall be climbed using climbing spurs

All resulting debris shall be removed from site daily and all work areas left in a raked clean condition.

All pruning shall conform to the ANSI A300 Part 1

All work practices shall be consistent with the current ANSI Z133 Work & Safety Standards.

Horticulture Program; Turf and Tree and Shrub

Annual Turf Spray Program-

This program is meant to proceed with 4 visits in turf and 2 visits in shrub beds and tree zones, to manage turf, ornamental beds/trees, and keep in an aesthetically pleasing and optimal performing state. As this is Florida, and no lawn can be considered "Weed Free, Insect Free, or Fungus Free," we will manage these items to the optimum in our region. We intend to stay proactive on all items below between our visits. Such items as insect, weed, and fungus may begin an infestation between visits, but are normal in our area and we have the means to control and manage them. Service calls between treatments are offered at no fee if quality of treatment is at fault of the applicator. Our fertilizers are applied in granular form in the spring and fall with polymer coated material which lasts over a 3 to 4 month period. In mid-summer when rains are plentiful, and spot applications for most pests are imminent, we do include a supplemental liquid Fertilizer to counteract any loss of color that should happen from excess watering and pesticides.

- 3 Fertilizations annually- March (24-0-11), October (12-0-24), or similar, with Slow Release Urea Coated (30% Polymerized) and 3% Iron with micronutrients package (Granular); A third treatment with Ferroumec (Iron and Nitrogen) will be applied in July;

- 4 Pre-emergent herbicide applications annually- Applied in January/February, April, July and October to prevent weeds from growing during germination.
- Post-emergent herbicide treatments Monthly (6 Minimum) as needed Scheduled- Blanket treatments will be applied with pre-emergent applications, while the remainder of the year will receive visits for spot treatment;
- 2 Ant Bait applications- Application will occur in March and October during normal molting periods of ants with a growth regulator and reproductive inhibitor;
- Soil Sampling- At the first of each year, a composite sample will be taken of soil in turf areas to determine yearly needs for fertilizers, and other soil amendments to be added through the first quarter applications;
- Insect Treatments- Each Visit, we will scout turf for insects such as mole cricket, spittlebug, chinch bug (summer), beetles, chewing insects which are normal occurrences and treat as necessary. The overall scheduling is coordinated with optimal control in mind, a minimum of 5 blanket applications and 3 spot treatments are included.
- Ant Mounds- Treated with a granular or liquid each visit. Please do not disturb the bed until at least 7 days after treatment to decrease possibility of spreading.
- Fungicide Treatments- As needed, particularly in wet cold months in early spring and autumn. Normal and casual fungi such as brown patch, dollar spot, leaf spot, rust, rhizoctonia i.e. are included each occurrence. Take All Root Rot is unnatural, and fungicides are exorbitant in cost and may case an up charge to combat (Case by Case only). High temperatures and evening rains are catalyst for casual fungi. We offset this by including a broad based fungicide treatment covering a full blanket treatment.
- If any insect, disease, fungus, bacteria or unexplained declined is happening in turf and the diagnosis cannot be determined in the field, we can send a sample of the turf, or insect to a Turf Laboratory for diagnosis, identification, and means of control. These services are normally \$30.00 per sample. We will cover the cost for one of these instances annually if it occurs. We have also included the cost of one soil test annually which is a \$20.00 per occurrence if you would like to have more than one of the service.

Tree and Shrub Program-

- Shrubs/Beds annually for 2 full services
- 2 Fertilizations with 14-14-14 w/MicroS & Iron or equal dependent on soil sample results
- 1 Seasonal and spot Fungicide shrub treatment
- 1 Insect Treatments (Spring/Summer) shrubs, groundcovers, and ornamental grasses
- 1 Dormant Oil Blanket application in dormant season
- 1 Annual Fertilizations with a 17-6-10 Lutz, Woodace, or equal fertilizer tree stakes in tree root zones of dooryard trees and ornamental trees. Large old growth trees and natives have root zones which will utilize fertilizers applied in beds and turf.

Maintenance

MT - Weekly Maintenance

Pine Straw

Mulch Install

Turf Program

Turf Round 1

Turf Pre- Emerge and Insectide

Barricade (22 oz. acre) & Pennant (16 oz. acre) & Insect- Permethrin/ Pyrethroids. Cyfluthrin

ALL TURF

Turf Round 2

Ant Control. Award / Advion @1.5 # per acre

Turf Post - Emerge and Insectide Speedzone Southern (64 oz. acre) & Imadicloprid

Turf Round 3

Turf Fertilization 24-2-11 62% MESA, SOP , 6% FE @ 5 lbs = 1#N

Turf Pre Emergent Dithyopyr (Dimension) 40% (Zoysia, Berm. Cent) - Add Atrazine 4% (St. Aug.) + add Pennant Magnum All 16 oz/A

Turf Round 4

Turf Insecicide - Mole Crickets / Chinch Bugs / Ants Lesco Crosscheck (standard infestation), **Or** Chipco Top Choice, if recurring Mole Cricket, Chinch, and ant

Turf Post Emerge - Certainty / Celsius .5oz. A (certainty) 8oz A (celsius) As needed **OR** Dismiss @ .5 oz/A Dismiss

Turf Round 5

Turf Post Emerge Certainty / Celsius 1.5oz/A (certainty) 8oz/A (celsius) **AS NEEDED, OR** MSM for Turf 4oz/A. Sub for Celsius to spot spray Doveweed and Bahia eradication

St. Augustine / Zoysia, High end Bermuda Application Chelated Iron (FE) 6% & 12-0-0 Feroumec

Post Emergent for Grassy Weeds Quinclorac @ 3oz./A or Dismiss for Torpedo, Dallis, Quack Grass in Zoysia, Bermuda. **Fusiladell** in Zoysia only to control all grassy weeds

Turf Round 6

Insecticide / Fungicide Thiophanate (clearys 3336) 4 oz / gal, Bifenthrin 25.1 % .3oz/gal

Turf Round 7

Turf Fertilization 9-0-24 6% FE @ 5 lbs = .5# N

Turf Pre Emerge, Post Emerge Barricade (24 oz. acre) & Pennant (24 oz. acre) Speedzone Southern (64 oz. acre)

Turf Round 8

ANT Control Award / Advion 1.5 # acre

Fungus / Insect Thiophanate (clearys 3336) 4 oz./gal , Bifenthrin 25.1 % .3 oz/gal

Tree and Shrub Program

Tree & Shrub Round 1

Tree & Shrub Round 3

Hort - Tree & Shrub Round 4

Palm tree pruning

Pruning Palm Trees

Irrigation

Irrigation Inspection

Irrigation System Start Up

Irrigation System Winterization

CONTRACT TOTAL: **\$89,577.98**

PAYMENT SCHEDULE

Schedule	Price	Sales Tax	Total Price
February	\$7,464.83	\$0.00	\$7,464.83
March	\$7,464.83	\$0.00	\$7,464.83
April	\$7,464.83	\$0.00	\$7,464.83
May	\$7,464.83	\$0.00	\$7,464.83
June	\$7,464.83	\$0.00	\$7,464.83
July	\$7,464.83	\$0.00	\$7,464.83
August	\$7,464.83	\$0.00	\$7,464.83
September	\$7,464.83	\$0.00	\$7,464.83
October	\$7,464.83	\$0.00	\$7,464.83
November	\$7,464.84	\$0.00	\$7,464.84
December	\$7,464.83	\$0.00	\$7,464.83
January	\$7,464.84	\$0.00	\$7,464.84
	\$89,577.98	\$0.00	\$89,577.98

TERM/ RENEWAL

- 1) This Agreement will automatically renew the same calendar day of the following year for a consecutive 12 month term as agreed within.
- 2) This Contract may be terminated by either party upon 30 days' prior written notice to the other party.
- 3) A pro rate may be necessary to recuperate excesses or losses if contract is cancelled by either party within the first 6 months of service.

INSURANCE

Wallace Company shall maintain general liability, workers' compensation and builder's risk insurance.

WARRANTY

- 1) Wallace Company will replace any item owned by Client, or principal client representatives which is damaged by contractor due to negligence or lack of care while performing at the site. Documentation will be necessary.
- 2) Wallace Company maintains a 365 day Warranty on quality of materials, and workmanship issues. At notice of Authorized Client, Contractor will make site visit to make a firm judgement on the beh on any claim of Warranty.

FORCE MAJEURE

Without limitation, acts of God, fire, explosion, vandalism, storm or other similar occurrence. An act or omission shall be deemed within the reasonable control of a party if committed, omitted, or caused by such party, or its employees, officers, agents, or affiliates.

AMENDMENT

This Contract may be modified or amended in writing, if the writing is signed by the party obligated under the amendment. "Extra Services" as part of this contract include, but are not limited to extra landscape requested, flowers, hardwood or rock mulch, palm tree pruning, and repairs to irrigation system.

Start Date: 02/01/2025 End Date: 01/31/2026

By Trip Bellinger III

Date 12/30/2024

The Wallace Company

By _____

Date _____

Customer

EXHIBIT C

NEGOTIATED TERMS

Wallace Sprinkler & Supply, Inc. Hourly Rates		
Initial Consultation & Site Assessment	Hourly	\$75
Landscaping Design & Planning	Hourly	\$75
Site Preparation	Hourly	\$65
Installation of Hardscaping	Hourly	\$60
Installation of Soft-scaping	Hourly	\$60
Irrigation System Setup	Hourly	\$60
Lawn & Garden Maintenance Services	Hourly	\$55
Equipment and System Maintenance	Hourly	\$60
Pest & Weed Control	Hourly	\$55
Client Communication & Reporting	Hourly	\$75
Skid Steer or Mini ex plus machine Operator	Hourly	\$120

Above rates do not include material(s)



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-368

Agenda Conference

4/7/2025

LEGISLATIVE ACTION ITEM

SPONSOR: Delarian Wiggins, Council Member

SUBJECT:

DISCRETIONARY FUNDING ALLOCATION - CITY COUNCIL MEMBER DELARIAN WIGGINS - DISTRICT 7

RECOMMENDATION:

That City Council approve funding of \$500 to Jack and Jill of America from the City Council Discretionary Funds for District 7.

HEARING REQUIRED: No Hearing Required

SUMMARY:

In accordance with Section 3.28-3.33 of the Policies of the City Council, prior to any distribution of grant or sponsorship funds from the City Council Discretionary Funds, approval by City Council is required.

Jack and Jill of America was founded in 1938 and has evolved into a strong national organization as a result of strong National and Chapter programming in the areas of cultural awareness, educational development, health, civic and social/recreational. The founder had a simple idea of bringing together children in social and cultural relationships. One of the hallmarks of Jack and Jill is the emphasis on youth development with their youth leadership programs. Whether it is through skill enhancement, financial literacy or volunteer opportunities, this organization has become a national model for creating effective programs. The Pensacola Chapter was installed as a Jack and Jill chapter in 1956. On April 12, 2025, the Pensacola Chapter of Jack and Jill of America will host The Florida Children's Cluster where four Florida Chapters (Tallahassee, Jacksonville, Greater Center FL and Pensacola) will attend a day of programming for children, moms and dads. It will be an immersive experience utilizing three Pensacola downtown buildings (Museum of Commerce, Voices of Pensacola and the Bowden buildings) as well The Pensacola Ferry that will include an excursion to Fort Pickens and a family scavenger hunt. It also includes an installation of a Little Library and bench at the E.S. Cobb Resource Center where attendees will bring children's books to fill the shelves. The Council is welcome to attend the dedication of the Little Library on March 30th (time being finalized). The chapter will also host a blood drive with a One Blood van setup during the event and the community is encouraged to give blood as well. Funding will be used

towards this event.

PRIOR ACTION:

July 21, 2022 - City Council adopted Resolution No. 2022-065 establishing the City Council Discretionary Fund Policy

FUNDING:

Budget: \$ 2,605 FY 2025 District 7 Discretionary Funds

Actual: \$ 500 Jack and Jill of America

FINANCIAL IMPACT:

A balance of \$2,605 is currently within the District 7 Discretionary Fund Account. Upon approval by City Council, a balance of \$2,105 will remain in the District 7 Discretionary Fund Account.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No

STAFF CONTACT:

Don Kraher, Council Executive
Yvette McLellan, Special Assistant to the Council Executive

ATTACHMENTS:

None

PRESENTATION: No



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-446

Agenda Conference

4/7/2025

LEGISLATIVE ACTION ITEM

SPONSOR: Teniade Broughton, Council Member

SUBJECT:

DISCRETIONARY FUNDING ALLOCATION - CITY COUNCIL MEMBER TENIADE
BROUGHTON - DISTRICT 5

RECOMMENDATION:

That City Council approve funding of \$2,000 to The Watson Family Foundation and \$500 to the Ella L. Jordan African American History Museum from the City Council Discretionary Funds for District 5.

HEARING REQUIRED: No Hearing Required

SUMMARY:

In accordance with Section 3.28-3.33 of the Policies of the City Council, prior to any distribution of grant or sponsorship funds from the City Council Discretionary funds, approval by City Council is required.

The Watson Family Foundation was created in 2016 with the opening of the Watson Firm, PLLC. Attorney Aaron Watson and his wife, Kimberly, were so moved by the community's support upon opening their law firm that they immediately began looking for meaningful ways to give back. The Watson Firm soon became known for its annual Thanksgiving Dinner Giveaway and its Backpack Giveaway. Guided by generational values, the Watsons believe in continuing their family legacy of faith-based outreach, community service and mentorship. The Watson Family Foundation's mission is to help bridge the gap that separates deserving families from the support needed to guide them toward leading thriving lives. Funding will be used towards their Fourth Annual Juneteenth - A Family Reunion for the Culture Festival on Saturday, June 14, 2025, at the Museum Plaza located at 120 Church Street.

In 1929, Mrs. Ella L. Jordan founded the City of Pensacola's Federation of Colored Women's Clubs, Inc. She was a devoted club worker, community leader, educator, political activist and a dedicated woman who worked for the betterment of the Pensacola community. Mrs. Jordan dedicated her life to the Club's work and community activities. Initially, the group met in member's homes or local schools and churches until the property at 423 North "C" Street was purchased in 1951. Mrs. Jordan and her contemporaries were following the trend of starting

women's clubs that, by the 1920's, had been growing for decades. The women of Pensacola also embraced this trend, organizing numerous clubs and associations. For African-American women in segregated Pensacola, clubs provided a way to identify and meet the needs of their community. Funding for enrichment programs, extra tutoring, and vocational training, never abundant for white citizens, was non-existent for African Americans. As the Great Depression deepened and World War II exerted greater stress on the African American community, the ladies of the Pensacola Federation of Colored Women's Clubs expanded their services. Food banks, medical help, and hosting African American servicemen were added in the 1930s and maintained through the 1960s. In the years after Mrs. Jordan passed away, the house remained a cultural, social and political haven and was named in her honor in 1959. Funding will be used to offset costs associated with their Inaugural Black and White Affair Gala to be held at Asbury Place on June 28, 2025.

PRIOR ACTION:

July 21, 2022 - City Council adopted Resolution No. 2022-065 establishing the City Council Discretionary Fund Policy.

FUNDING:

Budget:	\$ 6,607	District 5 Discretionary Funds Balance
Actual:	\$ 2,000	The Watson Family Foundation
	<u>500</u>	Ella L. Jordan African American History Museum
	<u>\$ 2,500</u>	

FINANCIAL IMPACT:

A balance of \$6,607 is currently available within the District 5 Discretionary Fund Account. Upon approval by City Council, a balance of \$4,107 will remain in the District 5 Discretionary Fund Account.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No**STAFF CONTACT:**

Don Kraher, Council Executive
Yvette McLellan, Special Assistant to the Council Executive

ATTACHMENTS:

None

PRESENTATION: No



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-331

Agenda Conference

4/7/2025

LEGISLATIVE ACTION ITEM

SPONSOR: DC Reeves, Mayor

SUBJECT:

FY 2024 CITY OF PENSACOLA ANNUAL COMPREHENSIVE FINANCIAL AUDIT

RECOMMENDATION:

The City Council accept the City of Pensacola Annual Comprehensive Financial Report for the year ending September 30, 2024, as prepared by the Financial Services Department and the Independent Auditors Report issued there upon.

HEARING REQUIRED:

SUMMARY:

At the end of the fiscal year, the City's Financial Services Department prepares an Annual Comprehensive Financial Report as required by section 11.45 of the Florida Statutes.

PRIOR ACTION:

None

FUNDING:

Budget: \$103,650

Actual: \$103,650

FINANCIAL IMPACT:

Each fiscal year, the cost of the independent audit is included in the City Council's budget.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No

STAFF CONTACT:

Tim Kinsella, City Administrator

Amy Lovoy, Finance Director

ATTACHMENTS:

1. FY 2024 Financial Statements
2. SAS 114 Letter FY 2024

PRESENTATION: Yes

FISCAL YEAR 2024

City Annual Financial Report

For the Year Ending September 30, 2024



City of Pensacola, Florida
D.C. Reeves, Mayor



THE CITY OF PENSACOLA, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2024



Prepared by:
Financial Services Department

Amy Lovoy
Finance Director

ACCOUNTING STAFF
Lakia McNeal, CPA
Alicia Pettus

**CITY OF PENSACOLA, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2024
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INTRODUCTORY SECTION

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CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

CITY OF PENSACOLA ORGANIZATIONAL CHART

LIST OF ELECTED AND APPOINTED OFFICIALS



D.C. Reeves
Mayor

March 7, 2024

The Honorable Members of the City Council
And the Citizens of City of Pensacola, FL

Pursuant to applicable Florida Statutes and sound financial management practices, the Annual Comprehensive Financial Report (Annual Financial Report) of the City of Pensacola, Florida, for the fiscal year ended September 30, 2024, has been prepared and is submitted herewith.

The City of Pensacola's Annual Financial Report was prepared by the Financial Services Department. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the City. City management believes that the report is a fair presentation of the City's financial position and results of operations as measured by the financial activity of its various funds, that presented data is accurate in all material aspects and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included.

This report has been presented in accordance with Generally Accepted Accounting Principles (GAAP). These principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Pensacola's MD&A can be found immediately following the report of the independent auditors.

Mayor's Initiatives

As the Chief Executive of the City of Pensacola, the Mayor and his staff serve to administer and enforce city ordinances, direct city employees providing services to citizens, and prepare and submit the city budget. In addition to these specific duties outlined in the City Charter, the Mayor also performs economic development, community outreach, and public awareness functions. Mayor D.C. Reeves was elected and sworn in as mayor in November 2022. He is the third Mayor under the City's strong mayor form of government.

Since taking office in 2022, Mayor Reeves has worked diligently with City Staff to engage the community and develop the first city-wide strategic plan, *Strive to Thrive: Pensacola 2035*. This comprehensive plan outlines a roadmap for the City of Pensacola over the next decade, with a focus on eight key goals:

- Attainable housing for all income levels
- Enhanced support for youth experiences
- Development of more walkable, mixed-use districts
- Fostering a thriving innovation sector and robust local businesses
- Ensuring safe streets for all modes of mobility
- Building resilient waterfronts and neighborhoods
- Creating public spaces that foster community connection
- Celebrating culture and honoring legacy within neighborhoods

Through *Strive to Thrive: Pensacola 2035*, the Mayor is committed to guiding the city toward a vibrant, inclusive, and sustainable future.

The Reporting Entity

The financial reporting entity includes all funds of the primary government, as well as all its component units. Component units are legally separate organizations for which the City is financially accountable and, for financial statement purposes, are either blended with the activities of the City or discretely presented. The criteria used to determine whether an organization should be a part of the City's reporting entity were those outlined by Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus*.

The Downtown Improvement Board (DIB) has been classified as a component unit and is discretely presented in the City's annual financial report in a separate column in the government-wide financial statements. The Community Redevelopment Agency (CRA) also meets the definition of a component unit; however, their financial reporting is blended with the City's financial activity. In addition, Florida Statute section 163.387(8) requires an independent audit of the CRA's financial statements. A copy of the CRA's audited financial statements can be obtained by contacting the City's financial services department: City of Pensacola, 222 West Main Street, Pensacola, FL 32502.

Form of Government

The City operates under a Mayor-Council structure commonly referred to as a "Strong Mayor" form of government. With the Mayor-Council structure, the Council is the governing body of the City with all legislative powers of the City vested therein, which consisted of seven (7) Council Members, one (1) elected from each of the seven (7) election districts of the City. The Mayor is not a member of Council and does not have voting power. The Mayor's term allows for a maximum of three consecutive four-year terms of office. Beginning in January 2022 and every ten years thereafter, a Charter Review Commission will be established to review the City's charter. With the Mayor-Council structure, the Mayor replaces the City Manager as the executive head of the City and shall appoint a City Administrator to assist in managing daily operations.

The City of Pensacola provides a full range of municipal services including public works, public safety, recreation and cultural activities. In addition, the City's enterprise activities include a natural gas utility, sanitation collection system, seaport, and international airport.

Accounting and Internal Controls

The management of the City is responsible for establishing and maintaining internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss through unauthorized use or disposition; the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

Budget Process

The budget process for the City of Pensacola does not have an easily identifiable beginning or end. During each fiscal year, new initiatives for services, regulations, funding sources, better methods of providing existing services, and citizen comments are brought forward for discussion and study and implementation. Although the budget document is developed at a fixed point in time and identifies a work plan for a specific period, the budget process is fluid.

A quarterly report is provided to City Council on pertinent funds which shows a comparison of revenues and expenditures to budgeted numbers providing an update on the budget's status throughout the fiscal year. These quarterly reports are also made available to the public for a more frequent overview of the financial status relative to the budget. In accordance with Chapter 166.241, Florida Statutes, budget amendments within a fund (transfers of amounts from one line item to another) are approved by the Finance Director as the Mayor's designee and Supplemental Budget Resolutions adopted by Council are the only means to amend an adopted **budget**. Two public hearings are held before the adoption of the final budget and final millage rates.

Debt Administration

Debt administration is the responsibility of the City's Finance Director. Additional assistance is employed through the services of PFM Financial Advisors LLC, the City's Financial Advisors.

Pledged revenues for business-type debt are typically the sole pledge of net revenues from operations, however, from time to time there are pledges of specific revenue streams. In fiscal year 2024 business-type activities paid a total of \$4.7 million and \$1.3 million, respectively, for principal and interest on bonds.

Revenues traditionally pledged for general government type debt include infrastructure sales tax, local option gasoline tax, communication services tax, local business tax and tax increment revenues. The City paid a total of \$5.7 million and \$2.5 million, respectively for principal and interest, for governmental activities debt during fiscal year 2023. The City has no general obligation debt.

In order to be in compliance with all continuing disclosure requirements, the City of Pensacola issues an annual Report to Bondholders published on or before the 180th day after the end of the City's fiscal year. The Annual Comprehensive Financial Report and the Report to Bondholders should be read in conjunction to get a clear and complete understanding of the market effect on the City of Pensacola.

Pensacola Energy

Pensacola Energy, a department of the City, became a City-owned utility on April 27, 1948, upon its purchase from the Gulf Power Company. Pensacola Energy supplies natural gas to an average of 46,500 service connections and is one of the largest municipal gas distribution systems in Florida as it relates to customer base. The revenue classification for billed gas service is 42.9% residential, 24.5% commercial, 32.1% industrial and 0.5% municipal.

Pensacola Energy reported operating income before depreciation of \$15,147,853, an increase of \$3,413,898 compared to the prior year. In fiscal year 2024, operating revenue declined by \$6,436,728 (10%), while operating expenses decreased by \$9,850,626 (20%). The primary driver behind the decrease in both revenue and expenses was the lower cost of natural gas, which is directly passed on to customers and impacts service charges. In fiscal year 2024, the cost of natural gas dropped by \$8,691,550. Despite a slight decrease in rates, consumption increased by approximately 10% for residential and commercial customers. Excluding the cost of gas, operating expenses increased by \$1,159,076. Additionally, materials and supplies costs rose by \$1,124,867 due to an increase in projects during the fiscal year.

Pensacola Energy budgets for normal winters; however, actual revenues fluctuate with the cost of natural gas and weather patterns. Pensacola Energy is allowed to adjust rates annually with the Consumer Price Index (CPI) if approved by City Council. No increase was approved for fiscal year 2024.

Fiscal year 2025 operating revenues are budgeted at \$66.9 million, \$7.9 million (10%) lower than the prior year budget. The decrease in revenues for fiscal year 2024 is due to anticipated decrease in the cost of natural gas. The CPI increase for fiscal year 2025 is 15%, which allow Pensacola Energy to continue to fund replacements of residential meters, AMR remote transmitters and odorizer systems with zero-emissions as well as investments in its capital equipment such as new transmit van equipped with a camera system to inspect pipes. Fiscal year 2025 appropriations decreased \$7.9 million (10%) over fiscal year 2024 mainly due anticipated decrease in the cost of natural gas. Pensacola Energy's transfer to the General Fund decreased to \$9.5 million. The transfer complies with the City Council adopted financial planning policy which states "Long-term, the budgeted transfer should not be more than 15 percent of budgeted ESP revenue".

Sanitation Services

The City has operated a solid waste collection system for over fifty years. Sanitation service is mandatory within the city limits, and the City provides residential garbage, recycling, and trash collection once per week to approximately 22,000 customers. Commercial dumpster services are provided by private hauling companies franchised by the City and regulated by the Sanitation Services department. Residential sanitation fees are set at \$27.44 per month and support the self-sustaining Sanitation Services operation. In addition, there is a fuel and lubricant pass-through surcharge of \$1.75 per month and an equipment surcharge of \$4.12 per month for the fiscal year 2024. Funds generated by the equipment surcharge are used for replacement of sanitation equipment.

Sanitation reported operating income before depreciation of \$617,136, reflecting a decrease of \$816,104 compared to the prior fiscal year. Operating revenue declined by \$1,593,429 (15%) in fiscal year 2024, while expenses increased by \$777,325 (0.8%). The primary factor behind the decrease in both operating revenues and expenses was the transfer of Code Enforcement from Sanitation to the Police Department. In the previous year, Code Enforcement contributed nearly \$1.3 million in operating revenue and accounted for \$1.5 million in operating expenses within the Sanitation fund. Salaries and benefits rose by \$731,341 compared to the prior year. This includes a \$244,435 increase in salaries due to pay raises from pay study adjustments and a 3% cost-of-living adjustment (COLA). Pension costs increased by \$64,931 due to higher contributions, while group insurance costs rose by \$90,146 due to rate increases. Additionally, overtime and personnel expenses grew by \$243,740 due to staffing constraints. Repairs and maintenance expenses increased by \$202,284, driven by higher overhead rates and billable hours at the City's garage.

Fiscal year 2025 revenues are budgeted at \$7.29 million, \$50,000 (.68%) decrease than the prior year budget. During 2022 a rate study was conducted, and on September 15, 2022, City Council passed ordinance 28-22 that effected the fees collected for Sanitation through fiscal year 2026. The collection rate will increase of \$1.15 bringing the new rate to \$29.70 per month effective October 1, 2024. Fiscal year 2025 appropriations increased by \$46,100 over fiscal year 2024 budget mainly due to increase in operating cost for personnel.

Port of Pensacola

The Port of Pensacola, a department of the City, provides marine terminal services connecting water and land transportation. Revenues are generated through fees for wharfage, handling, dockage, rent, storage, security, and harbor services. Rates are established in a published, publicly available tariff.

The Port reported an operating loss before depreciation of \$247,819, a decline of \$705,260 compared to the previous fiscal year. Operating revenues decreased by \$640,247 (0.2%), while expenses saw a slight increase of \$65,013. The primary factor behind the decline in operating revenue was the one-time receipt of \$290,643 in insurance proceeds related to Hurricane Sally damages in 2023. Additionally, a decrease in vessel activity at the Port contributed to the revenue decline.

For decades, the Port of Pensacola has relied on Florida Seaport Transportation and Economic Development (FSTED) grants to support critical infrastructure improvements. This year the Port is moving forward with the execution of a previously awarded FSTED grant to begin construction on a new boat launch and marina facility on the eastern side. Additionally, the Port continues to manage and utilize various Florida Department of Transportation (FDOT) grants for railroad modernization, upland cargo improvements, and drainage repairs.

The Port is also actively managing and spending down various Florida Department of Transportation (FDOT) grants for railroad modernization, upland cargo improvement, drainage repairs.

Fiscal year 2025 operating revenues are budgeted at \$2.9 million, \$62,300 (.02%) lower than the prior year budget as revenues is based on historical trend information on vessel activity levels as well as current and prospective lease agreements. Fiscal year 2025 appropriations decreased by \$62,300 (.02%) over fiscal year.

Pensacola International Airport

The City of Pensacola owns Pensacola International Airport and operates the facility as an enterprise department. The Airport plays an important role in the national, state, and local air transportation systems, serving as the primary commercial service airport for northwest Florida and southeast Alabama with a principal service area encompassing Escambia, Santa Rosa, and Okaloosa Counties in Florida and Baldwin, Escambia and Mobile counties in Alabama. During fiscal year 2024, 3.03 million passengers utilized the scheduled service. According to the Bureau of Transportation Statistics data, Pensacola was ranked 89th among 765 U.S. airports in terms of the total number of scheduled enplanements as of September 2023.

The Airport had operating income before depreciation of \$10,820,978; a \$232,675 increase over the last fiscal year. The Airport Fund's operating revenues increased by \$3,771,393 (12%) in fiscal year 2024 and expenses increased by \$3,538,718 (17%). The primary reason for the increase in revenues is increased passenger traffic. The airline revenues increased by \$535,995. There was a 14.3% increase in passenger traffic resulting in a \$2.7 million increase in non-airline revenues, primarily in parking (\$1.5 million) and car rentals (\$1.2 million). Salaries increased (\$722,351) from the prior year as a result of two new positions (\$205,000) and pay raises and COLA adjustments (\$517,351). Total pension cost increased (\$161,324) due to increased contributions, while group insurance increased (\$186,226) due to rate hikes. In addition, contractual services increased by \$1.2 million mainly related to Airport's parking management, janitorial services and baggage handling contracts and consultant services related to upcoming projects. Repairs and maintenance for Airport increase by \$1.2 million due to the repairs and maintenance on existing capital assets.

Fiscal year 2024 operating revenues are budgeted at \$31.5 million, \$2.4 million (.07%) higher than the prior fiscal year budget. Non-airline revenues such as restaurant and lounge, hanger/ground leases, parking lot, and rental car customer facility charge revenues are projected to increase to a total of \$2,660,000 due to the increase in passenger traffic through the Airport. Charges to the airlines such as loading Bridge fees, landing fees, apron area rentals, and airline rentals are projected to increase slightly by \$278,000 based on the agreements with the airlines. Fiscal year 2025 operating appropriations increased by \$2.8 million (.09%) over fiscal year 2024 budgeted totals for personnel and operating services with the trending increase in airport activity.

The Airport has an operating agreement with the airlines which provides for revenues sufficient to meet operating expenses, debt service payments and capital expenditures. However, it does not provide for any incentives given to the airlines nor depreciation, which is reported on the City's financial statements as an operating expense.

Current Year Budget, Events and Future Year Plans

The Pensacola City Council approved a fiscal year 2024 budget of \$313,871,700, an increase of \$36,503,176 from the 2023 budget. Overall appropriated fund balance decreased by \$6,194,100 and overall revenue estimates increased by \$37,742,900. The General Fund anticipated an increase in revenues of \$6,406,800 (9.76%) due to a \$2,411,200 increase in property taxes because of 12.35% increase in taxable property valuation and an increase in other financing sources due to the increase in transfers from Pensacola Energy from \$8 million to \$11.1 million. The City policy allows transfers of up to 15% of Pensacola Energy's budget to the General Fund.

The Debt Service Funds anticipated an increase of \$762,300 due to increased transfers to cover debt service and reserves. The Special Revenue Funds anticipated an increase in revenues of \$3.1 million (6%) mainly due to increased Franchise Fee and Fines and Forfeiture revenues related to Code Enforcement that moved from Sanitation Fund to a new Special Revenue fund resulted in an increase of revenues of \$1.5 million. There was an increase of \$705,500 in other financing sources due to the increase in TIF property tax revenues. In addition, charges for services increased \$405,400 mainly due to the anticipated increase in parking activity. The Capital Project Funds anticipated an increase in revenues of \$70,100 due to increases in Local Option Sales Tax based on prior year receipts.

The Enterprise Funds anticipated an increase in revenues of \$26,652,200 (23%). Natural gas sales were projected at \$73.7 million an increase of \$1.9 million or 2.1% from the fiscal year 2023 budget. The increase is primarily due to increase in activity related to the prepay gas transportation customer. Sanitation revenues were projected at \$7.4 million, an increase of \$320,000 or 4% from the fiscal year 2023 budget. The increase is attributed to an increase in sanitation charges due to an increase in customer rates. Port revenues were projected at \$2.9 million, a decrease of \$116,700 or 3% from the fiscal year 2023 budget based historical trend information on vessel activity. Pensacola International Airport revenues and passenger facility charges were projected at \$29 million, an increase of \$7.7 million or 36% from the fiscal year 2023 budget. The increase is attributed to the increase in airline revenues of \$2.9 million based on the agreements with the airlines. The non-airline revenues increased by \$4.8 million primarily due to parking lot revenues. The increases in operating revenues are in line with the constituent anticipated growth of airport activity.

Departmental events and plans

The Pensacola Police Department (PPD) provides a wide range of services and programs designed to protect the lives and property of the citizens and visitors to the City of Pensacola. PPD is dedicated to enhancing community policing strategies aimed at improving communication and building strong relationships between officers and the public. The department's efforts have contributed significantly to the City of Pensacola earning the designation of America's fourth safest city in 2024. This recognition reflects the department's commitment to creating a safer and more connected community through collaborative partnerships and open lines of communication.

At the heart of the department's success is the Community Outreach Division, which plays a pivotal role in working with neighborhood associations, businesses, civic organizations, and even tourists to ensure ongoing dialogue. This proactive approach fosters trust and helps maintain a strong sense of security in the City. As part of these outreach efforts, the department regularly hosts a variety of community events, such as Coffee with a Cop, the Citizen's Police Academy, Summer Camp CHAOS, Protecting Places of Worship programs, a Children's Christmas event, and the Rally Foundation Christmas Party. These events are designed to encourage face-to-face interaction between officers and the public, further strengthening the relationship between law enforcement and the community.

In addition to direct community engagement, the PPD has worked closely with law enforcement partners at the local, state, and federal levels to enhance their operations. Through these collaborations, the department has been able to improve equipment and technology, enabling them to provide innovative, effective, and efficient policing services. Over the past fiscal year, PPD was awarded numerous grants that facilitated the purchase of critical items for crime prevention and officer safety. These investments have allowed the department to improve both its operational capabilities and its ability to address emerging challenges.

Looking ahead to fiscal year 2025, the department remains focused on crime reduction. Key initiatives include increased patrols in areas with higher rates of violent crime, burglaries, and drug-related activity. Additionally, the department will continue to deploy advanced technology in known problem areas to enhance crime prevention and improve response times. PPD will also maintain its strong collaboration with neighborhood associations to ensure residents are actively involved in the ongoing effort to make the city even safer. Through these initiatives, the Pensacola Police Department continues to evolve and improve, providing a model for community-based policing while ensuring the safety and well-being of everyone in the city.

Code Enforcement focuses on ensuring compliance with laws, ordinances, and regulations designed to maintain public safety, health, and the quality of life with the City limits. Code Enforcement activity moved from the management of Sanitation to the Police Department in the beginning of fiscal year 2024. The Code Enforcement Division initiated 5,236 new cases in fiscal year 2024 ending with a 97 percent compliance rate for the new cases. Along with illegal dumping cases and Sanitation "no service" cases, the code enforcement officers made 8,648 site visits consisting of initial investigations, follow-ups, and property postings.

The Pensacola Fire Department provides a wide range of services and programs designed to protect the lives and property of the citizens and visitors to the City of Pensacola. The department is proud to confirm it achieved the best possible Insurance Services Organization (ISO) Class 1 rating. A rating based on a class rating scale of 1 (highest) to 10 (lowest) and obtained by evaluating crucial factors such as fire suppression, which includes fire station locations, personnel, training, apparatus, and equipment; water supply, which includes fire hydrant spacing, inspections, and fire flow; and communications, which includes station alerting and dispatch, radio communication equipment, and emergency response times.

In fiscal year 2024, the Pensacola Fire Department's Logistic Division replaced aged staff vehicles with newer used vehicles from the current City fleet and completed major repairs to the Fire Station 6 generator. The Pensacola Fire Department's Training Division began phase two training for rope rescue operations and made necessary modifications to the maritime live fire training simulator. The Department's Health/Safety Division procured a State-funded grant for Cancer Decontamination Equipment.

On-going advancement in incident reporting and record management allowed the department to monitor, evaluate, and improve its processes more accurately. The Training Division improved employee training and development, creating uniformity in all-hazards training exercises and response readiness. The Fire Marshal's office bolstered the smoke alarm awareness program installing nearly 1000 smoke alarms, increasing awareness and community risk reduction.

In fiscal year 2025, we are in the process of purchasing a new Fire Apparatus, working with a vendor to manage our SOP/SOG documentation, and replacing existing gutters at Fire Administration and Fire Station 1 through ARPA Funding, we received a second award from the State grant for Cancer Decontamination Equipment and intend to purchase Battery Operated positive pressure ventilation fans. The City of Pensacola will be providing best-practice leadership training to all department supervisors as succession and transition planning continues. Upgrades to Fire Department facilities will continue.

The Parks and Recreation Department continued its commitment to improve and promote the quality of life for all citizens and visitors of Pensacola by protecting the heritage of our parks while providing a wide range of recreational, social, and educational opportunities. The City of Pensacola has a total of ninety-three parks and open spaces, along with ten community resource centers which are maintained by the Parks and Building Maintenance divisions, programmed by the Recreation division, and utilized by Pensacola residents and City organizations.

The Parks and Recreation department completed numerous park improvements in fiscal year 2024. The department installed and opened 3 new pickleball courts and 1 new sensory garden playground at one park (Armstrong), installed 14 Big Belly trash compacting garbage cans (Exchange Park, Ferdinand Plaza, MLK Plaza, Doyle Skate Park) which will reduce the frequency of servicing needs saving an estimated 104 hours of labor annually, installed 5 Water bottle fill stations (Maritime Park, Exchange Park, Roger Scott, Legion Field, Doyle Skate Park), and renovated the kitchen at Woodland Heights Resource Center. In addition, major facility upgrades were completed and opened to the public such as 18 tennis courts at Roger Scott Tennis Center, Cecil Hunter Pool house and restrooms, and Bruce Beach Park Phase I. The City was also awarded \$9M in grant funds to renovate Fricker Community Center.

In fiscal year 2025, the department will roll out technological upgrades to support the creation of a comprehensive quantitative assessment for parks and facilities. This will include the implementation of work order and asset management software, as well as enhanced online reservation systems for recreation programs, athletic field rentals, and golf course tee times. The Parks and Recreation Department will also launch Direction '25, a \$21.8 million initiative aimed at renovating, rehabilitating, and revitalizing numerous parks across the city. Furthermore, the final phase of Bruce Beach Park will be completed and opened to the public, while a community-driven design process will begin for improvements at Hollice T. Williams Park and Bay Bluffs Park.

Parks and Recreation actively partners with local corporate, non-profit, and community groups to provide service benefits to the entire community. These organizations support the Parks and Recreation Department thru sponsorships for events such as the City's annual Easter Egg Hunt, Blues on the Bay Music Series, Drive-in Movie, and Halloween Egg Haunt as well as providing support for recreational, social, and educational programs within the City's Resource Centers and parks.

The Public Works and Engineering (PW&E) Department continued to meet its mission statement of providing courteous and quality service, while maintaining the City's current infrastructure and constructing new infrastructure. Operations maintain 332 miles of roadway, 82 stormwater ponds, 118 various underground stormwater treatment units, 18 ditches, 2,352 drainage inlets and 45 stormwater outfalls, 15 of which are major outfalls.

During fiscal year 2024, Operations completed 74 sidewalk repair work orders, repaired over 80 potholes, addressed 771 traffic signal issues and 490 street light issues. Approximately 6,397 miles of roadway were swept and approximately 4,146 tons of road debris were removed. The department replaced 428 street markers and street signs, installed 47 new street markers and street signs, installed 7 speed tables, and placed over 2,500 linear feet of thermoplastic pavement markings.

Public Works and Engineering had several significant capital improvement projects completed in fiscal year 2024. Capital projects completed included a new flood mitigation project for the intersection of Summit Blvd and Piedmont Road, resurfacing 6.92 lane miles of roadway and installation of 23,776 linear feet of new sidewalk around OJ Semmes Elementary School, Audubon Drive, Tide Drive, Shades Drive, McClellan Road, Hallmark Drive and Firestone Boulevard. Additionally, 1,049 different sidewalk locations along 4.7 miles were leveled off to bring back into ADA compliance.

In fiscal year 2025, Public Works and Engineering will complete several large stormwater capital improvement projects including: an earth stabilization project behind Gull Point Community Center, the installation of new stormwater piping down a portion of Barrancas Avenue, two new stormwater outfalls to Pensacola Bay which will mitigate flooding (9th Avenue & Bayfront Parkway and Main Street & B Street), design and construction of five new stormwater treatment solutions which currently discharge into Bayou Texar, design of a new stormwater piping system down Langley Avenue and design of the Hollice T. Williams Stormwater Park. In terms of transportation and walkability, over \$200,000 will be expended in bringing existing sidewalks into ADA compliance, new sidewalks will be installed on Q Street

from Jackson to Cervantes, E. Anderson St from MLK to 6th Ave, and E. Scott St from 9th Ave to 12th Ave. and nearly \$600,000 in pavement resurfacing. Lastly, construction of a large “Welcome to Pensacola” sign.

The Facilities and Fleet Management Department was created as a separate division from public works in 2024. The Facilities and Fleet Management Department is responsible for providing preventative maintenance and repair services to city vehicles, buildings, and equipment. In addition, the department assists all City departments with new construction, repair, renovation, and maintenance of their buildings while complying with all local, state, and federal building codes. This includes overseeing architectural, mechanical, electrical, structural, plumbing, and fire protection systems. The overall goal is the health, safety and welfare of the building inhabitants while creating a functional and positive work environment to support the efficient operation of that specific City department.

The Fleet Management Division had a strong fiscal year in 2024, completing repairs on 1,442 light-duty vehicles and 1,843 heavy-duty vehicles. This reflects the department's commitment to maintaining the City's fleet in optimal condition to support efficient operations across all departments.

The Development Services Department is comprised of three divisions: Development Services Administration, Planning & Zoning, and Building Inspections. The Department is responsible for the City's long-range planning, land development and revitalization programs, as well as plan review and permitting, and the collection of Business Tax Receipts. Development Service coordinates the City's weekly “One Stop” Development Review meeting, which provides those who are interested in submitting projects for permitting the opportunity to obtain input from City staff from Planning and Zoning, Building Inspection, Fire Marshall, Public Works and Engineering among others.

Planning and Zoning continues to maintain the City's Comprehensive Plan, Planning Services also maintains the current Land Development Code (LDC) and continues to work towards encouraging urban density, mixed-use development, and implementing form-based, sustainable development guidelines to create a more walkable-built environment. Planning and Zoning is currently managing the ongoing assessment and revision of the City's Land Development Code.

Building and Inspections is responsible for conducting inspections of building construction for compliance with Florida Building Codes, local building ordinances and approved plans within the city limits. During fiscal year 2024, the department issued 8,151 permits and conducted 19,915 building inspections.

The Community Redevelopment Agency (CRA), was established in 1980 to implement the revitalization of a 1,237-block blighted area, referred as the Pensacola Inner City Community Redevelopment Area. This area encompasses 17th Avenue on the east, Pensacola Bay on the south, Bayou Chico and the City limit line on the west and the City limit line on the north. Within the Pensacola Inner City Community Redevelopment Area, there exists three Redevelopment Areas - the Urban Core Community Redevelopment Area, the Urban Infill and Redevelopment Area (commonly referred to as Eastside Community Redevelopment Area) and the Westside Community Redevelopment Area.

The Urban Core Community Redevelopment Area was established in 1984 and has facilitated a variety of public and private sector redevelopment initiatives since its inception, including streetscape, park, and commercial façade improvements and relocation of the Emerald Coast Utilities Authority (ECUA) Wastewater Treatment Plant. In 2010, public improvements to a 27-acre waterfront parcel on Pensacola Bay were completed which created the Vince Whibbs, Sr. Community Maritime Park (CMP), a multi-use athletic stadium, amphitheater and public promenade, and parcels available for private development. The pivotal redevelopment project along with other projects were made possible through the City's issuance of the Urban Core Redevelopment Revenue Bond, Series 2009.

In fiscal year 2024, the CRA held the grand opening of the Bruce Beach park, and initiated the preparation of the Equitable Development Plan (EDP), to establish principles aimed at counteracting potential negative efforts associated with the development of the Hollice T. Williams Urban Greenway. Strides were also taken towards the redevelopment of 101 West Main Street, adjacent to Pensacola Bay and of 925 East Jackson Street, to provide for long term affordable infill housing. A significant update to the Urban Core Redevelopment Plan was also underway throughout the year which will ultimately lead to the repeal and replacement of the 2010 plan with the new 2025 plan and inform new projects and redevelopment strategies.

CRA initiatives planned for fiscal year 2025 include the continuation of the CRA's established residential and commercial improvement programs, and establishment of a new incentive program for the development small scale affordable rental housing . The design of the Hollice Williams Urban Greenway (which extends into the Eastside district) as well as the potential initiation of the second phase of planning under the EDP, which will inform implementation. Finally, improvements to West Main Street from Clubbs to Barrancas (extending into the Westside district) is expected to continue during the upcoming fiscal year with construction to follow.

The Eastside Community Redevelopment Area was established in 2005. In 2018, the CRA completed reconstruction of the historic birth site of General Daniel "Chappie" James, Jr., America's first African American Four-Star General, to accommodate the operation of a commemorative museum and youth flight academy. The project was funded through the issuance of the Eastside Redevelopment Revenue Bonds, Series 2017. CRA continues to offer residential improvement programs and affordable housing initiatives. In effort to provide affordable housing, CRA purchased two affordable housing infill sites located at 1700 Dr. Martin Luther King Jr. Blvd and 2700 Dr. Martin Luther King Jr. Blvd and preliminary home plans have been substantially designed for both locations.

In fiscal year 2024, the construction of a 2nd phase of improvements to expand the campus of the General Daniel "Chappie" James, Jr. Museum and Youth Flight Academy was completed. The CRA also initiated the preparation of the Equitable Development Plan (EDP), to establish principles aimed at counteracting potential negative efforts associated with the development of the Hollice T. Williams Urban Greenway. A significant update to the Eastside Redevelopment Plan was also underway throughout the year which will ultimately lead to the repeal and replacement of the 2004 plan with the new 2025 plan and inform new projects and redevelopment strategies.

CRA initiatives planned for fiscal year 2025 include the continuation of the CRA's established residential improvement programs, and the potential initiation of analysis phase to consider

expansion of the Tax Incremental Financing (TIF) district. The design of the Hollice Williams Urban Greenway (which extends into the Urban Core district) is expected to continue during the upcoming fiscal year with construction to follow, as well as the potential initiation of the second phase of planning under the EDP, which will inform implementation.

The Westside Community Redevelopment Area was established in 2007. However, tax increment revenues were not received for many years due to the 2008 decline in property values caused by the recession. The City Council reaffirmed the existence of blight in the district, rescinded the 2007 base year for the Westside Community Redevelopment Area taxable property values and established a new base year of 2013. With a new base year set, the CRA started receiving tax increment revenues in 2015. In 2017, the City issued the Westside Redevelopment Revenue Bonds, Series 2017 to fund critical Westside redevelopment initiatives supporting blight removal and neighborhood livability.

In Fiscal Year 2024, the CRA issued a solicitation for redevelopment of the former Pensacola Motor Lodge on West Cervantes Street for affordable multifamily rental housing. A development partner was successfully selected and funding opportunities were actively sought out during the year in support of the project. A land donation agreement with the newly formed Northwest Florida Community Land Trust (CLT) for long term affordable housing infill located at 2300 West Jackson Street, A and 1491 North E Street. Construction of these homes are anticipated to be completed in the upcoming fiscal year. Design was also underway in 2024 for improvements to West Main Street from Clubbs to Barrancas (extending into the Urban Core district) and portions of L Street, Gregory Street and Wright Street, as well as rehabilitation of the former Alice Williams library. Design is expected to continue into 2025 with construction to follow. Land assembly to support park redevelopment of the American Creosote Works (ACW) superfund site continues also. Finally, a significant update to the Urban Core Redevelopment Plan was underway throughout the year which will ultimately lead to the repeal and replacement of the 2007 plan with the new 2025 plan and inform new projects and redevelopment strategies.

CRA initiatives planned for fiscal year 2025 include the continuation of the CRA's established residential and commercial improvement programs and establishment of a new incentive program for the development small scale affordable rental housing. A \$5 million Community Development Block Grant was awarded for commercial improvements along West Cervantes Street and/or Pace Boulevard. Strategizing and due diligence in support of the grant is expected to continue during 2025 and 2026, as well as strides taken towards the redevelopment of the former Baptist Hospital campus. Analysis is also anticipated to begin to consider potential expansion of the Tax Incremental Financing (TIF) district. Expansion of the district would improve connectivity to the waterfront and aid in blight removal in surrounding inner-city areas.

The CRA continues to work with private sector concerns to support a revitalized and blight free community. Investment in the Pensacola Inner City Community Redevelopment Area will assist in removing blight, maintaining housing affordability and strengthening the property tax base and potential for future revenue growth.

The Housing Department focused on continuing to address the community's needs by supporting community redevelopment projects, supportive service agencies, and concentrating on the need for decent, safe, and attainable housing to enhance the quality of life for all area residents.

During fiscal year 2024 in support of the Mayor's commitment to build stronger neighborhoods, 25 low and moderate families had their homes rehabilitated through the city's various owner-occupied rehabilitation programs, leveraging funds from federal and state sources. Funds received through the State Housing Initiatives Partnership (SHIP) program, HOME Investment Partnerships Program, and other homebuyer programs assisted 61 families in the community reach homeownership.

Through the city's Community Development Block Grant (CDBG) program public service activities supported the delivery of 25,580 nutritional meals to 105 elderlies, disabled, and special needs families. Group classes provided educational opportunities regarding home buying and foreclosure prevention for 82 households.

In response to the pandemic, the city received an award of CDBG-Coronavirus funds. The CDBG-Coronavirus funds provided 7 families with eviction and foreclosure counseling assisting them with the goal of maintaining their residence. Additionally, CDBG-Coronavirus funds provided 44 families with emergency payments for overdue mortgage and utility expenses assisting residents maintain their homes.

The Section 8 Housing Choice Voucher (HCV) Program provided rental assistance for approximately 1,850 extremely and very low-income families each month during fiscal year 2024. This reflects approximately \$1.5 million in monthly rental housing assistance in our community, paid out to an estimated 543 local landlords.

During 2024, the city continued to administer a special allocation of 33 Emergency Housing Vouchers in partnership with the Continuum of Care lead agency, Opening Doors Northwest Florida, Inc., targeting the housing needs of the homeless, victims of domestic violence, and families at risk of homelessness.

In response to the growing need for attainable housing in the community, to include the development of both rental and homeownership opportunities, the Department continues to develop new programs and seek creative solutions to address this concern for the city's residents.

Parking Department is responsible for the enforcement of state and local parking laws and ordinances for all City owned on-street and off-street parking assets within the city limits. The Parking Department also provides payment enforcement for the city's 1,486 pay-to-park spaces, maintenance of 58 payment kiosk, one city owned parking garage, four boat ramps, and five parking lots. The Parking Department also oversees the Constituent Service Division. In 2024 the Parking Department reinvested over \$800,000 of parking revenue back into the city and parking program to include the Palafox Street redesign, new touch screen parking kiosks, restriping of parking lots, new parking website with interactive maps, improved signage, new parking app, landscaping, holiday lights, public education, maintenance of facilities, and security enhancements. The City Parking Department experienced a 7% increase in single parking sessions, an 9% increase in parking permits, and a 29% increase in the number of parking citations issued over 2023.

The Constituent Services Division responds to 311 (non-emergency) citizen concerns for all seven districts, fifty-five thousand city residents, and sixteen city departments. In 2024 Constituent Services routed, tracked, and responded to 2,068 identified issues within the city limits, answered 10,956 calls, closed 2,053 citizen concern tickets, and reduced the average time to resolve a citizen concern from 32.28 days to 7.16 days. The 311 ticket subjects range from potholes to streetlights and from code violations to garbage pick-up. The 311 Department ensures that citizens' concerns regarding the safety and maintenance of city infrastructures are properly addressed, questions about city processes and programs are answered, thereby ensuring the overall quality of life for city constituents.

Pensacola Energy's (PE) vision is to be an innovative, high-value energy services provider committed to safety, performance and excellence with the continued goal to always improve customer service delivery, test and implement new service offerings, upgrade the condition of our underground gas mains and service lines and integrate new technologies to improve operational efficiency and minimize greenhouse gas emissions.

In fiscal year 2024, the department expanded radio tower coverage by adding a new AMR tower along East Nine Mile Road. In-house construction crews installed nineteen miles of natural gas main, including the replacement of seven miles of bare steel main and the installation of eleven miles to support new growth. Commercial growth remained strong, surpassing the levels recorded in fiscal year 2024.

The natural gas rate ordinance allows for an annual adjustment in rates based on the Consumer Price Index (CPI), an Infrastructure Recovery Charge as a rate component, a Weather Normalization Adjustment Factor, and a Purchase Gas Adjustment which includes a dedicated component to restore Pensacola Energy's operating reserves. A multi-year infrastructure replacement plan has been developed for the Infrastructure Recovery Charge which allows costs to be collected through rates the year following the expenses.

The Sanitation Services and Fleet Management Department is responsible for providing dependable, efficient Sanitation Services to the City residents and business establishments through residential garbage, recycling, trash collection.

In fiscal year 2024 Sanitation Services collected 38,070 tons of solid waste and 1,236 tons of recyclables. As part of the Mayor's initiative to reinvest in City neighborhoods, Sanitation Services provides the Mayor's Neighborhood Cleanup program to each City neighborhood annually. The ten neighborhood cleanups completed in fiscal year 2024 resulted in the removal of 581 tons of bulk waste, 772 old tires, and 19,368 gallons of old paint. Due to rising cost, the City discontinued its recycling program through ECUA, ceasing residential recycling services in October 2023. However, to continue providing recycling options, the City introduced a curbside recycling service for qualifying materials and established drop-off locations. Citizens can bring recyclables to the City's Recycling Center at 2750 Summit Blvd., which has designated containers for single-stream recycling, cardboard, and glass. Additionally, in October 2024, the City opened a second drop-off site at the Field Services Center (2759 N. Palafox St.), available every Saturday except on holidays or during inclement weather. After extensive research, the

City proposed a fee-based curbside recycling program in late 2024, with implementation anticipated in spring 2025.

The Port of Pensacola is a thriving economic hub in northwest Florida and a cornerstone of the City's maritime process since 1754. As one of Florida's sixteen deep-water ports, its mission is to fuel the economic engine of northwest Florida through international trade, maritime and water-dependent industries, and businesses.

In fiscal year 2024, the Port's cargo tonnage was down slightly from 2023 but still resulted in a 34% increase over the port's 10-year average. Vessel activity was also down slightly primarily due to vessel availability in key cargo sectors. Key cargo segments for the Port include imported GE Vernova wind energy generation components, bulk construction materials, palletized agricultural products, and a small volume of containerized general cargo totaling 1,200 containers (TEUs). Outbound cargo consisted of heavy construction equipment, vehicles, and miscellaneous cargo.

The Port anticipates similar cargo volumes for fiscal year 2025 with the biggest development in the Port's business lines being the scheduled fall 2025 completion of the High-Performance Maritime Center of Excellence, which will serve as the home base for the New York Yacht Club's professional sailing team, American Magic. This state-of-the-art facility is expected to create over 150 jobs when fully operational.

The Pensacola International Airport's purpose is to meet the needs of the traveling public, both commercial and private passengers, while ensuring their safety and security. To ensure those needs are met and to strategically position the Airport to meet future demands, the Airport updated their Master Plan in 2019. An airport master plan is a comprehensive study of an airport that describes the short-, medium-, and long-term development plans to meet future aviation demand, typically with a 20-year outlook. The Master Plan update addresses the recommended plan for the Airport through 2035 and drives all future capital projects. With the unprecedented growth in Escambia County, Pensacola International Airport has already exceeded the Master Plan's forecasted 2030 annual enplaned passenger numbers. In fiscal year 2024 the Airport had 3.03 million passengers utilized the scheduled service of seven airlines to fifteen plus non-stop destinations, surpassing 2023 passenger numbers of 2.65 million by 14.3%.

With the continued growth in passenger traffic, the Airport has been diligently working on moving forward with many of the projects depicted in the 2019 Master Plan Update. In 2024, the Airport kicked off several projects including the paving of a remote parking lot, the construction of a corporate apron, the reconfiguration of taxiway A7 and taxiway A/B intersection, and the design for a terminal building renewal and expansion project. Completed projects include the rehabilitation of our parking garage and replacement of the parking revenue control equipment. In 2025, the Airport plans to begin the first phase of a terminal building renewal and expansion project which will ultimately include an expanded TSA checkpoint and a new concourse. Construction will also continue the expansion of the Airport's Maintenance Repair Overhaul (MRO) Facility. MRO Hangar two construction was completed in 2023, Hangar three construction began in 2024, and Hangar four construction is anticipated to begin in 2025.

Citywide topics

In fiscal year 2024, the City lost one (1) key staff employee: the City Administrator. The City Administrator was filled on the last day of the fiscal year 2024. The vacant City Attorney, Parks & Recreation Director and Facilities & Fleet Management positions were filled in fiscal year 2024. The City experienced a 16.45% turnover rate in fiscal year 2024, an increase over the reported fiscal year 2023 rate of 15.18%. The 2024 turnover rate does not include retirements. Based on exit interviews, employees cited increased compensation/benefits from other job opportunities and relocation as the main reason for their separations.

The City has four unions which have agreements that are renegotiated on a recurring basis. The City and International Association of Firefighters' (IAFF) entered into an agreement February 22, 2024, for fiscal years October 1, 2024 through October 1, 2026. The agreement allows for the following minimum straight time pay rates as follows: Professional Firefighters minimum \$43,000.00, Lieutenants minimum \$53,750.00 and Captains minimum \$64,500.00. The agreement provides for the members to receive a 12% pay increase effective October 1, 2023, a 7% pay increase effective October 1, 2024, and a 2% pay increase effective October 1, 2025. The City and Fraternal Order Of Police – Officers union entered into a three-year agreement on December 12, 2024 for fiscal years October 1, 2024 through September 30, 2027. The Police Officers' contract provides for the members to receive a year one slotting of their pay based on total years of service with the City in line with the new pay range of minimum \$52,520.00 and maximum of \$80,017.60 over twenty years effective October 1, 2024, and 2% pay increase effective October 1, 2025, and October 1, 2026, not to exceed the maximum of \$80,017.60. The City and Fraternal Order of Police Sergeants and Fraternal Order of Police Lieutenants are currently in negotiations for a new contract.

Independent Auditors

The Florida Statutes and the City's Bond Resolutions require an annual audit of the City's financial records by an independent certified public accountant. The City's fiscal year 2023 financial statements have been audited by the certified public accounting firm of Warren Averett, LLC. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement.

The City is also required to undergo an annual audit to obtain reasonable assurance about compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects.

Reporting Achievements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pensacola for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2023. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial reports must satisfy both accounting principles generally accepted in the United States and applicable legal requirements. The City of Pensacola has been awarded a Certificate of Achievement for forty-two of its last forty-three fiscal years.

A Certificate of Achievement is valid for a period of one year only. We believe that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and will be submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements

The City's accounting staff, as always, is dedicated in preparing a timely and accurate comprehensive annual financial report. Appreciation is expressed to all those who contributed to its preparation and to City Council for the continued support of a fiscally sound City government.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "D.C. Reeves".

D.C. Reeves
Mayor

A handwritten signature in blue ink, appearing to read "Amy Lovoy".

Amy L. Lovoy
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Pensacola
Florida**

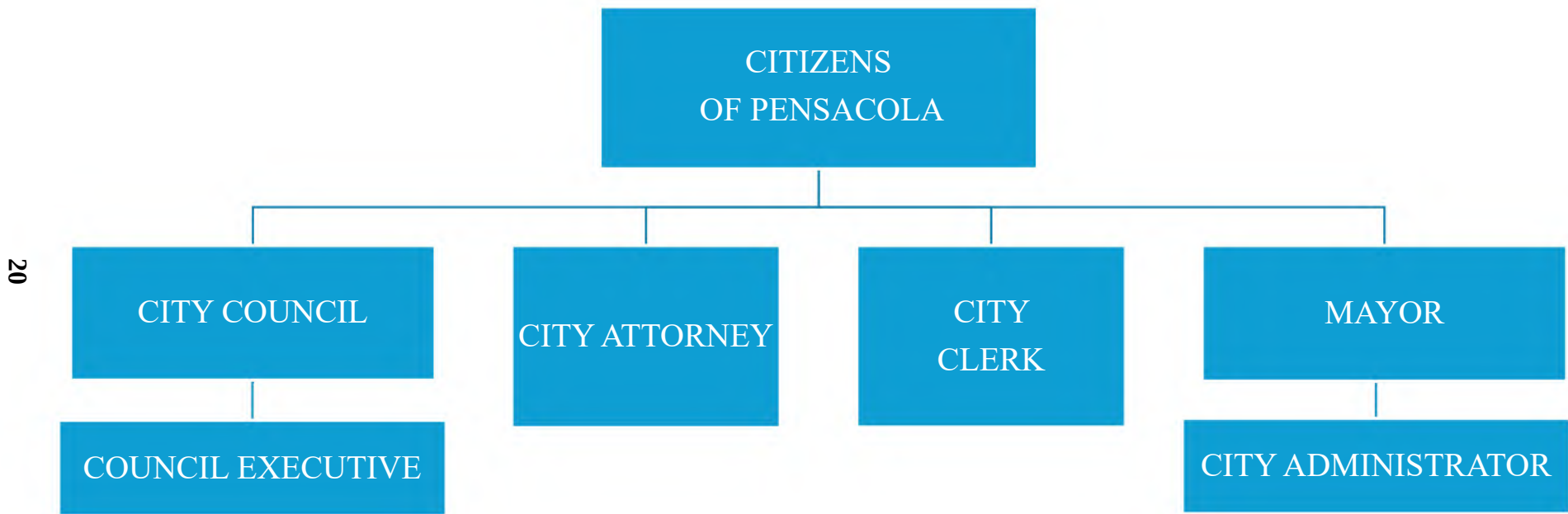
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

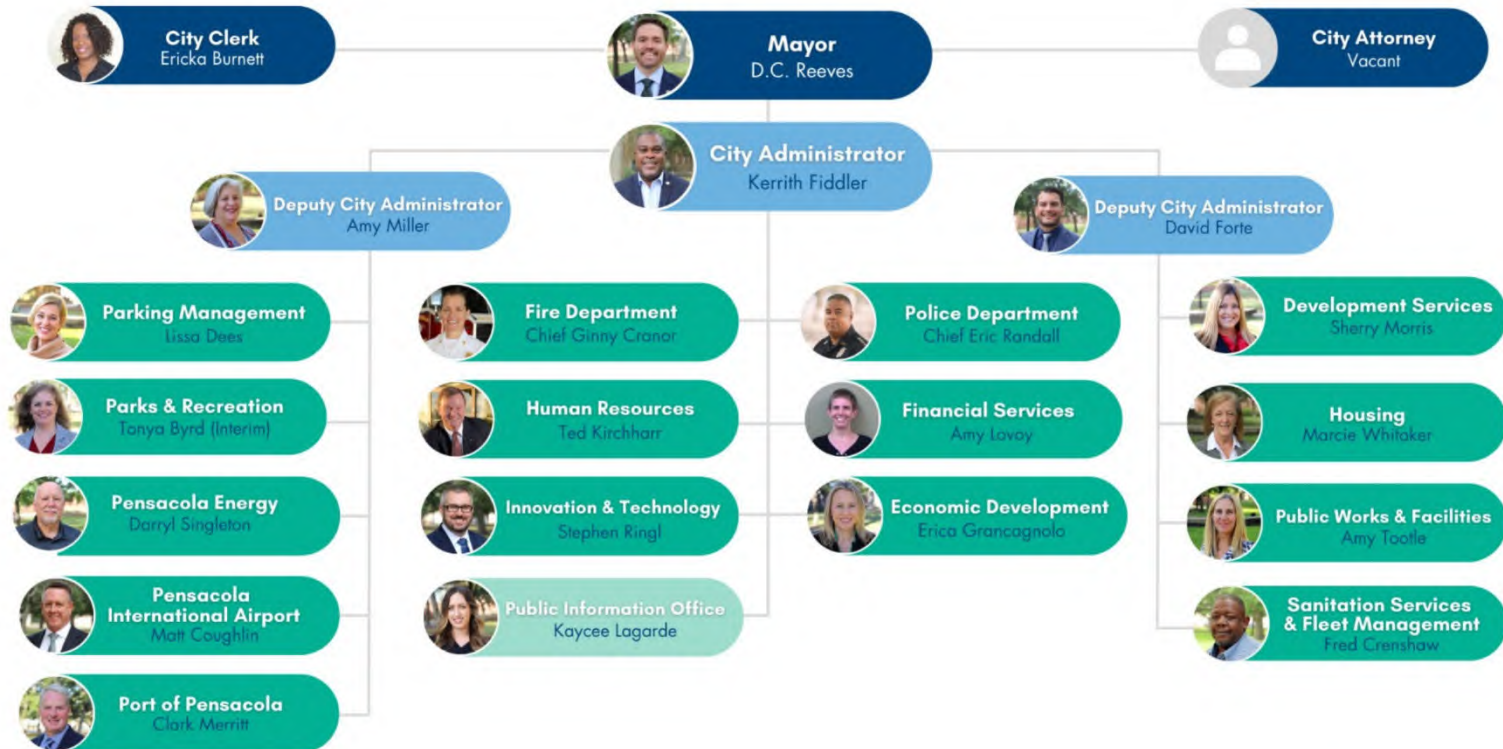


Executive Director/CEO

**CITY OF PENSACOLA
FISCAL YEAR 2024
ORGANIZATIONAL CHART**



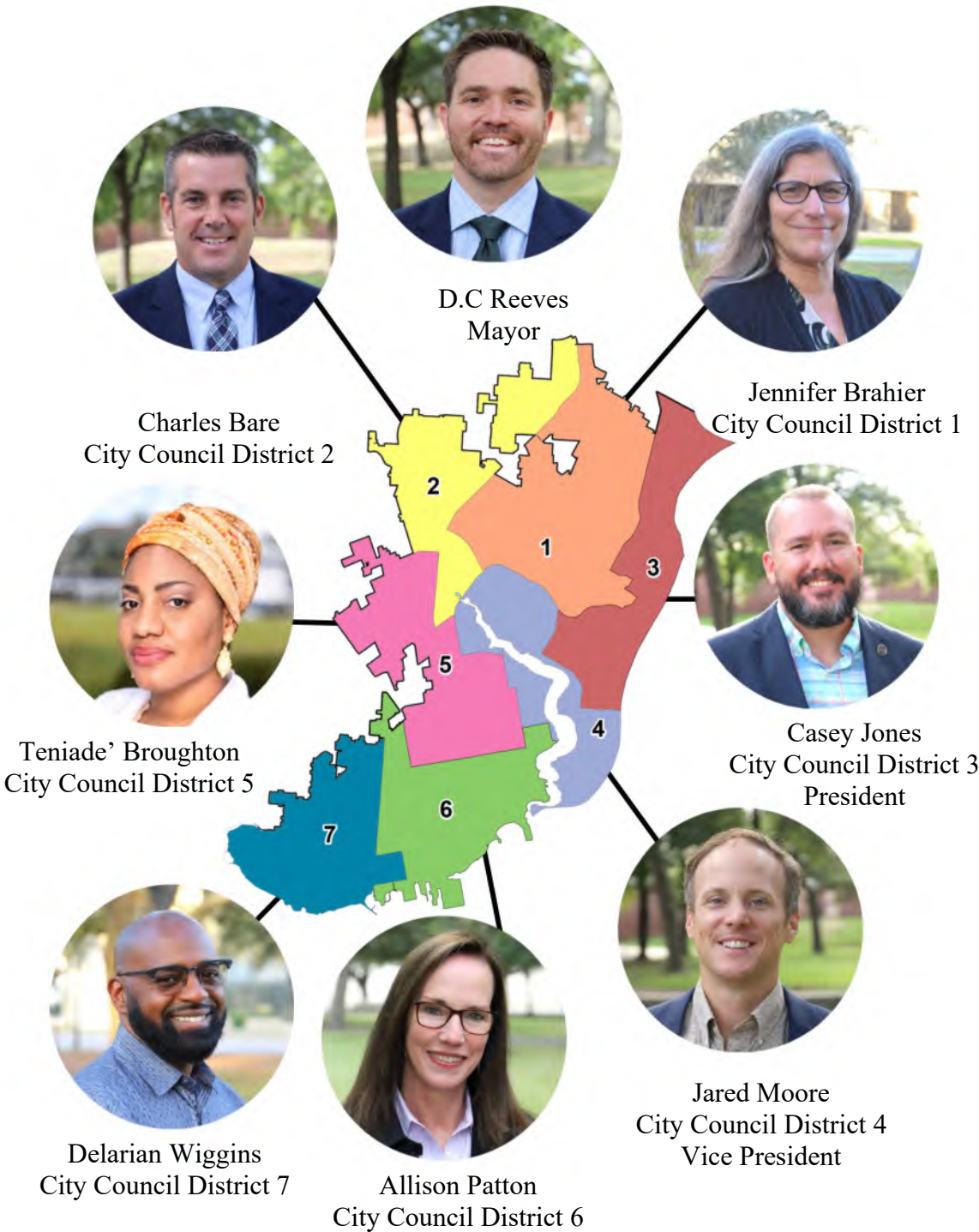
CITY OF PENSACOLA FISCAL YEAR 2024 CITY REPORTING STRUCTURE CHART



Departments Divisions

CITY OF PENSACOLA, FLORIDA
LISTING OF ELECTED AND APPOINTED OFFICIALS

ELECTED OFFICIALS
FY 2024 MAYOR & CITY COUNCIL



CITY OF PENSACOLA, FLORIDA
LISTING OF ELECTED AND APPOINTED OFFICIALS

ELECTED OFFICIALS
FY 2025 MAYOR & CITY COUNCIL



FINANCIAL SECTION

This section contains the following subsections:

INDEPENDENT AUDITORS' REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and
Members of the City Council
City of Pensacola, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pensacola, Florida (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the General Fund, Housing Assistance Payments Fund, and Community Maritime Park Fund, schedules related to pension and the other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of

management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison information, combining and individual nonmajor fund financial statements and schedules, and financial data schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City.

The accompanying schedule of expenditures of federal awards, passenger facility charges, and state financial assistance is presented for purposes of additional analysis as required Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and as specified in the *Passenger Facility Charges Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and by Section 215.97, Florida Statutes, and is also not a required part of the basic financial statements of the City.

The accompanying schedule of receipts and expenditures of funds related to the Deepwater Horizon Oil Spill is presented for the purpose of additional analysis as required by Florida Statute 288.8018 and the *Rules of the Auditor General* Chapter 10.557 (3)(f) and is not a required part of the basic financial statements of the City.

The combining and individual fund financial statements and budgetary comparison information, financial data schedule, schedule of expenditures of federal awards, passenger facility charges, and state financial assistance, and schedule of receipts and expenditures of funds related to the Deepwater Horizon Oil Spill are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

Pensacola, Florida
March 7, 2025

Management's Discussion and Analysis

This section will provide a comparative analysis between fiscal year 2024 and 2023. The comparison amounts are shown at a summary level with additional detail provided for explanation. The format is designed to provide the reader with a narrative overview of the City's financial activity for the fiscal year ended September 30, 2024. This discussion should be read in conjunction with the Letter of Transmittal located in the Introductory Section.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) as of September 30, 2024, by \$621,279,825. Of this amount, the net investment in capital assets totaled \$487,644,093, which is unavailable, and restricted net position totaled \$93,083,039 resulting in an unrestricted net position of \$40,552,693. Unrestricted net position is negatively impacted due to GASB Statement No. 68, which reduced governmental activities unrestricted net position by \$59,133,977 and business-type activities by \$15,506,274 for a total reduction of \$74,640,251. GASB Statement No. 68 requires the City to report on the face of the financial statements the deferred inflows, deferred outflows and net pension liabilities for each of the City's pension plans and the City's proportionate share of the Florida Retirement System (FRS). This unfunded pension obligation will continue to negatively impact unrestricted net position for future periods until all plans have been fully funded. For a more detailed explanation of the fluxes refer to the Government-Wide Financial Analysis section of Management's Discussion and Analysis.
- The City's total net position of \$621,279,825 increased \$25,602,392 (4%) over the fiscal year 2023 net position of \$595,677,433. Governmental activities increased by \$5,965,991 (2%) and business-type activities increased by \$19,636,401 (4%). At the beginning of the fiscal year, Code Enforcement net assets of \$1,728,781 were transferred from the Sanitation fund to a Special Revenue Fund. For a detailed explanation of these fluxes refer to the Government-Wide Financial Analysis section of Management's Discussion and Analysis.
- As of September 30, 2024, the City's governmental funds reported combined fund balances of \$91,169,452 an increase of \$5,317,166 (6%) over the prior fiscal year. For a detailed explanation of the fluxes refer to the Government-Wide Financial Analysis section of this report. The unassigned fund balance for the City's governmental funds totals \$40,331. Unassigned fund balance is the portion of fund balance which is not obligated or specifically designated and is available for any purpose.
- Governmental funds' revenues increased by \$3,667,353 (3%) over the prior fiscal year total of \$121,017,531. The major increase in governmental funds' revenues stems from \$2,560,908 in General Fund revenues mainly related to an increase in ad valorem tax revenues because of a 12.35% increase in taxable property valuation. There was a \$2,359,323 decrease in intergovernmental revenues due to multiple factors. In fiscal year 2023, there was approximately \$6,137,504 revenues for Hurricane Sally reimbursements

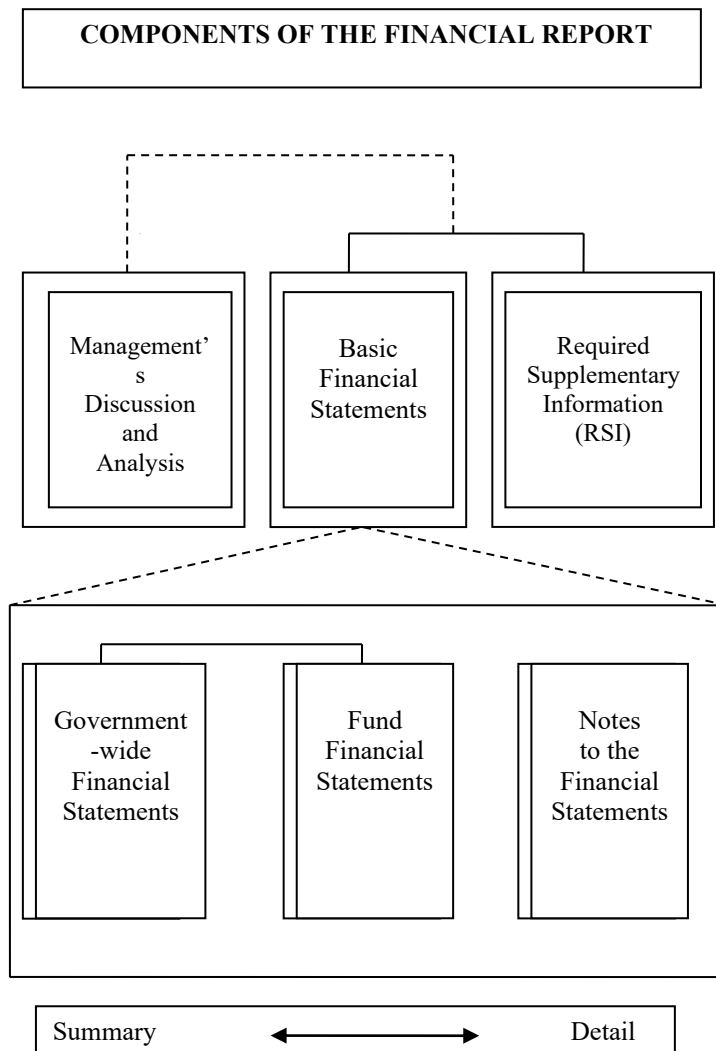
from FEMA. In addition, there was an increase in revenues of \$1,157,112 million because of the increase in property tax revenues in the CRA districts. The Federal and State grant receipts decreased slightly overall, which is tied to the timing of expenditure on project, so the revenues could fluctuate yearly. The revenues in the American Rescue Funds decreased by \$765,826 because there were less expenditures spent on American Rescue Plan Act (ARPA) projects than in the prior year. Charges and services in governmental funds increased overall by \$1,742,799. The Parking Fund increased parking rates, which resulted in an increase in revenues of \$687,728 for the year. As a result of the Code Enforcement activity moving from the Sanitation fund to a special revenue fund, the solid waste franchise fees of \$1,346,440 increased governmental revenues in fiscal year 2024. In addition, the rising interest rates on investments due to the economy increased investment income city-wide. The governmental investment income increased \$1,217,119 from the prior year.

- Governmental fund expenditures increased by \$1,463,708 (1%) compared to the prior fiscal year's total of \$129,045,004. The primary driver of this increase was a \$6.4 million rise in personnel salaries and benefits. In fiscal year 2024, the City implemented a three-year plan to enhance employee compensation across all departments, ensuring competitive pay rates. Salaries increased by \$2,694,515 from the prior year, with the Fire Department receiving a 12% increase (\$942,071) and the Police Department receiving a 6% increase (\$743,208). The remaining salary increases were due to pay study adjustments and a 3% cost-of-living adjustment (COLA). Total pension costs rose by \$1,551,303 due to increased contributions during the year, while group insurance costs increased by \$1,038,242 due to rate hikes. Additionally, expenditures for temporary personnel rose by \$428,488. Conversely, capital outlay expenditures decreased by approximately \$5,959,523 from the prior year. The remaining expenditure increase was attributed to a modest rise in operating costs, driven by higher prices for supplies and services due to economic conditions.
- The City's General Fund fund balance, excluding restricted fund balance, increased by \$282,932 from \$28,810,959 to \$29,093,891 in fiscal year 2024. The fund balance overall increased by \$915,663. Included in the committed fund balance is Council Reserves of \$15,586,480. The Council Reserve balance represents 20% of fiscal year 2025 beginning budgeted General Fund appropriations which meets the 20% minimum reserve goal stated in the City Council's Fund Balance Policy. The General Fund had an increase in restricted fund balance of \$632,731 related to an increase in contractual obligations.
- General Fund revenues increased by \$1,916,183 (3%) in fiscal year 2024, primarily driven by a \$2,560,908 rise in ad valorem tax revenues. This increase resulted from a 12.35% growth in taxable property valuation. Meanwhile, General Fund expenditures rose by \$5,803,314 (9%), largely due to a \$2,127,015 million increase in personnel costs associated with the City-wide pay rate reform aimed at enhancing employee compensation. In addition, the pension contributions increased by \$1,244,826 and group insurance rose by \$864,606 due to price hikes.

- The City's enterprise funds reported combined ending net position of \$412,555,671, an increase of \$19,636,401 (4%) in comparison to the prior fiscal year. Of the total net position amount, \$290,299,563 represents net investment in capital assets which increased \$8,020,588 (2%). Operating revenues decreased by \$4,899,011 (4%) from last fiscal year and operating expenses before depreciation decreased by \$7,024,220 (8%). For a detailed explanation of these fluxes refer to the Government-Wide Financial Analysis section of Management's Discussion and Analysis.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements. Following is a chart that illustrates the components of the Annual Comprehensive Financial Report (ACFR).



Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Pensacola's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. The focus of the statement is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal years (e.g., earned but unused vacation leave and revenue in connection with receivables which are not considered available to liquidate liabilities of the current period).

Both the government-wide financial statements distinguish functions of the City of Pensacola that are principally supported by taxes and intergovernmental revenues (governmental activities such as police, fire, public works, recreation and general administration) 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, public safety, transportation, culture and recreation, economical and physical environment, and human services. The business-type activities of the City include the airport, seaport, natural gas utility services and sanitation services.

Discretely presented component units, which are legally separate governmental units over which the City can exercise influence, are presented as a separate column in the government-wide statements. The Downtown Improvement Board is the only discretely presented component unit of the City. The focus of the financial statements is the Primary Government, which are the operations of the City.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of the ACFR will find the Fund Financial Statements presentation more familiar. The focus is on "major" funds, rather than fund types, as reported in the traditional financial statement presentation. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This allows readers to better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Governmental fund information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Housing Assistance Payments Fund, CMP Management Services, and Local Option Sales Tax Fund, all of which are considered to be major funds. All other governmental type funds are considered "nonmajor" and are reported in a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of Combining Statements and Individual Fund Statements and Schedules section of this report.

Blended component units, which are legally separate entities in which the City and the entity have substantially the same governing body or the entity's debt is expected to be repaid almost entirely with resources from the City, are presented as funds of the primary government. The Community Redevelopment Agency (CRA) is the only blended component unit of the City.

Proprietary Funds. Proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found in the Basic Financial Statements section of this report.

The City of Pensacola maintains two types of proprietary funds: enterprise funds and internal service funds. The City uses enterprise funds to account for the assets, operation and maintenance of the City-owned natural gas service, garbage and trash service, port facility, and airport. Internal service funds are used to account for activities that provide goods and services to other City departments such as computers, telecommunications, fleet maintenance, insurance, 311 services, mail and engineering. Since internal service funds predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary Funds. The City of Pensacola is the plan sponsor for the General Pension, Firefighters' and Police Officers' retirement fund. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in net position. These activities are excluded from the government-wide financial statements because the assets cannot be used to support or finance the City's programs or operations. During fiscal year 2007, the City closed the General Pension requiring new general employees to participate in the Florida Retirement System (FRS) though the General Pension remains open for existing participants who chose not to participate in the FRS. During fiscal year 2013, the City closed the Police Officers' Retirement fund requiring new police employees to participate in the Florida Retirement System (FRS) though the Police Officers' Retirement fund remains open for existing participants who chose not to participate in the FRS.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found as part of the Basic Financial Statements section of this report.

Other information

This report additionally includes Required Supplementary Information (RSI) containing schedules of the City's total Other Postemployment Benefits (OPEB) liability, the City's Net Pension Liability (NPL) and contributions for the City's three sponsored pension plans as well as the City's proportionate share in the Florida Retirement System pension plan and health insurance subsidy program, and budget to actual reports for major funds. Combining statements for nonmajor governmental funds and internal service funds are included as well as budgetary comparisons for all debt service and nonmajor governmental funds. Additional information about the City can be found in the Statistical Section.

Government-Wide Financial Analysis

The City of Pensacola adopted the government-wide financial statement presentation. This reporting structure and measurement focus using accrual accounting for all of the government's activities was mandated by the Government Accounting Standards Board (GASB) in Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Comparative data for fiscal years ending September 30, 2024 and 2023 is presented.

It is important to note that GASB Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*, requires governments that offer defined pension benefits to its employees to report on the face of its financial statements the unfunded pension obligation (the "Net Pension Liability"). In addition, GASB Statement No. 68 requires each local government participating in a defined benefit cost-sharing multiple-employer pension plans, such as the Florida Retirement System (FRS), to report on the face of its financial statements their proportionate share of the "collective" Net Pension Liability.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than pensions*, requires governments that offer other post-employment benefits (OPEB) to its employees to report on the face of its financial statements the total unfunded OPEB obligation (the “Total OPEB Liability”).

Both the Net Pension Liability and Total OPEB Liability are recorded at the fund level for proprietary activities and the allocated amount for governmental activities is presented at the government-wide level. The recording of the deferred inflows, deferred outflows, total pension liabilities and total OPEB liability for each of the City’s pension plans, the City’s proportionate share of the Florida Retirement System (FRS) and the City’s OPEB negatively impact the City’s unrestricted net position until all plans have been fully funded. In addition, pension and OPEB expense, which is a net result of the changes in deferred inflows, deferred outflows, total liabilities, can vary considerably over time, depending upon changes in the estimated costs due to such things as market fluctuations. This can result in highly variable income statement results. The governmental fund-level statements are not affected by these pronouncements which use a modified-accrual basis of accounting.

At year-end, the City is reporting positive balances in two of three categories of net position for governmental activities and all three categories for business-type activities.

Summary Statements of Net Position September 30,

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 83,964,667	\$ 78,956,806	\$ 160,344,810	\$ 150,873,471	\$ 244,309,477	\$ 229,830,277
Internal balances	245,145	42,371	(245,145)	(42,371)	0	0
Noncurrent assets	57,171,224	46,708,562	52,910,901	50,032,139	110,082,125	96,740,701
Capital assets	269,869,675	269,236,471	328,128,915	324,175,684	597,998,590	593,412,155
Total assets	<u>411,250,711</u>	<u>394,944,210</u>	<u>541,139,481</u>	<u>525,038,923</u>	<u>952,390,192</u>	<u>919,983,133</u>
Total deferred outflows of resources	<u>50,744,346</u>	<u>64,195,139</u>	<u>13,537,803</u>	<u>17,323,147</u>	<u>64,282,149</u>	<u>81,518,286</u>
Current and other liabilities	27,062,392	28,406,822	47,227,231	45,963,661	74,289,623	74,370,483
Noncurrent liabilities	195,219,811	208,598,988	65,054,904	71,890,488	260,274,715	280,489,476
Total liabilities	<u>222,282,203</u>	<u>237,005,810</u>	<u>112,282,135</u>	<u>117,854,149</u>	<u>334,564,338</u>	<u>354,859,959</u>
Total deferred inflows of resources	<u>30,988,700</u>	<u>21,104,157</u>	<u>29,839,478</u>	<u>29,859,870</u>	<u>60,828,178</u>	<u>50,964,027</u>
Net position:						
Net investment in capital assets,	197,344,530	197,105,128	290,299,563	282,278,975	487,644,093	479,384,103
Restricted	33,499,680	25,290,316	59,583,359	24,857,112	93,083,039	50,147,428
Unrestricted	(22,120,056)	(21,366,062)	62,672,749	87,511,964	40,552,693	66,145,902
Total net position	<u>\$ 208,724,154</u>	<u>\$ 201,029,382</u>	<u>\$ 412,555,671</u>	<u>\$ 394,648,051</u>	<u>\$ 621,279,825</u>	<u>\$ 595,677,433</u>

The total City's net investment in capital assets, such as land, roads, parks, buildings, intangible right to use assets, and machinery and equipment is presented less any outstanding debt related to the acquisition and accumulated depreciation of those assets. The City uses these capital assets to provide services to the citizens and consequently these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position are resources subject to external restriction on how they may be used while unrestricted assets may be used to meet the City's ongoing obligations to citizens and creditors. Unrestricted net position represents 15% of total net position for business-type activities. Unrestricted net position for governmental activities is negative primarily due to the net pension liability of \$103,704,108 and total OPEB liability of \$8,278,619. These unfunded liabilities will continue to negatively impact unrestricted net position for future periods until all obligations have been fully funded. In addition, the unrestricted net position for governmental activities is negatively impacted due to the recognition of the City's long-term contribution to the Emerald Coast Utilities Authority (ECUA) totaling \$3,900,000 as of September 30, 2024. Since the commitment is a long-term liability and future revenue sources have been pledged for the annual payment of \$1.3 million it is expected that this commitment will continue to negatively impact unrestricted net position through fiscal year 2027.

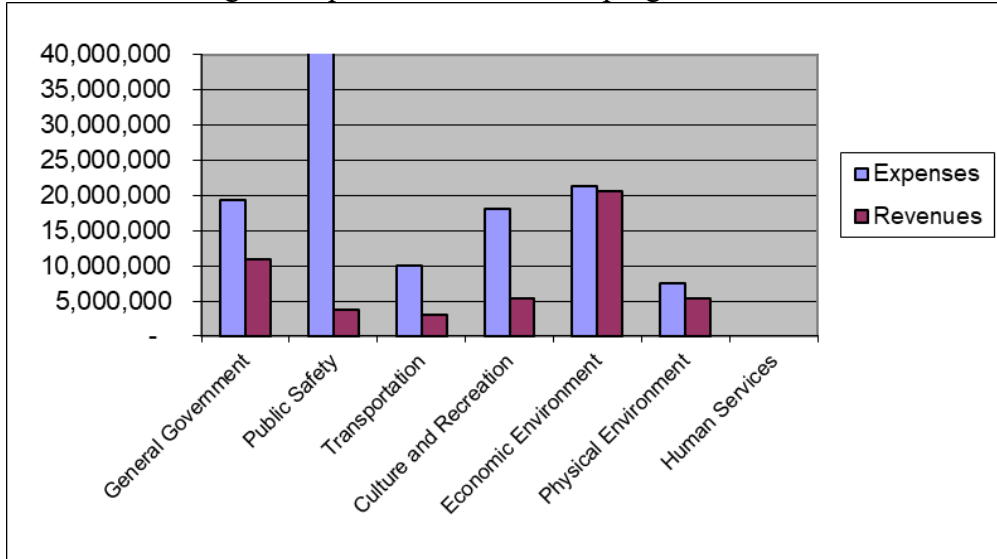
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Changes in Net Position Years Ended September 30,

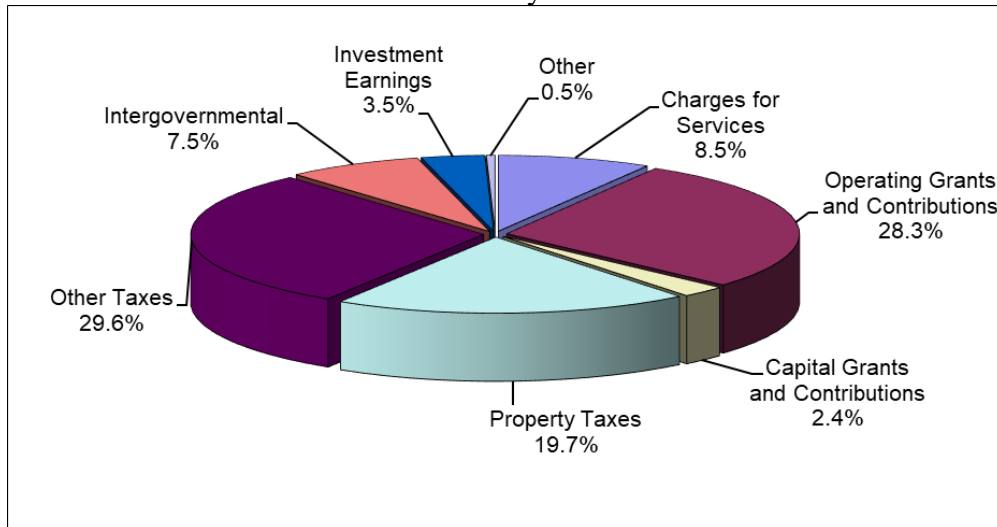
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 13,766,420	\$ 12,359,235	\$ 99,388,486	\$ 103,928,123	\$ 113,154,906	\$ 116,287,358
Operating grants and contributions	32,352,377	36,252,808			32,352,377	36,252,808
Capital grants and contributions	3,067,474	1,241,271	18,967,656	33,543,067	22,035,130	34,784,338
General revenues:						
Property taxes	24,464,687	21,873,778			24,464,687	21,873,778
Other taxes	37,124,646	37,500,156			37,124,646	37,500,156
Intergovernmental	9,414,585	9,754,477			9,414,585	9,754,477
Interest earnings	4,396,700	2,265,910	6,351,988	4,181,440	10,748,688	6,447,350
Gain on sale of capital asset	225,719	97,367	33,073	9,200	258,792	106,567
Other	373,197	226,811	556,307	915,681	929,504	1,142,492
Total revenues	125,185,805	121,571,813	125,297,510	142,577,511	250,483,315	264,149,324
Expenses						
General government	19,344,410	18,703,847			19,344,410	18,703,847
Public safety	52,945,798	47,513,896			52,945,798	47,513,896
Transportation	9,986,044	9,579,297			9,986,044	9,579,297
Culture and recreation	18,058,922	17,947,317			18,058,922	17,947,317
Economic environment	21,209,080	19,906,544			21,209,080	19,906,544
Physical environment	7,526,155	8,444,383			7,526,155	8,444,383
Human services					0	0
Unallocated depreciation	1,623,010	1,638,021			1,623,010	1,638,021
Interest on long-term debt	2,449,522	2,589,840			2,449,522	2,589,840
Utility			40,695,251	50,567,655	40,695,251	50,567,655
Sanitation			8,065,647	8,778,303	8,065,647	8,778,303
Port			3,701,417	3,598,499	3,701,417	3,598,499
Airport			39,275,667	33,370,793	39,275,667	33,370,793
Total expenses	133,142,941	126,323,145	91,737,982	96,315,250	224,880,923	222,638,395
Increase (decrease) in net position before transfers and other items	(7,957,136)	(4,751,332)	33,559,528	46,262,261	25,602,392	41,510,929
Transfers in (out)	13,923,127	10,051,519	(13,923,127)	(10,051,519)	0	0
Increase (decrease) in net position	5,965,991	5,300,187	19,636,401	36,210,742	25,602,392	41,510,929
Net position at beginning of year	201,029,382	195,729,195	394,648,051	358,441,664	595,677,433	554,170,859
Residual equity transfer	1,728,781		(1,728,781)		0	0
Change in accounting principle - Implementation of GASB 96				(4,355)	0	(4,355)
Net position as restated	202,758,163	195,729,195	392,919,270	358,437,309	595,677,433	554,166,504
Net position at end of year	\$ 208,724,154	\$ 201,029,382	\$ 412,555,671	\$ 394,648,051	\$ 621,279,825	\$ 595,677,433

Governmental Activities Fiscal Year 2024

Program expenses matched with program revenues



Revenues by source

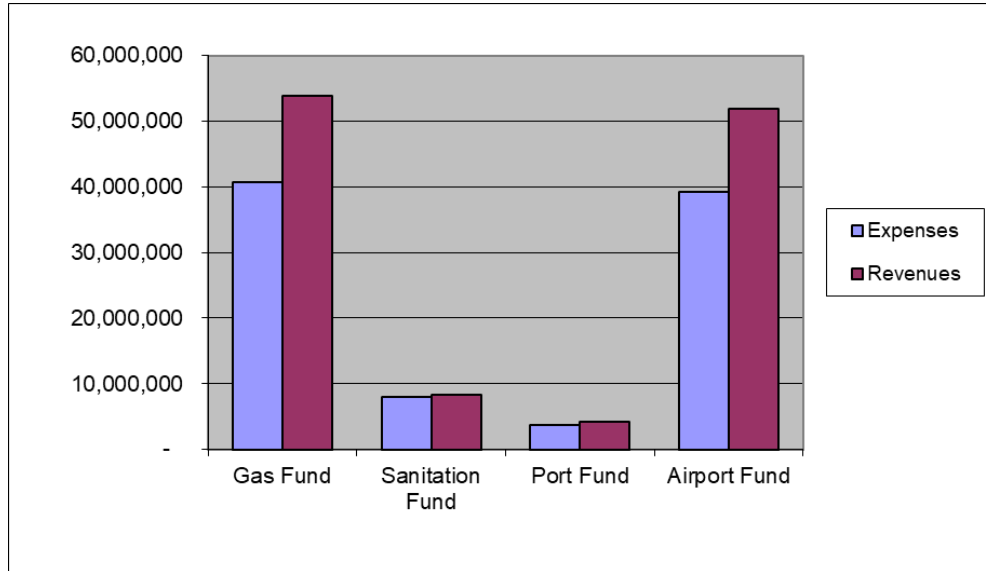


GASB Statement No. 34 reporting requires that functional expenses are matched with revenues that directly support the function. The increase in the current year's net position for Governmental Activities on the Statement of Activities equaled \$5,965,991 which increased by \$665,804 from the prior year. This change in net position was driven by multiple factors. As noted earlier, property tax revenues rose by \$2.5 million due to an increase in taxable property values. Operating grants and contributions decreased in the Natural Disaster as the result of many of the projects have been closed and reimbursed by FEMA in prior years. In the prior year \$6,137,504 was earned as revenue compared to \$2,553 in the current year. Operating grants and contributions increased in other funds such as the Housing Assistance Fund \$2,657,284 which offset some of the reductions in the Natural Disaster Fund. Charges for Services revenues increased by \$1,742,799 as result of the transfer of Code Enforcement activity into governmental functions. Majority of the increase in Capital grants and contribution was driven by the \$1,300,000 contribution from Escambia County for the Roger Scott Tennis Center Improvements. Interest earnings increased by \$1,217,119, benefiting from higher interest rates on investments. Additionally, transfers increased by \$3,137,600 due to higher contribution from Pensacola Energy. Per City ordinance, up to 15% of Pensacola Energy's budgeted revenues may be transferred to the General Fund. The \$6,819,796 increase in expenditures was primarily driven by higher salaries and benefits resulting from the City-wide pay rate increases and rising pension and group insurance cost as previously mentioned. The bar chart above gives a clear indication of which functions are dependent on general revenues to support their operations. Public Safety has the largest differences as this function is traditionally supported by taxes. Taxes, investment earnings and other revenues are classified as general revenues of the government.

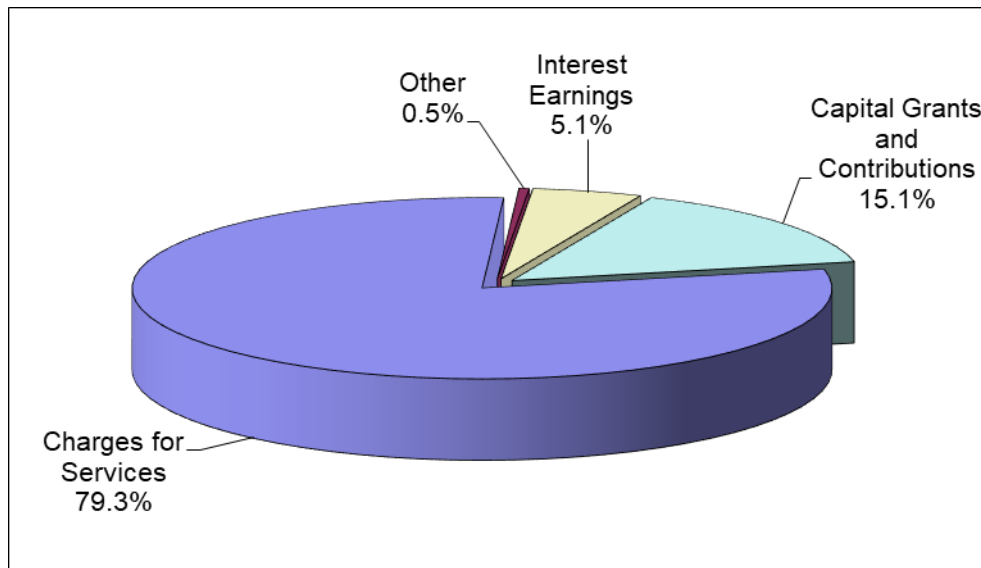
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Business-type Activities Fiscal Year 2024

Expenses compared to *charges for services* revenues
(Including depreciation and bad debt expense)



Revenues by Source



The increase in current year net position for Business-type Activities on the Statement of Activities totaled \$19,636,401. The Utility Fund increased \$1,902,930, the Sanitation Fund decreased \$39,884, the Port Fund increased \$642,630 and Airport Fund increased \$17,130,725. All funds apart from Port Fund charged fees sufficient to cover operations when excluding depreciation. An explanation of these fluxes can be seen in the Financial Analysis of the Government's Funds section below.

Financial Analysis of the Government's Funds

The City of Pensacola uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2024, the City's governmental funds reported combined fund balances of \$91,169,452, an increase of \$5,317,166 (11%) over the prior fiscal year.

Non-spendable and restricted governmental funds balance of \$39,793,647 are available to meet current commitments in the next fiscal year. Non-spendable fund balance of \$608,637 is for prepaid expenditures and inventory. Restricted fund balance is broken down as; \$541,840 is for Saenger capital reserves; \$8,182,451 is for debt service requirements; \$17,219,266 is for community development projects and \$17,907,223 is for other purposes related to contractual obligations and capital projects. This leaves a remaining unrestricted fund balance of \$46,710,035.

Below is a comparative chart for the City's "major" funds; General Fund, Housing Assistance Payments Fund, CMP Management Service Fund and the Local Option Sales Tax Fund.

Effective fiscal year 2024, GASB 100 requires a government to disclose a change to or within the financial reporting entity such as change in a fund's presentation as major or nonmajor. In fiscal year 2024 the American Rescue Plan Act Fund moved to nonmajor and the CMP management Services moved to major. More details on the change can be found in the note section.

Major Fund Information

	<u>General Fund</u>	<u>Housing Assistance Payments Fund</u>	<u>CMP Management Service Fund</u>	<u>Local Option Sales Tax Fund</u>
Fiscal Year 2024				
Revenues and other sources	\$ 73,303,637	\$ 20,462,627	\$ 920,820	13,865,932
Expenditures and other outlays	(72,387,974)	(20,539,153)	(1,319,316)	(6,909,693)
Increase (decrease) in fund balance	<u>\$ 915,663</u>	<u>\$ (76,526)</u>	<u>\$ (398,496)</u>	<u>\$ 6,956,239</u>
Fiscal Year 2023				
Revenues and other sources	\$ 68,093,355	\$ 17,804,804	\$ 1,019,608	12,307,158
Expenditures and other outlays	(65,879,144)	(18,466,079)	(1,021,654)	(15,419,506)
Increase (decrease) in fund balance	<u>\$ 2,214,211</u>	<u>\$ (661,275)</u>	<u>\$ (2,046)</u>	<u>\$ (3,112,348)</u>

The General Fund is the main operating fund of the City. At September 30, 2024, total fund balance in the General Fund was \$32,151,734, an increase of \$915,663 (2%) from beginning fund balance. The unrestricted portion of fund balance was \$28,654,747, however \$15,586,480 is committed for the Council Reserve, \$56,434 is committed for park purchases, \$561,176 is committed for the tree planting trust fund. The \$11,722,500 assigned balance is composed of \$5,100,000 for future fund balance draw downs, \$562,583 for assessments, \$508,876 for housing initiatives, \$241,025 for Wayside Park repairs, \$231,747 library capital improvements, \$2,500,000 actuarial unfunded pension liability, 28,269 for lien amnesty, and \$2,550,000 for anticipated match requirements needed for Hurricane Sally leaving an unassigned fund balance of \$728,157.

Since the City budgets for expenditures in the General Fund based on anticipated revenues, changes to fund balance are a result of the difference in budget verses actual revenues and expenditures. Fiscal year 2024 actual revenues exceeded the original budget by \$2,840,674. The increase is primarily driven by a \$2,560,908 rise in ad valorem tax revenues. This increase resulted from a 12.35% growth in taxable property valuation. In addition, the 2024 actual expenditures came in over the original budget (less the anticipated fund balance drawdown of \$1.7 million) by \$345,030.

As a measure of the General Fund's liquidity, a comparison of both total and unrestricted fund balances compared with total fund operating expenditures shows percentages of 49% and 44%, respectively. The Government Finance Officer's Association (GFOA) Best Practice recommendation is for a government to maintain in its General Fund unrestricted fund balance no less than two months of General Fund operating expenditures. At 44% of unrestricted fund balance, this provides close to six months of coverage.

The Housing Assistance Payments Fund had a total fund balance at year-end of \$2,102,725, a decrease of \$76,526 (3%). Fund balance of \$8,305 is non-spendable and \$2,094,420 is restricted for housing assistance payments as required by the Department of Housing and Urban Development (HUD). Changes to fund balance are a function of federal funding by the HUD and the operating efficiency employed by the City's Housing staff. Fluctuations can be large or small depending on the goals of the federal government programs. The decrease in fiscal year 2024 fund balance is due to an increase in spending to combat the growing number of homeless families nationally through HUD's Housing Choice Voucher (HCV) CARES Act funding.

The CMP Management Services Fund had a total fund balance at year-end of \$1,957,198, a decrease of \$398,496 (16%). Fund balance of \$105,916 is non-spendable and \$890,680 is restricted for community maritime park improvements. Change in the fund balance was driven by the increase in capital outlays this year at the park.

The Local Option Sales Tax (LOST) Fund had a total fund balance of \$9,008,675 at year-end, an increase of \$6,732,617 (295%). Restricted fund balance of \$9,008,675 is comprised of \$2,455,462 in debt service restrictions and \$1,887,443 in third party contract restrictions leaving \$4,665,770 restricted for capital projects. The increase in fiscal year 2024 fund balance is due to the decrease in completion of capital projects.

Proprietary Funds. Proprietary fund statements provide the same information as in the business-type activities column of the government-wide statements, but in greater detail, and on a fund basis for enterprise funds and the internal service funds. All of the City's enterprise funds are classified as major funds.

Enterprise Funds.

The City of Pensacola does not budget for depreciation, bad debt expense, unfunded pension obligations or other postemployment benefits. However, personal cost, operating expenses, capital outlay, and principal and interest payments are budgeted.

The Utility Fund had a total net position of \$82,271,022 at fiscal year-end, an increase of \$1,902,930 (2%) over the prior fiscal year. Pensacola Energy operated at a profit of \$15,147,853 before depreciation expense of \$3,824,526; an increase from last fiscal year by \$3,413,898. Operating revenue decreased by \$6,436,728 (10%) during fiscal year 2024 and operating expenses decreased by \$9,850,626 (20%). The primary reason for the decrease in operating revenue and operating expenses is the result of a decrease in the cost of natural gas; the cost of natural gas is passed on to the customer directly affecting charges for services revenue. In fiscal year 2024, the cost of natural gas decreased by \$8,691,550. Gas consumption increased approximately 9% from the prior year, which counterbalanced the decrease in revenues from gas cost. The materials and supplies decreased by \$1.2 million due to fewer gas utility projects being carried out in 2024.

The Sanitation Fund had a total net position of \$1,863,914 at fiscal year-end, a decrease of \$39,884 (2%) over the prior fiscal year. Sanitation Services operated at a profit of \$617,136 before depreciation expense of \$702,243; a decrease from last fiscal year by \$816,104. Operating revenue decreased by \$1,593,429 (15%) during fiscal year 2024 and expenses decreased by \$777,325 (8%). The decrease in operating revenues is linked to the transfer of Code Enforcement activity that was previously in Sanitation Fund to a governmental fund in 2024. Code Enforcement revenue accounted for \$1.4 million of Sanitation Fund's revenues and \$1.5 of Sanitation Funds's operating expenses in the prior fiscal year. Salaries and benefits increased by \$731,341 from the prior year. Salaries increased \$244,435 as result of pay raises that were implemented from pay study and COLA adjustments. Total pension cost increased \$64,931 due to increased contributions, while group insurance increased \$90,146 due to rate hikes. In addition, overtime and personnel increased \$243,740 due to staffing constraints. In October 2023, the Code Enforcement activity was transferred from Sanitation Fund to a governmental fund resulting in a residual equity transfer of \$1,728,781 out of the Sanitation's Fund balance.

The Port Fund had a total net position of \$19,467,891 at the end of the fiscal year-end, an increase of \$642,630 (3%) from the prior fiscal year. The Port operated at a loss of \$247,819 before depreciation expense of \$1,143,058; a decrease from last fiscal year by \$705,260. Operating revenues decreased by \$640,247 (20%) and expenses increased by \$65,013 (2%). The primary reason for the decrease in operating revenue can be linked to decrease in vessel activity at the Port.

The Airport Fund had a total net position of \$308,952,844 at fiscal year-end, an increase of \$17,130,725 (5%) over the prior fiscal year. The Airport operated at a profit of \$10,820,978 before depreciation expense of \$14,682,238; an increase from last fiscal year of \$232,675. The Airport Fund's operating revenues increased by \$3,771,393 (12%) in fiscal year 2024 and expenses increased by \$3,538,718 (17%). The primary reason for the increase in revenues is increased passenger traffic. The airline revenues increased by \$535,995. In addition, a 14.3% increase in passenger traffic resulted in a \$2.7 million increase in non-airline revenues, primarily in parking \$1.5 million and car rentals \$1.2 million. On the expense side, salaries and employee benefits increased by \$1,070,440. Salaries increased \$722,351 from the prior year as a result of two new positions \$205,00 and pay raises and COLA adjustments \$517,351. Total pension cost increased (\$161,324) due to increased contributions, while group insurance increased \$186,226 due to rate hikes. Contractual services grew by \$1.2 million, largely due to expenses related to airport parking management, janitorial services, baggage handling contracts, and consulting for upcoming projects. Additionally, repairs and maintenance costs rose by \$1.2 million due to ongoing maintenance of existing capital assets

The chart below shows the operating income of each enterprise fund. The chart includes depreciation, bad debt expense and other post-employment benefits.

		Operating Income (Loss)	
		2024	2023
Utility Fund	\$	11,863,325	\$ 8,604,243
Sanitation Fund		(85,107)	702,295
Port Fund		(1,390,877)	(674,212)
Airport Fund		(3,861,260)	(1,468,733)
Total	\$	<u>6,526,081</u>	<u>\$ 7,163,593</u>

Internal Service Funds

The internal service funds are designed to recover the internal costs of general services provided to other city departments. In fiscal year 2024, the total net position for all internal service funds increased by \$356,789. The City's Insurance Retention Fund grew by \$1,044,845, while the Central Services Fund declined by \$688,056.

Despite rising policy premiums, the Insurance Retention Fund benefited from savings in estimated future claims. Workers' compensation estimated future claims decreased by \$959,142 based on 2024 activity, whereas auto liability estimated future claims increased by \$298,812. Additionally, interest income rose by \$158,071 due to higher interest rates.

The Central Services Fund saw an increase of \$286,382 in salaries and benefits due to pay raises. Salaries increased by \$375,275 as a result of pay study adjustments and a 3% cost-of-living adjustment (COLA). Pension costs rose by \$108,917 due to higher contributions, while group insurance costs increased by \$82,933 due to rate hikes. However, pension expenses decreased by \$338,244 from the prior year. Pension expenses can fluctuate significantly over time based on changes in actuarial estimates and market conditions, leading to variable income statement results in years with substantial market gains or losses. Charges for services increased by

\$129,608. In response to anticipated rising operational costs, Central Services adjusted its rates to offset these increases.

General Fund Budgetary Highlights

In accordance with Chapter 166.241, Florida Statutes, the Mayor or his designee may authorize budget amendments if the total appropriations of the fund are not changed. The Mayor has established budgetary control within each fund at the line item. Amounts may be transferred between departmental line items or between departments within a fund provided no transfer shall be made contrary to Florida Statute. Amounts to be transferred require the approval of the Mayor or his designee; however, amounts appropriated for capital outlay can only be transferred from the capital outlay category with City Council approval. The budgetary changes described below were a necessary part for overall operations of the City's activities reported in the General Fund.

The final budget as compared with the original budget for the General Fund estimated revenues increased by \$1,427,302 (2 %) during fiscal year 2024. The majority of the increase was made up of \$1,312,302 in charges for services related to the reimbursable agreements with FDOT.

The final appropriations in the General Fund as compared with the original budget increased by \$6,715,921 (10%) in fiscal year 2024. The primary reason for the increase relates to:

- An increase in appropriations for public safety in the amount of \$1,843,375 is primarily related to the carryforward from the prior fiscal year budget to cover open encumbrances and projects.
- An increase in appropriations for transportation in the amount of \$2,041,446 is primarily related to the carryforward from the prior fiscal year budget to cover open encumbrances and projects.
- An increase in appropriations for capital expenditures increased by \$1,181,856 is primarily related to carryforward from the prior fiscal year budget to cover open encumbrance and projects. Some of the larger capital projects that were budgeted were the Roger Scott Pool restrooms, tactical police vehicle and improvements to City facilities and buildings.

Capital Asset and Debt Administration

Capital Assets. As of year-end, the City had \$487,644,093 net investment in capital assets. Governmental activities accounted for \$197,344,530 and business-type activities accounted for \$290,299,563. This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure.

Major capital asset additions/completions during the current fiscal year include the following:

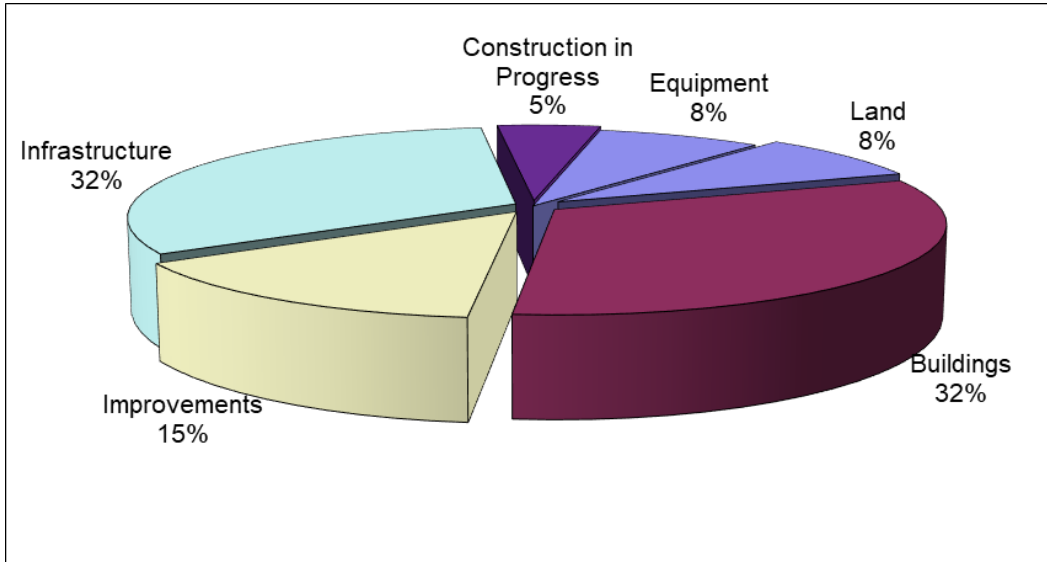
Governmental Activities

- Stormwater, street and sidewalk capital projects \$1,233,835
- Land acquisitions for Community Redevelopment projects \$948,869
- Bruce Beach park improvements \$7,898,659
- Roger Scott Tennis Courts \$3,845,728
- Governmental facility improvements \$697,331
- Parking equipment \$179,350
- Parks and Recreation vehicles & equipment \$689,680
- Police vehicles and equipment \$1,133,089
- Public Works vehicles and equipment \$323,690

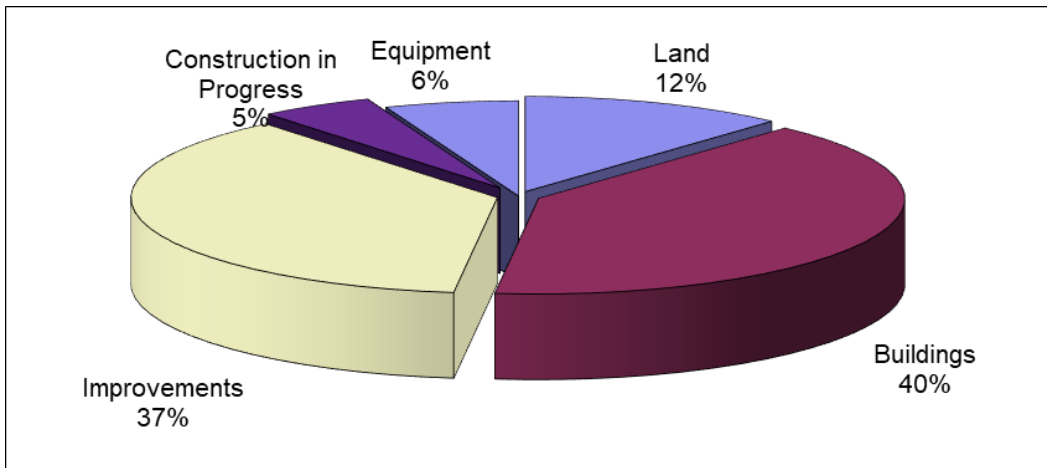
Business-type Activities

- Pensacola Energy natural gas utility improvements \$5,070,987
- Pensacola Energy vehicles and equipment \$1,338,273
- Airport parking garage improvements: \$1,603,232
- Airport parking ticket system \$872,153
- Airport baggage handling system \$601,970
- Airport escalatory replacement \$1,078,408
- Technology Resources network equipment \$166,650
- Technology Resources camera equipment \$301,608

**Governmental Activities
Capital Assets net of depreciation**



**Business-type Activities
Capital Assets net of depreciation**



Additional details about the City's capital assets can be found in Section III, C, of the Notes of this report. The City has two capital plans. The first is required by Florida's growth management legislation and is an element of the City's comprehensive plan. The second is a broader plan and covers all infrastructure needs of the City. This plan is two-part; the first is transportation funded by the Local Option Gasoline Tax (LOGT) and stormwater funded with a transfer from the General Fund totaling up to \$2,735,000. The second is referred to as the LOST IV Plan and is funded by LOST collections. Additional details of the capital plans are available in the City's annual budget which is available on the City's website.

Long-term Debt. At the end of fiscal year 2024, the City had total non-self-supporting bonded debt of \$79,423,568 and self-supporting bonded debt of \$32,279,000. Governmental activities have notes payable in the amount of \$79,423,568 and Business-type activities have notes payable in the amount of \$32,279,000. The City has no general obligation debt.

The City does not borrow for operating needs. All of its outstanding long-term indebtedness is for capital needs only. The direct debt per capita (population 55,030) as of September 30, 2024 is as follows:

Local Option Sales Tax Debt	\$ 12,136,000	Per capita \$ 221
Local Option Gas Tax Debt	4,483,000	Per capita 81
Eastside Redevelopment Area Debt	931,000	Per capita 17
Westside Redevelopment Area Debt	2,910,000	Per capita 53
Urban Core Redevelopment Area Debt	58,963,568	Per capita 1,071
Total	<u>\$ 79,423,568</u>	<u>\$ 1,443</u>

The Local Option Sales Tax Debt is supported by local option sales tax collections and is payable through October 2028.

The Local Option Gas Tax Debt is supported by local option gasoline tax collections. On July 23, 2015 the Board of County Commissioners extended the Six-Cent Local Option Gasoline Tax (LOGT) for an additional 10 years and four months beginning September 1, 2016 through December 31, 2026. In the event that LOGT is insufficient to pay debt service, the loan is furthered secured by a covenant to budget and appropriate from the City's non-ad valorem revenues and is payable through 2026.

The Eastside Redevelopment Area Debt is supported by Tax Increment Revenues derived from the Eastside Redevelopment Area and in the event that these revenues are insufficient to pay debt service, the loan is furthered secured by the Local Business Tax and is payable through 2037.

The Westside Redevelopment Area Debt is supported by Tax Increment Revenues derived from the Westside Redevelopment Area and in the event that these revenues are insufficient to pay debt service, the loan is furthered secured by the Local Business Tax and is payable through 2037.

The Urban Core Redevelopment Area Debt is supported by Tax Increment Revenues derived from the Urban Core Redevelopment Area and in the event that these revenues are insufficient to pay debt service, the loan is furthered secured by certain non-ad valorem revenues budgeted and appropriated therefore pursuant to a Covenant to Budget and Appropriate and is payable through 2043.

All required principal and interest payments on outstanding debt were remitted timely and in full. The reserve requirements and deposits into the debt service funds mandated by the bond covenant remain funded at or above the prescribed levels at fiscal year-end.

As of September 30, 2024, the only bonded debt the City had outstanding were bank issued. Therefore, the ratings below will not be updated unless the City specifically request a review by one of the rating agencies.

On March 28, 2019 Fitch Ratings (“Fitch”) affirmed an implied general obligation rating for the City of “AA+” and on October 16, 2009 Standard & Poor’s Ratings Services (“Standard & Poor’s”) affirmed its “AA” on the City’s Issuer Credit Rating.

On October 17, 2017 Standard & Poor’s affirmed a long-term rating of “BBB”, on October 10, 2017 Fitch affirmed a rating of “BBB-” and on May 30, 2017 Moody’s Investors Service, Inc. (“Moody’s”) affirmed a long-term rating of “Baa1” on the City’s Airport Revenue Bonds. Standard & Poor’s and Fitch assigned a Positive outlook and Moody’s assigned Stable outlooks in conjunction with the ratings on the City’s Airport Revenue Bonds.

The fluctuations of the financial market and downgrades or potential downgrades of bond insurers’ ratings have had no material effect on principal and interest payments made by the City, or the City’s underlying bond ratings. All required principal and interest payments have been remitted timely and in full.

Additional detail about long-term debt can be found in the Notes to the Financial Statements; Note III, Long-term debt.

Economic Factors and Next Year’s Budgets and Rates

The City’s fiscal year 2025 budget totals \$311.4 million. Of this, \$77.9 million is for the General Fund, \$127.9 million is for enterprise funds, and the remaining \$105.6 million is for various special revenue, debt service, capital projects, and internal services funds. The General Fund consists of governmental services such as general administration, public safety, parks and recreation, and public works. Enterprise Funds consist of a Utility Fund, Sanitation Fund, Port Fund and Airport Fund. These enterprise Funds are expected to be self-supporting, on a cash-flow basis, from user fees for services.

The General Fund is expected to see \$7.3 million in revenue growth. The estimated 8.73 percent growth in property valuations will amount to an additional \$2,470,400 in gross Property Tax revenue. Interest income was increased by \$2,065,200 based on the historical interest income earned over the past few years. Franchise Fees, Public Service Tax and Intergovernmental Revenues are projected to increase in total by \$1,416,900 in anticipation of the trending increase in revenues. Sales and use tax are projected to increase by \$538,300 based on revenue trends in 2024. The General Fund consists of governmental services such as general administration, public safety, parks and recreation, and public works.

On June 13, 2024, City Council adopted Resolution 2024-45 establishing for advertising purposes a new stormwater assessment rate. At the proposed rate this will generate about \$5.2 million annually which will be used to fund the stormwater services of the City including street sweeping services, stormwater pond cleanings and stormwater vault maintenance.

The fiscal year 2025 budget for Pensacola Energy anticipates a \$7.9 million or 11% decrease in revenue from the fiscal year 2024 budget mainly due to the cost of gas. The rate structure adopted by the Council during fiscal year 2007 included an annual inflation adjustment component (based upon the percentage difference in the cost of living as computed under the most recent Consumer Price Index - CPI), providing the funding needed for future operations and capital requirements to prudently maintain Pensacola Energy's natural gas system and to build cash reserves for contingencies. Since 2021, the City has opted to forego routine cost-of-living (CPI) changes due to the COVID19 pandemic and the high cost of gas. Over this time period a total of 17.6% in CPI adjustments have been withheld; however, with the decrease in the cost of natural gas the City would plan to recoup a total of 15% of the withheld CPI adjustments in fiscal year 2025. This increase coupled with the decrease in the cost of gas charge would result in an average increase of about \$4.15 per month for residential customers and about \$49 per month for commercial customers.

In fiscal year 2024, the City launched a significant initiative to align employee salaries with market rates. A study by Evergreen Consulting revealed that City salaries were in the 20th percentile compared to similar agencies across the state. In response, the City initiated a historic three-year plan to elevate non-unionized employees' salaries to the 50th percentile, with an estimated cost of over \$3.2 million, excluding benefits. Additionally, the City successfully negotiated a new contract with the fire union, securing raises totaling more than \$1.8 million over three years. Firefighter salaries increased by at least 12% in the first year, with further increases of 7% on October 1, 2024, and 2% on October 1, 2025. The City is also engaged in collective bargaining for the next police union contract, set to take effect in fiscal year 2025.

Year two of the salary increases for both non-unionized employees and firefighters are included in the fiscal year 2025 budget, alongside anticipated raises for the police union. These salary adjustments remain a key focus of the fiscal year 2025 budget across all funds. While the financial commitment to these increases is substantial, adjustments have been made to accommodate the expense. Although the budget includes funding for several new positions, it also reflects a net reduction of 17 positions compared to fiscal year 2024. Some of these positions were eliminated during fiscal year 2024, while others were removed in the fiscal year 2025 budget, bringing the total number of positions to 872—closer to fiscal year 2022 levels. All eliminated positions were vacant, ensuring no existing employees were affected.

On June 09, 2010, the City Council approved Resolution No. 31-10 which established the Fund Balance Policy of Governmental Funds as well as committed the Council Reserves Fund Balance in the General Fund. On October 9, 2014, the City Council approved the same Council Reserve Policy by Ordinance, amending chapter 3-1 of the Code of the City of Pensacola, Florida; creating section 3-1-13. The Fund Balance Policy states that a minimum reserve of 20 percent of beginning adopted appropriations should be maintained in the General Fund as a Council Reserve. The minimum reserve was initially adopted as part of the Financial Planning and Administration Policy on July 23, 1998. The existing General Fund reserve balance (shown on the face of the financial statements as "Council Reserve") totaled \$15,586,480 which represents 20% of fiscal year 2025 budgeted General Fund appropriations.

The City's financial policy states that non-recurring revenues should be used only to finance non-recurring expenditures. City Council revised the Financial Planning and Administration Policy in fiscal year 2007 to stipulate that the General Fund's maximum amount of appropriated beginning fund balance should not be more than three percent of budgeted revenues.

Request for Information

This financial report is designed to provide a general overview of the City of Pensacola's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, PO Box 12910, Pensacola, Florida 32521. The City of Pensacola's website address is www.cityofpensacola.com.



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BASIC FINANCIAL STATEMENTS

CITY OF PENSACOLA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Primary Government			Component Unit
	Governmental	Business-type		Downtown
	Activities	Activities	Total	Improvement
				Board
ASSETS				
Current assets				
Cash and cash equivalents	\$ 30,423,659	\$ 24,213,415	\$ 54,637,074	\$ 305,721
Other cash	8,647		8,647	
Investments	28,090,439	30,595,711	58,686,150	
Accrued interest	1,890,827	135,436	2,026,263	
Receivables (net of allowances)				
Accounts	2,624,121	11,272,360	13,896,481	16,354
Internal balances	245,145	(245,145)	-	
Due from other governments	7,086,539	3,960,211	11,046,750	
Inventory	1,380,350	1,016,610	2,396,960	
Lease receivable	136,752	1,436,828	1,573,580	
Prepays and deposits	1,050,805		1,050,805	2,422
Restricted assets				
Restricted cash and cash equivalents	4,979,943	38,750,136	43,730,079	
Investments	6,292,585	48,964,103	55,256,688	
Total current assets	<u>84,209,812</u>	<u>160,099,665</u>	<u>244,309,477</u>	<u>324,497</u>
Noncurrent assets				
Cash and cash equivalents	12,350,222		12,350,222	
Investments	15,605,559		15,605,559	
Intangible asset		76,502	76,502	
Note receivable	689,177		689,177	
Lease receivable	19,496,399	25,227,287	44,723,686	
Restricted assets				
Cash and cash equivalents	3,989,188	12,196,188	16,185,376	
Investments	5,040,679	15,410,924	20,451,603	
Capital assets				
Non-depreciable	36,085,109	55,042,889	91,127,998	
Depreciable (net)	232,620,057	272,838,956	505,459,013	98,465
Intangible right-to-use asset (net)	1,164,509	247,070	1,411,579	
Total noncurrent assets	<u>327,040,899</u>	<u>381,039,816</u>	<u>708,080,715</u>	<u>98,465</u>
Total assets	<u>411,250,711</u>	<u>541,139,481</u>	<u>952,390,192</u>	<u>422,962</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on early retirement debt	101,668	394,698	496,366	
Deferred pension	49,153,362	12,569,985	61,723,347	
Deferred OPEB	1,489,316	573,120	2,062,436	
Total deferred outflows of resources	<u>50,744,346</u>	<u>13,537,803</u>	<u>64,282,149</u>	<u>0</u>

(continued)

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Primary Government			Component Unit
	Governmental	Business-type		Downtown
	Activities	Activities	Total	Improvement
				Board
LIABILITIES				
Current liabilities				
Accounts payable	\$ 1,332,782	\$ 2,709,177	\$ 4,041,959	\$ 26,167
Contracts payable	1,685,136	4,266,007	5,951,143	
Contracts payable - retainage	304,266	749,731	1,053,997	
Accrued interest payable	19,656	472	20,128	
Due to other governments	99,307	9,834	109,141	26,780
Wages and benefits payable	3,572,331		3,572,331	
Compensated absences payable	477,229	36,900	514,129	
Deposits	227,949	432,649	660,598	
Claims and judgments payable	2,753,184		2,753,184	
Unearned revenue	7,704,405		7,704,405	5,000
Lease payable	66,671	12,083	78,754	
SBITA payable	469,707		469,707	
OPEB Liability	21,583	104,983	126,566	
Payable from restricted assets				
Due to other governments	1,300,000		1,300,000	
Bonds/Notes payable	5,854,981	4,905,000	10,759,981	
Unearned revenue		33,377,439	33,377,439	
Accrued interest payable	1,173,205	622,956	1,796,161	
Total current liabilities	27,062,392	47,227,231	74,289,623	57,947
Noncurrent liabilities				
Due to other governments	2,600,000		2,600,000	
Compensated absences payable	5,740,408	2,289,255	8,029,663	3,095
Claims and judgments payable	865,812		865,812	
Bonds/Notes payable	73,568,587	32,374,000	105,942,587	
Lease payable	28,373	266,951	295,324	
SBITA payable	433,904		433,904	
Net pension liability	103,704,108	27,050,687	130,754,795	
OPEB liability	8,278,619	3,074,011	11,352,630	
Total noncurrent liabilities	195,219,811	65,054,904	260,274,715	3,095
Total liabilities	222,282,203	112,282,135	334,564,338	61,042
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on early retirement	274,311		274,311	
Deferred pension	4,583,231	1,025,572	5,608,803	
Deferred OPEB	7,382,722	2,933,236	10,315,958	
Leases	18,748,436	25,880,670	44,629,106	
Total deferred outflows of resources	30,988,700	29,839,478	60,828,178	0
NET POSITION				
Net investment in capital assets	197,344,530	290,299,563	487,644,093	98,465
Restricted for				
Capital projects	6,629,615		6,629,615	
Debt service	7,009,246	3,369,612	10,378,858	
Community redevelopment	8,187,266		8,187,266	
Federal housing program	2,102,725		2,102,725	
Other purposes	9,570,828		9,570,828	
Renewal and replacement		17,622,000	17,622,000	
Operations and maintenance		6,615,500	6,615,500	
Customer facility charge		7,756,252	7,756,252	
Passenger facility charge		24,219,995	24,219,995	
Unrestricted	(22,120,056)	62,672,749	40,552,693	263,455
Total net position	\$ 208,724,154	\$ 412,555,671	\$ 621,279,825	\$ 361,920

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

<u>Function/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government				
Governmental activities:				
General government	\$ 19,344,410	\$ 378,339	\$ 10,186,192	\$ 302,226
Public safety	52,945,798	3,289,626	209,344	268,274
Transportation	9,986,044	2,710,873	291,471	79,288
Culture and recreation	18,058,922	2,655,130	657,384	2,075,491
Economic environment	21,209,080		20,633,872	
Physical environment	7,526,155	4,732,452	374,114	342,195
Human services				
Unallocated depreciation	1,623,010			
Interest on long-term debt	2,449,522			
Total governmental activities	<u>133,142,941</u>	<u>13,766,420</u>	<u>32,352,377</u>	<u>3,067,474</u>
Business-type activities:				
Utility	40,695,251	53,371,891		524,507
Sanitation	8,065,647	8,374,096		
Port	3,701,417	2,522,255		1,630,334
Airport	39,275,667	35,120,244		16,812,815
Total business-type activities	<u>91,737,982</u>	<u>99,388,486</u>	<u>0</u>	<u>18,967,656</u>
Total primary government	<u>\$ 224,880,923</u>	<u>\$ 113,154,906</u>	<u>\$ 32,352,377</u>	<u>\$ 22,035,130</u>
Component unit:				
Downtown Improvement Board	\$ 1,733,879	\$ 310,026	\$ 574,070	\$ -
Total component units	<u>\$ 1,733,879</u>	<u>\$ 310,026</u>	<u>\$ 574,070</u>	<u>\$ -</u>

(continued)

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Net (Expenses) Revenue and Changes in Net Position			Component Unit
	Primary Government			Downtown Improvement Board
Function/Programs	Governmental Activities	Business-type Activities	Total	
Primary government				
Governmental activities:				
General government	\$ (8,477,653)		\$ (8,477,653)	
Public safety	(49,178,554)		(49,178,554)	
Transportation	(6,904,412)		(6,904,412)	
Culture and recreation	(12,670,917)		(12,670,917)	
Economic environment	(575,208)		(575,208)	
Physical environment	(2,077,394)		(2,077,394)	
Human services	-		-	
Unallocated depreciation	(1,623,010)		(1,623,010)	
Interest on long-term debt	(2,449,522)		(2,449,522)	
Total governmental activities	(83,956,670)		(83,956,670)	
Business-type activities:				
Utility		\$ 13,201,147	13,201,147	
Sanitation		308,449	308,449	
Port		451,172	451,172	
Airport		12,657,392	12,657,392	
Total business-type activities		26,618,160	26,618,160	
Total primary government	(83,956,670)	26,618,160	(57,338,510)	
Component unit:				
Downtown Improvement Board				\$ (849,783)
Total component units				
General revenues:				
Property taxes	24,464,687		24,464,687	751,455
Public service taxes	9,669,464		9,669,464	
Franchise fees	9,615,200		9,615,200	
Communication service tax	3,258,330		3,258,330	
Local business tax	945,409		945,409	
Local option gasoline tax	1,423,954		1,423,954	
Local option sales tax	12,212,289		12,212,289	
Unrestricted intergovernmental revenues	9,414,585		9,414,585	
Unrestricted investment earnings	4,396,700	6,351,988	10,748,688	
Insurance recoveries			-	
Gain on sale of capital asset	225,719	33,073	258,792	
Miscellaneous	373,197	556,307	929,504	14,685
Transfers	10,914,627	(10,914,627)	0	
Overhead transfers	3,008,500	(3,008,500)	0	
Total general revenues, transfers, and other items	89,922,661	(6,981,759)	82,940,902	766,140
Change in net position	5,965,991	19,636,401	25,602,392	(83,643)
Net position at beginning of year	201,029,382	394,648,051	595,677,433	445,563
Residual Equity Transfer	1,728,781	(1,728,781)	-	
Net position at beginning of year, as restated	202,758,163	392,919,270	595,677,433	445,563
Net position September 30, 2024	\$ 208,724,154	\$ 412,555,671	\$ 621,279,825	\$ 361,920

The accompanying notes are an integral part of these financial statements.

**CITY OF PENSACOLA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	<u>General Fund</u>	<u>Housing Assistance Payments</u>	<u>CMP Management Services Fund</u>	<u>Local Option Sales Tax Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 16,969,457	\$ 938,441	\$	\$ 2,546,055	\$ 19,440,070	\$ 39,894,023
Other cash		2,478			6,169	8,647
Investments	11,089,904	1,185,800		3,217,158	24,564,190	40,057,052
Accrued interest	1,772,229		118,375		223	1,890,827
Accounts receivable	1,558,135	94,893	378,048		337,703	2,368,779
Due from other funds	2,129,787				103,627	2,233,414
Due from other governments	1,312,051			845,682	4,928,806	7,086,539
Prepays and deposits	439,144	8,305	105,916		48,706	602,071
Inventories					6,566	6,566
Notes receivable					689,177	689,177
Lease Receivable	5,267,686		13,717,820		647,645	19,633,151
Restricted assets						
Cash and cash equivalents	848,978	4,288	520,500	1,131,360	2,984,973	5,490,099
Investments	1,072,757	5,419	657,696	1,429,570	3,771,768	6,937,210
Total assets	<u>\$ 42,460,128</u>	<u>\$ 2,239,624</u>	<u>\$ 15,498,355</u>	<u>\$ 9,169,825</u>	<u>\$ 57,529,623</u>	<u>\$ 126,897,555</u>
LIABILITIES						
Accounts payable	\$ 846,747	\$ 5,599	\$ 52,787	\$ 3,142	\$ 290,754	\$ 1,199,029
Contracts payable	173,595		27,207	153,038	1,277,383	1,631,223
Contracts payable - retainage	623			4,970	298,673	304,266
Due to other funds		34,792	3,028		1,240,173	1,277,993
Due to other governments	2,060	1,260			95,987	99,307
Compensated absences payable	76,680				17,730	94,410
Wages and benefits payable	3,572,331					3,572,331
Unearned revenue	781,939	356	59,076		6,863,034	7,704,405
Deposits	74,229		3,300		133,004	210,533
Total liabilities	<u>5,528,204</u>	<u>42,007</u>	<u>145,398</u>	<u>161,150</u>	<u>10,216,738</u>	<u>16,093,497</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	55,793	94,892			735,485	886,170
Related to leases	4,724,397		13,395,759		628,280	18,748,436
Total deferred inflows of resources	<u>4,780,190</u>	<u>94,892</u>	<u>13,395,759</u>	<u>-</u>	<u>1,363,765</u>	<u>19,634,606</u>

(continued)

The accompanying notes are an integral part of these financial statements.

**CITY OF PENSACOLA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	General Fund	Housing Assistance Payments	CMP Management Services Fund	Local Option Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCE (DEFICITS)						
Non-spendable	439,144	8,305	105,916		55,272	608,637
Restricted						
Saenger capital	541,840					541,840
Community development projects					17,219,266	17,219,266
Debt service payments				2,455,462	5,726,989	8,182,451
Other restricted	2,516,003	2,094,420	890,680	6,553,213	5,852,907	17,907,223
Committed						
Park purchases	56,434					56,434
Tree landscape	561,176					561,176
Council reserve	15,586,480					15,586,480
Stormwater projectss					7,244,871	7,244,871
Assigned	11,722,500		960,602		10,537,641	23,220,743
Unassigned	728,157				(687,826)	40,331
Total fund balances	<u>32,151,734</u>	<u>2,102,725</u>	<u>1,957,198</u>	<u>9,008,675</u>	<u>45,949,120</u>	<u>91,169,452</u>

Total liabilities, deferred inflows of resources and fund balances (deficits) \$ 42,460,128 \$ 2,239,624 \$ 15,498,355 \$ 9,169,825 \$ 57,529,623

Capital assets used in governmental activities are not financial resources to the governmental funds. The cost of the assets is \$470,957,526 and the accumulated depreciation is \$204,697,317. 266,260,209

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. 886,170

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 9,561,422

Net other post employment benefits (OPEB) liability, as required by Governmental Accounting Standards Statement No. 75, are not due and payable in the current period and therefore are not reported in the governmental funds. (13,043,338)

Net pension liability (NPL), as required by Governmental Accounting Standards Statement No. 68, is not due and payable in the current period and therefore is not reported in the governmental funds. (55,676,268)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Notes payable	(79,423,568)	
Deferred gain on refunding	(274,311)	
Deferred loss on early retirement	101,668	
Due to other governments	(3,900,000)	
Compensated absences	(5,668,853)	
Lease obligations	(95,224)	
Accrued interest payable	<u>(1,173,205)</u>	<u>(90,433,493)</u>

Net position of governmental activities \$ 208,724,154

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund	Housing Assistance Payments	CMP Management Services Fund	Local Option Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 38,337,891	\$	\$	\$ 12,212,289	\$ 1,423,954	\$ 51,974,134
Licenses and permits	178,984				2,111,851	2,290,835
Franchise fees	9,615,200					9,615,200
Intergovernmental	9,458,316	20,404,053		1,302,546	12,262,252	43,427,167
Charges for services	1,670,605		723,671		8,211,811	10,606,087
Fines and forfeits	98,609				440,995	539,604
Assessments	27,969					27,969
Interest income	1,508,785	57,986	146,671	198,900	1,893,903	3,806,245
Donations	201,835		50,256		1,030,969	1,283,060
Other	847,480	50	222	152,197	114,634	1,114,583
Total revenues	<u>61,945,674</u>	<u>20,462,089</u>	<u>920,820</u>	<u>13,865,932</u>	<u>27,490,369</u>	<u>124,684,884</u>
Expenditures:						
Current -						
General government	8,958,448				7,721,030	16,679,478
Public safety	41,659,319			353,280	2,631,427	44,644,026
Transportation	4,228,283				1,840,926	6,069,209
Culture and recreation	8,800,863		1,098,928		2,449,050	12,348,841
Economic environment	426,289	20,474,317			243,784	21,144,390
Physical environment	200				5,415,330	5,415,530
Capital outlay	514,429	64,836	220,388	3,995,022	11,181,728	15,976,403
Debt service -						
Principal retirement				2,276,000	3,448,612	5,724,612
Interest				285,391	2,220,832	2,506,223
Total expenditures	<u>64,587,831</u>	<u>20,539,153</u>	<u>1,319,316</u>	<u>6,909,693</u>	<u>37,152,719</u>	<u>130,508,712</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,642,157)</u>	<u>(77,064)</u>	<u>(398,496)</u>	<u>6,956,239</u>	<u>(9,662,350)</u>	<u>(5,823,828)</u>
Other financing sources (uses):						
Transfers in	11,137,600				13,385,731	24,523,331
Transfers (out)	(7,800,143)			(223,622)	(5,582,932)	(13,606,697)
Sale of capital assets	220,363	538			3,459	224,360
Total other financing sources (uses)	<u>3,557,820</u>	<u>538.00</u>	<u>-</u>	<u>(223,622)</u>	<u>7,806,258</u>	<u>11,140,994</u>
Net Change in fund balances	<u>915,663</u>	<u>(76,526)</u>	<u>(398,496)</u>	<u>6,732,617</u>	<u>(1,856,092)</u>	<u>5,317,166</u>
Fund balances at beginning of year, as previously presented	<u>31,236,071</u>	<u>2,179,251</u>	<u>-</u>	<u>2,276,058</u>	<u>48,432,125</u>	<u>84,123,505</u>
Change within financial reporting entity nonmajor to major			2,355,694		(2,355,694)	-
Residual equity transfer					1,728,781	1,728,781
Fund balances at beginning of year, as restated	<u>31,236,071</u>	<u>2,179,251</u>	<u>2,355,694</u>	<u>2,276,058</u>	<u>47,805,212</u>	<u>85,852,286</u>
Fund balances at end of year	<u>\$ 32,151,734</u>	<u>\$ 2,102,725</u>	<u>\$ 1,957,198</u>	<u>\$ 9,008,675</u>	<u>\$ 45,949,120</u>	<u>\$ 91,169,452</u>

(continued)

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Net change in fund balances - total governmental funds		\$ 5,317,166
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
	Expenditures for capital assets	15,976,403
	Less current year depreciation	<u>(16,370,514)</u>
		(394,111)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		5,724,612
Repayment of long-term amounts due to other governments are expenditures in the governmental funds, but the repayment reduces the liability in the statement of net position.		1,300,000
Some revenues reported in the statement of activities do not provide current financial resources, therefore, those revenues are not reported as revenues in governmental funds.		(316,719)
Compensated absences, reported in the statement of activities, does not require the use of current financial resources, therefore, it is not reported as an expenditure in governmental funds.		(737,111)
Accrued interest expense, reported in the statement of activities, do not require the use of current financial resources in governmental funds.		56,701
The change in annual other post employment benefits (OPEB) cost, as required by Governmental Accounting Standards Statement No. 75, does not require the use of current financial resources: therefore, the change is not reported as an expenditure in governmental funds.		1,056,694
The change in leases, as required by Governmental Accounting Standards Statement No. 87, does not require the use of current financial resource; therefore, the change is not reported as an expenditure in governmental funds.		(874)
The change in annual net pension liability (NPL) cost, as required by Governmental Accounting Standards Statement No. 68, does not require the use of current financial resource; therefore, the change is not reported as an expenditure in governmental funds.		(6,315,709)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		356,789
The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of capital assets disposed must be offset against the sale proceeds resulting in a gain/(loss) on sale of capital assets in the statement of activities. Donations of capital assets do not provide current financial resources to the governmental funds.		
	Net book value of capital assets disposed	(82,913)
	Donations of capital assets	<u>1,466</u>
		(81,447)
Change in net position of governmental activities		<u><u>\$ 5,965,991</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Utility Fund	Sanitation Fund	Port Fund	Airport Fund	Total Enterprise Funds	
ASSETS						
Current assets						
Cash and cash equivalents	\$ 7,728,593	\$ 152,050	\$ 1,362,434	\$ 14,970,338	\$ 24,213,415	\$ 2,879,858
Investments	9,765,735	192,127	1,721,551	18,916,298	30,595,711	3,638,946
Interest receivable			96,063	39,373	135,436	
Accounts receivable (net)	3,428,107	434,442	364,595	7,045,216	11,272,360	255,342
Due from other funds	510,000				510,000	
Due from other governments			1,631,006	2,329,205	3,960,211	
Prepaid expenses	109,100	10,103	212,196	685,211	1,016,610	448,734
Inventory					-	1,373,784
Lease receivable			496,086	940,742	1,436,828	
Restricted assets						
Cash and cash equivalents	884,247	877,652		36,988,237	38,750,136	
Investments	1,117,321	1,108,988		46,737,794	48,964,103	
Total current assets	<u>23,543,103</u>	<u>2,775,362</u>	<u>5,883,931</u>	<u>128,652,414</u>	<u>160,854,810</u>	<u>8,596,664</u>
Noncurrent assets						
Intangible asset	76,502				76,502	
Lease receivable			6,735,604	18,491,683	25,227,287	
Restricted assets						
Cash and cash equivalents				12,196,188	12,196,188	3,479,032
Investments				15,410,924	15,410,924	4,396,054
Capital assets						
Non-depreciable	1,037,128	41,093	3,907,045	50,057,623	55,042,889	
Depreciable (net)	76,854,149	4,340,257	11,585,873	180,058,677	272,838,956	2,539,073
Intangible right-to-use asset (net)	247,070				247,070	1,070,393
Total noncurrent assets	<u>78,214,849</u>	<u>4,381,350</u>	<u>22,228,522</u>	<u>276,215,095</u>	<u>381,039,816</u>	<u>11,484,552</u>
Total assets	<u>101,757,952</u>	<u>7,156,712</u>	<u>28,112,453</u>	<u>404,867,509</u>	<u>541,894,626</u>	<u>20,081,216</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on early retirement				394,698	394,698	
Deferred pension	5,831,173	2,952,590	486,170	3,300,052	12,569,985	2,541,225
Deferred OPEB	314,158	108,403	24,627	125,932	573,120	111,243
Total deferred outflows of resources	<u>6,145,331</u>	<u>3,060,993</u>	<u>510,797</u>	<u>3,820,682</u>	<u>13,537,803</u>	<u>2,652,468</u>

(continued)

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Utility Fund	Sanitation Fund	Port Fund	Airport Fund	Total Enterprise Funds	
LIABILITIES						
Current liabilities						
Accounts payable	1,930,817	155,197	36,159	587,004	2,709,177	133,753
Contracts payable	181,020	41,978	1,062,771	2,980,238	4,266,007	53,913
Contracts payable - retainage			65,620	684,111	749,731	
Accrued interest payable	472				472	19,476
Due to other funds	337,276	119,752	24,496	273,621	755,145	710,276
Due to other governments			9,834		9,834	
Compensated absences payable		36,900			36,900	382,819
Claims and judgments payable					-	2,753,184
Lease payable	12,083				12,083	
SBITA payable					0	469,707
Deposits			27,252	405,397	432,649	17,416
OPEB Liability	56,386	19,440	4,704	24,453	104,983	21,583
Payable from restricted assets						
Notes payable	1,943,000			2,962,000	4,905,000	
Unearned revenue				33,377,439	33,377,439	
Accrued interest payable	58,568			564,388	622,956	
Total current liabilities	4,519,622	373,267	1,230,836	41,858,651	47,982,376	4,562,127
Noncurrent liabilities						
Compensated absences payable	1,062,720	260,962	113,720	851,853	2,289,255	71,555
Claims and judgments payable					-	865,812
Notes payable	4,003,000			28,371,000	32,374,000	
Lease payable	266,951				266,951	
SBITA payable					-	433,904
Net pension liability	12,271,700	6,289,632	1,096,825	7,392,530	27,050,687	5,723,342
OPEB liability	1,651,037	569,220	137,739	716,015	3,074,011	631,966
Total noncurrent liabilities	19,255,408	7,119,814	1,348,284	37,331,398	65,054,904	7,726,579
Total liabilities	23,775,030	7,493,081	2,579,120	79,190,049	113,037,280	12,288,706
DEFERRED INFLOWS OF RESOURCES						
Deferred pension	350,019	260,200	52,181	363,172	1,025,572	275,592
Deferred OPEB	1,507,212	600,510	107,774	717,740	2,933,236	607,964
Leases			6,416,284	19,464,386	25,880,670	
Total deferred outflows of resources	1,857,231	860,710	6,576,239	20,545,298	29,839,478	883,556
NET POSITION						
Net investment in capital assets	71,989,815	4,381,350	14,750,400	199,177,998	290,299,563	2,701,555
Restricted						
Debt service				3,369,612	3,369,612	
Renewal and replacement				17,622,000	17,622,000	
Operations and maintenance				6,615,500	6,615,500	
Customer facility charge				7,756,252	7,756,252	
Passenger facility charge				24,219,995	24,219,995	
Unrestricted	10,281,207	(2,517,436)	4,717,491	50,191,487	62,672,749	6,859,867
Total net (deficit) position	\$ 82,271,022	\$ 1,863,914	\$ 19,467,891	\$ 308,952,844	\$ 412,555,671	\$ 9,561,422

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Utility Fund	Sanitation Fund	Port Fund	Airport Fund	Total	
Operating revenues:						
Charges for services	\$ 53,371,891	\$ 8,374,096	\$ 2,522,255	\$ 35,120,244	\$ 99,388,486	\$ 6,637,713
Insurance					-	22,636,131
Other	401,879	137,681	2,485	14,262	556,307	209,852
Total operating revenues	<u>53,773,770</u>	<u>8,511,777</u>	<u>2,524,740</u>	<u>35,134,506</u>	<u>99,944,793</u>	<u>29,483,696</u>
Operating expenses:						
Gas purchases	22,423,001				22,423,001	
Salaries and employee benefits	7,194,819	3,433,644	939,857	8,262,518	19,830,838	5,223,026
Materials and supplies	603,565	519,603	24,626	324,245	1,472,039	146,544
Repairs and maintenance	655,331	1,470,930	512,998	3,101,705	5,740,964	215,300
Contractual services	4,376,180	231,449	234,821	7,979,516	12,821,966	1,543,734
Office and utilities	2,020,721	535,653	846,057	3,736,044	7,138,475	722,238
Land fill fees		1,170,862			1,170,862	
Overhead allocation	1,352,300	532,500	214,200	909,500	3,008,500	
Premiums and claims expense					-	21,130,967
Total operating expenses before depreciation and amortization	<u>38,625,917</u>	<u>7,894,641</u>	<u>2,772,559</u>	<u>24,313,528</u>	<u>73,606,645</u>	<u>28,981,809</u>
Operating income (loss) before depreciation and amortization	15,147,853	617,136	(247,819)	10,820,978	26,338,148	501,887
Depreciation and amortization	<u>3,284,528</u>	<u>702,243</u>	<u>1,143,058</u>	<u>14,682,238</u>	<u>19,812,067</u>	<u>734,305</u>
Operating income (loss)	<u>11,863,325</u>	<u>(85,107)</u>	<u>(1,390,877)</u>	<u>(3,861,260)</u>	<u>6,526,081</u>	<u>(232,418)</u>
Nonoperating revenues (expenses):						
Investment interest	741,681	90,435	360,464	5,159,408	6,351,988	22,964
Interest expense	(125,590)	(1,263)		(1,189,401)	(1,316,254)	(22,205)
Amortization of bond expense	(11,516)				(11,516)	
Gain (loss) on disposal of capital assets	48,123	(43,949)		28,899	33,073	590,455
Total nonoperating revenues (expenses)	<u>652,698</u>	<u>45,223</u>	<u>360,464</u>	<u>3,998,906</u>	<u>5,057,291</u>	<u>591,214</u>
Income (loss) before contributions and transfers	<u>12,516,023</u>	<u>(39,884)</u>	<u>(1,030,413)</u>	<u>137,646</u>	<u>11,583,372</u>	<u>358,796</u>
Contributions and transfers:						
Contributions						
Federal and state grants	524,507		1,630,334	5,423,646	7,578,487	
Passenger facility charge				5,922,365	5,922,365	
Passenger facility charge - Interest				872,089	872,089	
Contributed capital (to) from other funds					-	
Donations				4,594,715	4,594,715	
Transfers in (out)	(11,137,600)		42,709	180,264	(10,914,627)	(2,007)
Total contributions and transfers	<u>(10,613,093)</u>	<u>-</u>	<u>1,673,043</u>	<u>16,993,079</u>	<u>8,053,029</u>	<u>(2,007)</u>
Change in net position	<u>1,902,930</u>	<u>(39,884)</u>	<u>642,630</u>	<u>17,130,725</u>	<u>19,636,401</u>	<u>356,789</u>
Net position at beginning of year	<u>80,368,092</u>	<u>3,632,579</u>	<u>18,825,261</u>	<u>291,822,119</u>	<u>394,648,051</u>	<u>9,204,633</u>
Residual equity transfer		(1,728,781)			(1,728,781)	
Net position at beginning of year, as restated	<u>80,368,092</u>	<u>1,903,798</u>	<u>18,825,261</u>	<u>291,822,119</u>	<u>392,919,270</u>	<u>9,204,633</u>
Net position at end of year	<u>\$ 82,271,022</u>	<u>\$ 1,863,914</u>	<u>\$ 19,467,891</u>	<u>\$ 308,952,844</u>	<u>\$ 412,555,671</u>	<u>\$ 9,561,422</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Utility Fund	Sanitation Fund	Port Fund	Airport Fund	Total	
Cash flows from operating activities:						
Cash received from customers	\$ 53,140,136	\$ 8,819,655	\$ 2,495,009	\$ 34,764,652	\$ 99,219,452	\$ 24,029,950
Cash received from other funds					-	2,535,594
Cash payments to suppliers for goods and services	(31,763,868)	(4,406,386)	(1,637,156)	(16,642,361)	(54,449,771)	(26,276,507)
Cash payments to employees for services	(6,737,814)	(3,501,260)	(907,675)	(7,052,934)	(18,199,683)	(722,176)
Net cash provided by (used for) operating activities	14,638,454	912,009	(49,822)	11,069,357	26,569,998	(433,139)
Cash flows from noncapital financing activities:						
Advance from (to) other funds					-	
Due (from) to other funds					-	
Net transfers	(11,137,600)	(1,728,781)			(12,866,381)	19,600
Net cash provided by (used for) noncapital financing activities	(11,137,600)	(1,728,781.00)	-	-	(12,866,381)	19,600
Cash flows from capital and related financing activities:						
Acquisition of capital assets	(6,456,660)		(168,676)	(3,856,912)	(10,482,248)	(602,424)
Acquisition of capital assets with grant monies			(1,223,772)	(10,027,948)	(11,251,720.00)	
Proceeds from sale of assets	57,507	2,170		28,898	88,575	1,358
Contributions from other governments	524,507		380,568	5,819,177	6,724,252	
Contributions from customers				10,612,255	10,612,255	
Principal paid on capital debt	(1,905,000)			(2,872,000)	(4,777,000)	
Interest paid on capital debt	(135,900)			(1,173,249)	(1,309,149)	
Interest payments on lease/SBITA	(8,358)	(1,263)			(9,621)	(2,926)
Payments from leasing activities			228,935	553,166	782,101	
Proceeds from note receivable	88,430				88,430	
Net cash provided by (used for) capital and related financing activities	(7,835,474)	907	(782,945)	(916,613)	(9,534,125)	(603,992)
Cash flows from investing activities:						
Sale (purchase) of investments	1,695,707	363,924	340,632	(9,989,060)	(7,588,797)	39,440
Sale (purchase) of intangible asset						
Interest on investments	741,680	90,435	131,530	4,604,200	5,567,845	590,454
Net cash provided by (used for) investing activities	2,437,387	454,359	472,162	(5,384,860)	(2,020,952)	629,894
Net increase (decrease) in cash and cash equivalents	(1,897,233)	(361,506)	(360,605)	4,767,884	2,148,540	(387,637)
Cash and cash equivalents at beginning of year	10,510,072	1,391,208	1,723,039	59,386,878	73,011,197	6,746,527
Cash and cash equivalents at end of year	\$ 8,612,839	\$ 1,029,702	\$ 1,362,434	\$ 64,154,762	\$ 75,159,737	\$ 6,358,890

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
RECONCILIATION OF OPERATING INCOME (LOSS)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Utility Fund	Sanitation Fund	Port Fund	Airport Fund	Total	
Operating income (loss)	\$ 11,863,325	\$ (85,107)	\$ (1,390,877)	\$ (3,861,260)	\$ 6,526,081	\$ (232,418)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	3,284,528	702,243	1,143,058	14,682,238	19,812,067	734,305
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	(618,206)	347,370	(50,138)	(267,225)	(588,199)	41,613
(Increase) decrease in inventory					-	156,412
(Increase) decrease in due from other funds	160,000				160,000	
(Increase) decrease in prepaid expense	(18,616)	(8,473)	(183,420)	(594,608)	(805,117)	(151,791)
(Increase) decrease in lease receivable			31,848	(258,115)	(226,267)	
Increase (decrease) in accounts payable	(246,178)	29,394	(184)	50,045	(166,923)	(2,981)
Increase (decrease) in contracts payable	17,974	39,126	367,666	450,390	875,156	(46,845)
Increase (decrease) in supply				(46,788)	(46,788)	
Increase (decrease) in due to other funds	21,938	(12,990)	815	33,009	42,772	(115,728)
Increase (decrease) in due to other governments			84		84	
Increase (decrease) in deposits			(41)	155,486	155,445	(7,965)
Increase (decrease) in claims and judgments					-	(401,864)
Increase (decrease) in deferred revenue	(40,182)				(40,182)	(25,000)
Increase (decrease) in lease payable	(11,462)				(11,462)	
Increase (decrease) in SBITA	(56,514)	(44,928)			(101,442)	(494,337)
Increase (decrease) in compensated absences	87,474	(125,096)	5,399	167,481	135,258	(9,627)
Increase (decrease) in lease deferred inflow					0	
Increase (decrease) in net OPEB obligation	(229,638)	(69,966)	(17,941)	(114,820)	(432,365)	(98,674)
Increase (decrease) in net pension liability	424,011	140,436	43,909	673,524	1,281,880	221,761
Net cash provided by (used for) operating activities:	<u>\$ 14,638,454</u>	<u>\$ 912,009</u>	<u>\$ (49,822)</u>	<u>\$ 11,069,357</u>	<u>\$ 26,569,998</u>	<u>\$ (433,139)</u>
Noncash investing, capital, and financing activities:						
	Utility Fund	Sanitation Fund	Port Fund	Airport Fund	Total	Internal Service Funds
Amortization of bond expense	\$ (11,516)	\$	\$	\$ 60,625	\$ 49,109	\$
SBITA agreements initiated in current year					-	1,302,032
Lease land agreement initiated during current year	7,888				7,888	

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
COMBINED STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024

	<u>Total Pension Trust Funds</u>
ASSETS	
Other cash	\$ 799,439
Receivables:	
Employer	661
Employee	53,746
Due from other governments	82,143
Due from other funds	5
Total receivables	<u>136,555</u>
Investments:	
Short term investments	8,028,697
Debt Securities & Bond Mutual Funds	89,943,047
Convertible Corporate Bonds	22,635,135
Stock Mutual Funds	37,313,768
Mortgage Backed Securities	30,145,464
Commingled Trust Fund	40,086,809
Domestic Stocks	152,762,852
Preferred Stocks	540,481
Foreign Stocks	37,390,741
Total investments	<u>418,846,994</u>
Total assets	<u><u>\$ 419,782,988</u></u>
LIABILITIES	
Accounts payable	\$ 318,547
Total liabilities	<u>318,547</u>
NET POSITION	
Restricted for pension benefits	<u><u>\$ 419,464,441</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Total Pension Trust Funds
Additions:	
Contributions - city	\$ 10,255,174
Contributions - employee	1,307,710
Commission recapture	5,222
Insurance proceeds - State of Florida	1,789,975
Total contributions	<u>13,358,081</u>
 Investment income	
Net appreciation	
in fair value of investments	58,463,100
Interest and dividends	10,507,027
	<u>68,970,127</u>
Less investment expense	1,671,208
Net investment income	<u>67,298,919</u>
Total additions	<u>80,657,000</u>
 Deductions:	
Pensions paid - employees	26,190,137
Pensions paid - widows	4,104,799
Pensions paid - children	2,862
Refunds to employees	30,539
Deferred retirement option plan	1,472,469
Health insurance assistance	90,188
Administrative expenses	444,318
Total deductions	<u>32,335,312</u>
 Change in net position	<u>48,321,688</u>
 Net position held in trust for pension benefits:	
Beginning of year	<u>371,142,753</u>
 End of year	<u>\$ 419,464,441</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO

FINANCIAL STATEMENTS

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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SEPTEMBER 30, 2024

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**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Pensacola (the “City”) have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. Statements and Interpretations of the GASB have been applied in the preparation of these financial statements.

A. Reporting Entity

The City operates under a Mayor-Council structure commonly referred to as a “Strong Mayor” form of government. With the Mayor-Council structure, the Council is the governing body of the City with all legislative powers of the City vested therein, which consisted of seven (7) Council Members, one (1) elected from each of the seven (7) election districts of the City. The Mayor is not a member of Council and does not have voting power. The Mayor is elected at large, has a 4-year term in office, will exercise the executive powers of the City, and shall not be a member of Council. The Mayor’s term allows for a maximum of three consecutive four-year terms of office. With the Mayor-Council structure, the Mayor replaces the City Manager as the executive head of the City and shall appoint a City Administrator to assist in managing daily operations.

In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may or may not be financially accountable and, as such, be includable within the City’s financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization’s governing board and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to impose a specific financial benefit or burden to the City. Additionally, the primary government is required to consider other organizations for which exclusion of the nature and significance of their relationship with the City would cause the reporting entity’s financial statements to be misleading or incomplete.

The accompanying financial statements represent the City and its component units and entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City’s operation. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended Component Unit

Community Redevelopment Agency (CRA) - On September 25, 1980, the Pensacola City Council declared itself the CRA pursuant to the provisions of Chapter 163, Part III, Florida Statutes. This action, adopted by Resolution Number 55-80, also outlined the rights, powers, duties, privileges, and immunities invested in the seven-member City Council, acting as the CRA. The City Council selects a chair and a vice-chair from the seven members of the CRA and approves the annual operating budget.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The CRA is considered a blended component unit since the CRA and City have the same governing body and management of the primary government has operational responsibility for the CRA. The CRA is reported as a special revenue fund of the City.

Florida Statute Section 163.387(8) requires an independent audit of the CRA each fiscal year. Audited financial statements of the CRA can be obtained by contacting the City's financial services department: City of Pensacola, 222 West Main Street, Pensacola, FL 32502.

Discretely Presented Component Unit

The component unit column in the combined financial statements includes the financial data of the City's discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the City. The accounting policies of this discretely presented component unit are the same as those detailed for the City. The City's only discretely presented component unit is the Downtown Improvement Board.

Downtown Improvement Board (DIB) - The DIB was created in April 1972 by Chapter 72-655, Laws of Florida. The DIB is considered a component unit since the Mayor of the City appoints and the Council approves the five-member board. In addition, the City Council approves the budget of the Board, including the proposed millage rate. Audited financial statements of the DIB can be obtained from their administrative office: Downtown Improvement Board, Post Office Box 653, Pensacola, Florida 32593.

Joint Ventures Excluded from the Reporting Entity

The following joint ventures do not meet the criteria for inclusion in the City's financial statements since no financial benefit or burden exists, nor can the City impose its will on the entities.

Escambia - Pensacola Human Relations Commission (HRC) - Created by an interlocal agreement between the Escambia County Board of County Commissioners and the Pensacola City Council in 1974, pursuant to Florida Statutes, for the purpose of promoting fair treatment and equal opportunity to all citizens of the community. On March 7, 2019, the Escambia Board of County Commissioners passed an Ordinance to cease operations and reestablish the Human Relations Commission with a new board. The new Commission is composed of nine members: five selected by the Escambia County Board of County Commissioners and four selected by the City Council. The City does not control the financial operations of the Commission.

Complete financial statements of HRC can be obtained from their administrative office: Escambia Pensacola Human Relations Commission, 150 West Maxwell St., Pensacola, Florida, 32501.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summary financial statements including fiduciary funds of these entities are as follows:

**HRC
Statement of Net Position
September 30, 2024
(Audited)**

Assets	\$ <u>35,339</u>
Liabilities	<u>3,298</u>
Net Position:	
Unrestricted	<u>32,041</u>
Total Net Position	<u>32,041</u>
Total Liabilities and Net Position	\$ <u><u>35,339</u></u>

**HRC
Statement of Revenues, Expenses
and Changes in Net Position
for the Fiscal Year Ended September 30, 2024
(Audited)**

Revenue	\$ 252,124
Expenses	<u>244,683</u>
Excess of revenue over (under) expenses	<u>7,441</u>
Net position Beginning of Year	17,722
Prior year adjustment	<u>6,878</u>
Net position Beginning of Year, Restated	<u>24,600</u>
Net position at End of Year	\$ <u><u>32,041</u></u>

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensacola - Escambia County Promotion and Development Commission (PEDC) - Created in 1967 by Chapter 67-1365, Laws of Florida, amended in 1989 by House Bill 984, for the purpose of promoting and developing tourism and industry in Escambia County and in the City of Pensacola. The nine-member board consists of representatives from the Escambia County Board of County Commissioners, the City of Pensacola City Council, the Town of Century, and the Greater Pensacola Chamber. Escambia County and the City of Pensacola each contribute to the operation and maintenance of the PEDC, but neither has control over the financial operations of the PEDC nor can it impose its will.

Complete financial statements of PEDC can be obtained from their administrative office: Pensacola - Escambia County Promotion and Development Commission, 3 West Garden Street, Ste 618, Pensacola, Florida, 32502.

Summary financial statements including fiduciary funds of these entities are as follows:

PEDC	
Statement of Net Position	
September 30, 2024	
(Audited)	
Assets	\$ <u>17,504,037</u>
Liabilities	<u>10,457,521</u>
Deferred inflows of resources	<u>2,001,044</u>
Net Position:	
Restricted	61,198
Unrestricted	<u>4,984,274</u>
Total Net Position	<u>5,045,472</u>
Total Liabilities and Net Position	\$ <u><u>17,504,037</u></u>

PEDC
Statement of Revenues, Expenses
and Changes in Net Position
for the Fiscal Year Ended September 30, 2024
(Audited)

Revenue	\$ 1,881,654
Expenses	<u>1,658,379</u>
Excess of revenue over (under) expenses	<u>223,275</u>
Net position Beginning of Year	<u>4,822,197</u>
Net position at End of Year	\$ <u><u>5,045,472</u></u>

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The City's fiduciary funds are not presented in the government-wide financial statements since by definition, the assets cannot be used to address activities or obligations of the City (i.e., the assets are being held for the benefit of pension participants). The purpose of the government-wide financial statements is to provide a consolidated financial picture of all City activities. The internal service funds provide services to departments throughout the City; therefore, their direct expenses are eliminated functionally on the government-wide financial statements with the exception of internal payments that qualify as interfund services provided and used. Governmental activities, supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges to customers for support. Likewise, the primary government is reported separately from the discretely presented component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. The purpose of categorizing direct expenses according to function and revenues according to program is to provide an analysis of activities that are revenue sufficient and those that use the support of general revenues. Direct expenses are those expenses that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

Individual fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All other funds (nonmajor) are combined according to their category, governmental or business-type, and are reported in a single column. Combining statements for nonmajor funds are found in the Combining Financial Statements section.

C. Basis of Accounting, Measurement Focus and Financial Presentation

The basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, public service taxes, communication service tax, local business tax, local option gasoline tax, local option sales tax, lease revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and therefore have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

The City reports the following major governmental funds:

General Fund - used to account for all financial resources except those required to be accounted for in another fund. All general property taxes, fines, property rentals and certain intergovernmental revenues are recorded in this fund. Typical expenditures are for administration, planning, parks and recreation, public works, and public safety.

Housing Assistance Payments - a special revenue fund that accounts for the proceeds awarded from federal and state agencies that are legally restricted to expenditures for specific purposes.

Community Maritime Park Management - a special revenue fund to account for revenues and expenditures related to Community Maritime Park.

Local Option Sales Tax - a capital projects fund that accounts for the local option infrastructure sales surtax (pursuant to Florida Statutes 212.055) to provide for the construction of various infrastructure improvements including park and recreation improvements, street resurfacing and reconstruction, and payment of associated debt.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major proprietary funds:

Utility Fund – accounts for the assets, operation, and maintenance of the City-owned natural gas service.

Sanitation Fund – accounts for the assets, operation, and maintenance of the City-owned garbage and trash services.

Port Fund – accounts for the assets, operation, and maintenance of the City-owned port facility.

Airport Fund – accounts for the assets, operation, and maintenance of the City-owned airport.

Additionally, the government reports the following fund types:

Internal Service Funds (ISF) account for services provided to various City departments on a cost reimbursement basis. The services provided include a central warehouse inventory, fleet maintenance, engineering, management information services, and a risk management (insurance) program. ISFs are reported as a governmental activity within the government-wide financial statements. Individual fund statements are provided in the Combining Financial Statements section.

Fiduciary Funds are trust funds that account for assets held by the City in a trustee capacity for individuals, other governmental units, and/or other funds and include the City's General, Firemen's, and Police Officers' pension funds. Fiduciary funds are not included in government-wide financial statements, however, a statement of net position and a statement of changes in net position are included as part of the basic financial statements with individual fund statements presented in the Combining Financial Statements section.

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, and fines and forfeitures, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Those revenues not clearly defined as program revenues are categorized as general revenue. General revenues include resources such as taxes, franchise fees, interest, and sale of assets. As a general rule, the effect of interfund activity is eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Equity

1. Cash and Cash Equivalents/Investments

The City of Pensacola has defined *cash and cash equivalents* as cash held at a depository and cash on hand for operating purposes and those investments which are short term and highly liquid. Generally, those investments have original maturities of three (3) months or less. Cash equivalents normally consist of treasury bills, certificates of deposit, and money market funds.

All monies, which are not legally restricted to separate administration, are pooled together for investment purposes while each individual fund and/or account is maintained on a daily transaction basis. Investment earnings are distributed in accordance with the participating funds' relative equity.

2. Investments

All investments held by the City of Pensacola, including defined benefit pension plans and debt securities are reported at fair value.

The City is part of the Florida Cooperative Liquid Assets Securities System (FLCLASS), which is an independent local government investment pool authorized by Florida Statutes Section 218.415 and was created by an interlocal agreement by and among state public agencies (the Interlocal) as described in Florida Statutes Section 163.01, as amended. The investment pool is governed by a Board of Trustees and operates similarly to a registered money market fund with the objective of maintaining a net asset value (NAV) of \$1.00 per share. The City's portion of the investment pool was \$60,000,000 at the end of September 30, 2024.

3. Interfund Receivables/Payables

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected as "due to/from other funds" for the current portion of the receivable/payable or as "advance to/from other funds" for the noncurrent portion of the receivable/payable. Government-wide financial statements eliminate transactions occurring within like-kind activities (i.e., governmental to governmental or business-type to business-type). The residual balance between activities is reported in the government-wide financial statements as "internal balances". Fund financial statements present the entire transaction on the balance sheet as "due to/from other funds" and/or "advance to/from other funds".

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Inventories

Inventories included in the internal service fund's General Stock Fund consist primarily of utility stores, automotive supplies, and fuel for purchase by City departments. Inventories included in the Golf Fund consist of inventories held for resale to the public. All inventories are accounted for by the consumption method and are valued at cost, which approximates the market, using the first in, first out method. Appropriate allowances have been made for obsolete and surplus items.

5. Prepaid Insurance

The City of Pensacola accounts for property insurance premiums using the consumption method. Property insurance premiums for both governmental and enterprise funds are paid quarterly, with a term year beginning May 1st resulting in a prepaid insurance premium for the month of October.

6. Restricted Assets

Certain assets of both governmental and business-type activities are restricted by specific provisions of bond resolutions, grant agreements, agreements with outside parties or restricted by City Council or management for a specific purpose. Assets such as these are restricted since their use is limited.

7. Capital Assets

Capital assets, which include land, buildings, equipment, improvements other than buildings, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, works of art and similar items, and capital assets received in service concession arrangements are reported at acquisition value as of the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The City does not capitalize interest on borrowings used to finance the construction of general capital assets. Interest on capital assets is capitalized for proprietary funds; however, when the expense during construction is netted against the related income, the resulting amount is typically immaterial.

The Utility Fund reports intangible assets on the face of the financial statements of \$27,152 and \$49,350. The intangible asset is recorded as the excess of the purchase price over the fair market value of assets acquired and is amortized on a straight-line basis over an estimated useful life of forty years and ten years respectively.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	15 - 50 years
Improvements other than buildings	15 - 50 years
Infrastructure	15 - 50 years
Machinery and equipment	3 - 10 years
Utility lines and extensions	40 - 50 years
Vehicles and heavy equipment	5 - 25 years

8. Leases

The City of Pensacola is a lessee for noncancellable leases of land and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide and proprietary lease fund financial statements.

At the commencement of the lease, the City initially measures the lease liability at the present value of the payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

The City uses the interest rate charged by the lessor as the discount rate or its incremental borrowing rate as the discount rate for the leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and any purchase option price that the City will reasonably be certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The City monitors changes in the circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Intangible right-to-use assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Payments due under the lease contracts include fixed payments. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Amounts expected to be payable by the City under residual value guarantees.
- The exercise price of a purchase option if it is reasonably certain the option will be executed.
- Payments of penalties for terminating the lease, if the lease term reflects the City exercising that option.

The City is a lessor for noncancellable leases of land and buildings. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, proprietary fund, and governmental fund financial statements.

At the commencement of the lease, the City initially measures the lease receivable at the present value of the payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow is recognized as revenue over the term of the lease.

The City uses its incremental borrowing rate as the discount rate for the leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are comprised of the following:

- Fixed payments (including in-substance fixed payments), plus variable payments from the lessee. For land and building leases that include variable payments, those payments include common area maintenance.
- Residual value guarantee payments that are fixed in substance.
- Any lease incentives.

Variable payments that depend on an index or a rate such as the Consumer Price Index or a market rate interest rate are initially measured using the index or market rate at the commencement of the lease.

The City monitors changes in circumstances that would require a remeasurement of the lease receivable a deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

9. Subscription-Based Information Technology Arrangements (SBITAs)

The City of Pensacola has several agreements which convey control of the right to use another party's IT software. The City recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide and proprietary fund financial statements.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

At the commencement of the agreement, the City initially measures the subscription liability at the present value of the payments expected to be made during the agreement term. Subsequently, the subscription liability is reduced by the principal portion of the payments made.

The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the SBITA commencement date. Subsequently, the subscription asset is amortized on a straight-line basis over the term of the agreement.

The City uses the interest rate charged by the vendor as the discount rate or its incremental borrowing rate as the discount rate for the SBITAs.

The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are comprised of fixed payments. In determining the subscription term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the subscription term if the SBITA is reasonably certain to be extended.

Payments due under the SBITA contracts include fixed payments. Assets and liabilities arising from a SBITA are initially measured on a present-value basis.

10. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category.

One is the deferred loss on early retirement reported in the proprietary statement of net position as well as the government-wide statement of net position. A deferred loss on early retirement results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is deferred charge on pension and Other Postemployment Benefits (OPEB) contributions made by the employer after the measurement date and changes in benefits, assumptions, and differences between actual and expected returns.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has three items that qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet.

The governmental funds report unavailable revenues from sources such as special assessments, lease receivables, and note receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The second is a deferred gain on early retirement reported in the proprietary statement of net position as well as the government-wide statement of net position. A deferred gain on early retirement results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The third is deferred pension and/or OPEB as well as pension and/or OPEB expenses as a result of changes in benefits, assumptions, and differences between actual and expected returns.

11. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension and pension expense, information about the fiduciary net position of the City's pension plans and additions to/deductions from these plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

12. Compensated Absences

It is the policy of the City to permit general employees to accumulate up to 500 hours of earned but unused leave benefits (Paid Time Off - PTO). Senior Executive Services (SES) employees may accumulate up to 600 hours of PTO plus 250 hours of retention leave. Fire employees may accumulate up to 720 hours of PTO.

Police sergeants, lieutenants, and captains may accumulate up to 500 hours PTO and police officers may accumulate up to 900 hours PTO. Employees who separate service in good standing can be paid the balance of their accrued PTO.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unpaid compensated absences are recorded as a liability when the benefits are earned in both the government-wide financial statements and proprietary fund financial statements. Governmental funds within the fund financial statements are not required to record a liability of accumulated amounts of unused leave benefits unless the payments are current liabilities and will be made in the following year.

13. Bond Discounts, Issuance Cost, and Refunding Gains and Losses

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position.

Capital appreciation bonds are reported at their accreted value which is computed at the end of each fiscal year. Bond premiums and discounts, as well as prepaid insurance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed when paid. Bonds payable are reported net of the applicable bond premium or discount. Bond refunding gains and losses are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method. Bond refunding gains are presented as deferred inflows of resources while losses are presented as deferred outflows of resources.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs (whether or not withheld from the actual debt proceeds received), during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

14. Fund Balance

GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes fund balance classifications based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications are non-spendable, restricted, committed, assigned, and unassigned. Each classification reflects the nature and extent to which a restriction is placed upon fund balance.

15. Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets is intended to reflect the portion of net position, which is associated with non-liquid, capital assets less outstanding capital asset-related debt.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Net Position are liquid assets (generated from revenues and net bond proceeds) which are not accessible for general use because of third-party (statutory, bond covenant or granting agency) limitations.

Unrestricted Net Position represents unrestricted assets.

NOTE II. - DETAIL NOTES ON ALL FUNDS

A. Deposits and Investments

1. Pension Funds

The City's pension funds contain investments in certain bonds that are actually mortgage-backed and asset-backed securities which could be classified as "derivative" investments under GASB Technical Bulletin No. 94-1. These securities are based on cash flows from interest and principal payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result in a decline of interest rates.

The City invests in interest and principal securities (a form of mortgage-backed and asset-backed securities) in part to maximize yields and in part to hedge against a rise in interest rates. These investments are within the investment policy guidelines for the pension funds.

Interest Rate Risk. The City's General, Fire, and Police Pension Plans each have funds invested in bond mutual funds. Each plan has its own investment policy, which restricts the investments that the mutual funds can hold. The policy limits the percentage of plan assets invested in bonds but does not place limits on the length of the maturities.

Credit Risk. The risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's General, Fire, and Police Pension Plans investment policies do not address restrictions on the credit risk of investments.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City's retirement plans will not be able to recover the value of their investments that are in the possession of an outside party.

The Retirement Plans' Board of Trustees has contracts with each of their money managers which include a requirement that coverage be provided to protect the City's retirement plans from any losses incurred arising out of the money manager's negligence. Therefore, the City does not have a custodial credit risk.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The General Pension and Retirement investment plan weighted average maturities, amounts and ratings are as follows:

General Pension Investment	Weighted Average Maturity	Amount	Rating
Short term investments	Current	\$ 2,406,134	N/A
Debt Securities & Bond Mutual Funds			
Corporate Bonds	17.28 years	31,245,358	A1 - A3
Corporate Bonds	24.75 years	3,333,217	Aaa
Corporate Bonds	16.84 years	2,002,510	Aa1 - Aa3
Corporate Bonds	5.89 years	8,401,178	Baa1 - Baa3
Corporate Bonds	Unavailable	1,019,090	Rating Unavailable
Convertible Corporate Bonds			
Corporate Bonds	1.62 years	260,401	A1 - A3
Corporate Bonds	2.09 years	21,320	B1 - B3
Corporate Bonds	1.46 years	39,140	Ba1 - Ba3
Corporate Bonds	3.58 years	922,720	Baa1 - Baa3
Corporate Bonds	3.80 years	9,778,220	Rating Unavailable
Stock Mutual Funds	Current	8,665,790	N/A
Mortgage Backed Securities			
Mortgage Backed Securities	10.17 years	1,337,861	Rating Unavailable
Real Estate Investment Trust	Current	4,258,012	N/A
Domestic Stocks	Current	44,963,088	N/A
Commingled Trust Fund	Current	8,422,714	N/A
Preferred Stocks	Current	264,005	N/A
Foreign Stocks	Current	22,539,847	N/A
Total General Pension Investments		\$ 149,880,605	

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The Firefighters' Relief and Pension investment plan weighted average maturities, amounts and ratings are as follows:

Fire Pension	Weighted Average Maturity	Amount	Rating
Short term investments	Current	\$ 3,678,233	N/A
Debt Securities & Bond Mutual Funds			
Corporate Bonds	5.54 years	5,727,603	A1 - A3
Corporate Bonds	5.05 years	11,561,004	Aaa
Corporate Bonds	5.75 years	474,397	Aa1 - Aa3
Corporate Bonds	4.65 years	4,869,894	Baa1 - Baa3
Corporate Bonds	3.73 years	1,852,824	Rating Unavailable
Bond Mutual Funds	Current	540,640	N/A
Convertible Corporate Bonds			
Corporate Bonds	4.14 years	267,759	A1 - A3
Corporate Bonds	2.09 years	21,320	B1-B3
Corporate Bonds	1.46 years	43,054	Ba1-Ba3
Corporate Bonds	3.58 years	961,745	Baa1 - Baa3
Corporate Bonds	3.84 years	10,319,456	Rating Unavailable
Stock Mutual Funds	Current	28,647,978	N/A
Mortgage Backed Securities			
Mortgage Backed Securities	17.07 years	9,422,001	Rating Unavailable
Real Estate Investment Trust	Current	4,328,815	N/A
Commingled Trust Fund	Current	8,284,060	N/A
Domestic Stocks	Current	39,628,483	N/A
Preferred Stocks	Current	276,476	N/A
Foreign Stocks	Current	2,735,637	N/A
Total Fire Pension Investments		\$ 133,641,379	

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The Police Officers' Retirement investment plan weighted average maturities, amounts and ratings are as follows:

Police Pension	Weighted Average Maturity	Amount	Rating
Short term investments	Current	\$ 1,944,330	N/A
Debt Securities & Bond Mutual Funds			
Corporate Bonds	5.49 years	6,344,717	A1 - A3
Corporate Bonds	7.18 years	3,337,918	Aaa
Corporate Bonds	4.29 years	6,368,847	Baa1-Baa3
Corporate Bonds	8.09 years	1,051,180	Rating Unavailable
Bond Mutual Funds	Current	1,812,670	Rating Unavailable
Mortgage Backed Securities			
Mortgage Backed Securities	13.62 years	10,798,775	Rating Unavailable
Real Estate Investment Trust	Current	68,171,281	N/A
Domestic Stocks	Current	23,380,035	N/A
Foreign Stocks	Current	12,115,257	N/A
Total Police Pension Investments		<u>\$ 135,325,010</u>	

The gross unrealized gains and losses for the marketable equity securities in the pension funds for the fiscal year ended were as follows:

	General Pension and Retirement Fund	Firefighters' Relief and Pension Fund	Police Officers' Retirement Fund	Totals
Unrealized Gains	\$ 31,430,191	\$ 27,660,044	\$ 27,371,005	\$ 86,461,240
Unrealized Losses	<u>(15,880,660)</u>	<u>(13,102,998)</u>	<u>(17,262,531)</u>	<u>(46,246,188)</u>
Net Unrealized Gains/(Loss)	<u>\$ 15,549,532</u>	<u>\$ 14,557,046</u>	<u>\$ 10,108,474</u>	<u>\$ 40,215,052</u>

The average cost method is used in computing realized gains and losses on the sale of marketable equity securities.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of September 30, 2024:

<u>General Pension Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>9/30/2024</u>
Investments by Fair Value Level				
Short Term Investments	\$ 2,406,134	\$	\$	2,406,134
Debt Securities & Bond Mutual Funds:				
Corporate Bonds		46,001,353		46,001,353
Total Debt Securities & Bond Mutual Funds	<u>2,406,134</u>	<u>46,001,353</u>	<u>-</u>	<u>46,001,353</u>
Convertible Corporate Bonds		11,021,801		11,021,801
Stock Mutual Funds	8,665,790			8,665,790
Mortgage Backed Securities:				
Mortgage Backed Securities		1,337,861		1,337,861
Real Estate Investment Trust			4,258,012	4,258,012
Total Mortgage Baked Securities	<u>-</u>	<u>1,337,861</u>	<u>4,258,012</u>	<u>5,595,873</u>
Domestic Stocks	44,963,088			44,963,088
Commingled Trust Fund	8,422,714			8,422,714
Preferred Stocks	264,005			264,005
Foreign Stocks	22,539,847			22,539,847
Total Investments measured at fair value	<u>\$ 89,667,712</u>	<u>\$ 58,361,015</u>	<u>\$ 4,258,012</u>	<u>\$ 149,880,605</u>

Short term investments, debt securities, stock mutual funds, commingled trust fund, and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities, convertible corporate bonds, and mortgage-backed securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Mortgage-backed securities classified in Level 3 are valued using valuation methodologies including pricing models and discounted cash flow models. Level 3 valuations incorporate subjective judgements and consider assumptions including capitalization rates, discount rates, cash flows and other factors that are not observable in the market.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Fire Pension Investment	Level 1	Level 2	Level 3	9/30/2024
Investments by Fair Value Level				
Short Term Investments	\$ 3,678,233	\$	\$	3,678,233
Debt Securities & Bond Mutual Funds:				
Corporate Bonds		24,485,722		24,485,722
Bond Mutual Funds	540,640			540,640
Total Debt Securities & Bond Mutual Funds	<u>540,640</u>	<u>24,485,722</u>	<u>-</u>	<u>25,026,362</u>
Convertible Corporate Bonds		11,613,334		11,613,334
Stock Mutual Funds		14,973,993	13,673,985	28,647,978
Mortgage Backed Securities:				
Mortgage Backed Securities		9,422,001		9,422,001
Real Estate Investment Trust			4,328,815	4,328,815
Total Mortgage Baked Securities	<u>-</u>	<u>9,422,001</u>	<u>4,328,815</u>	<u>13,750,816</u>
Domestic Stocks	39,628,483			39,628,483
Commingled Trust Fund	8,284,060			8,284,060
Preferred Stocks	276,476			276,476
Foreign Stocks	2,735,637			2,735,637
Total Investments measured at fair value	<u>\$ 55,143,529</u>	<u>\$ 60,495,050</u>	<u>\$ 4,328,815</u>	<u>\$ 133,641,379</u>

Short term investments, bond mutual funds, debt securities, commingled trust fund, and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities, convertible corporate bonds, and mortgage-backed securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Mutual funds and mortgage-backed classified in Level 3 are valued using valuation methodologies including pricing models and discounted cash flow models. Level 3 valuations incorporate subjective judgements and consider assumptions including capitalization rates, discount rates, cash flows and other factors that are not observable in the market.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Police Pension Investment	Level 1	Level 2	Level 3	9/30/2024
Investments by Fair Value Level				
Short Term Investments	\$ 1,944,330	\$	\$	\$ 1,944,330
Debt Securities & Bond Mutual Funds:				
Corporate Bonds		17,102,662		17,102,662
Bond Mutual Funds			1,812,670	1,812,670
Total Debt Securities & Bond Mutual Funds	-	17,102,662	1,812,670	18,915,332
Mortgage Backed Securities:				
Mortgage Backed Securities		10,798,775		10,798,775
Total Mortgage Baked Securities	-	10,798,775	-	10,798,775
Domestic Stocks	68,171,281			68,171,281
Commingled Trust Fund	23,380,035			23,380,035
Foreign Stocks	12,115,257			12,115,257
Total Investments by Fair Value	\$ 105,610,903	\$ 27,901,437	\$ 1,812,670	\$ 135,325,010

Short term investments, debt securities and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities and mortgage-backed securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Bond Mutual Funds and mortgage-backed securities classified in Level 3 are valued using valuation methodologies including pricing models and discounted cash flow models. Level 3 valuations incorporate subjective judgements and consider assumptions including capitalization rates, discount rates, cash flows and other factors that are not observable in the market.

2. Investments

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. By contract, an independent appraisal is obtained once every year to determine the fair market value of the real estate assets.

The City's investments of \$90,000,000 are in certificates of deposits with maturities that range from November 2024 to April 2025 and have a weighted average maturity of one year. In addition to certificates of deposits, the City has \$60,000,000 invested in the FLCLASS investment pool. These investments are not subject to level disclosure in the fair value hierarchy.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

B. Accounts Receivable

1. Unbilled Utility Services

All utility billing is performed on a cyclical basis which gives rise to unbilled gas services at the end of any given period. The City has recorded estimated accounts receivable and the related revenues based on the number of days of unbilled services for each cycle as of the end of the fiscal year.

2. Property Tax Calendar and Revenue Recognition

Escambia County Constitutional Officers perform all appraisals, assessments, and collections of City property taxes as an agent for the City of Pensacola. Property valuations are determined each year as of January 1. All property taxes are levied and become due and payable on November 1. The collection period is from November 1 through March 31, with discounts allowed of 4, 3, 2, and 1 percent for early payment in November through February, respectively. All taxes become delinquent on April 1 in the year following assessment, and tax certificates are sold on all real property with unpaid taxes as of June 1. Property tax revenue recognition occurs during the fiscal year of levy (the year the property tax revenue was intended to finance).

As of November 2001, the City of Pensacola assessed a stormwater fee to provide additional revenue for stormwater management improvements. The fee is billed annually by the Escambia County Property Tax Collector on the November property tax roll with the exception of government-owned property which is billed directly by the City. The stormwater fee is subject to the same collection laws, discounts, and penalties as property taxes. Stormwater revenues are recognized during the fiscal year in which it is billed.

3. Accounts Receivable

Account receivables are shown net of allowances for doubtful accounts as follows:

	Accounts		
	Receivable	Allowance	Net
Governmental activities:			
General Fund	\$ 1,558,135	\$	\$ 1,558,135
Housing Assistance Payments Fund	1,415,190	1,320,297	94,893
Community Maritime Park Management Fund	378,048		378,048
Nonmajor Governmental Funds	346,327	8,624	337,703
Internal Service Fund	255,342		255,342
Total governmental activities	<u>\$ 3,953,042</u>	<u>\$ 1,328,921</u>	<u>\$ 2,624,121</u>
Business-type activities:			
Utility Fund	\$ 3,644,615	\$ 216,508	\$ 3,428,107
Sanitation Fund	500,619	66,177	434,442
Port Fund	368,724	4,129	364,595
Airport Fund	7,045,216		7,045,216
Total business-type activities	<u>\$ 11,559,174</u>	<u>\$ 286,814</u>	<u>\$ 11,272,360</u>

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The Airport Fund receivables include \$3,792,881 due from Triumph related to the expenses incurred for the VT Aerospace project.

4. Lease Receivables

The City leases land and building space to third parties. As of September 30, 2024, The City's leases receivables were valued at \$46,297,266 and the deferred inflow of resources associated with the leases that will be recognized as revenue over the term of the leases were \$44,629,106. The lease receivables for Governmental and Business-type Activities at September 30, 2024 were as follows:

Governmental Activities

Land leases – annual lease payments totaling \$125,402 plus interest at a rate of 3%, due dates ranging from August 2027 to April 2147.	\$18,281,843
Building and office space leases – annual lease payments totaling \$178,798 plus interest at a rate of 3%, due dates ranging from March 2025 to December 2071.	<u>1,351,308</u>
Total Governmental Activities Lease Receivables	<u>\$19,633,151</u>

Business-type Activities

Land leases – annual lease payments totaling \$797,158 plus interest at a rate of 3%, due dates ranging from December 2025 to August 2118.	\$19,781,607
Building and office space leases – annual lease payments totaling \$1,038,522 plus interest at a rate of 3%, due dates ranging from December 2024 to July 2038.	<u>6,882,507</u>
Total Business-type Activities Lease Receivables	<u>\$ 26,664,115</u>

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The payments for the lease receivables are expected to be received in the subsequent years as follows:

<u>Fiscal Year</u>	Governmental Activities		Business-type Activities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 136,752	\$ 593,231	\$ 1,436,828	\$ 779,795
2026	81,222	594,809	1,399,453	737,569
2027	84,393	595,010	1,375,696	696,815
2028	90,518	596,708	1,398,432	657,884
2029	95,082	595,075	1,318,070	615,282
2030-2034	593,019	2,968,347	4,948,545	2,599,816
2035-2039	420,074	2,954,079	3,406,779	2,029,292
2040-2044	395,015	2,959,979	4,159,384	1,490,067
2045-2049	464,386	2,950,182	3,852,081	829,766
2050-2054	532,293	2,924,121	389,252	566,476
2055-2059	679,416	2,872,891	452,214	492,869
2060-2064	853,503	2,787,104	359,397	411,147
2065-2069	987,879	2,655,286	-	377,079
2070-2074	28,355	2,576,638	-	360,429
2075-2079	33,308	2,544,153	-	341,087
2080-2084	37,488	2,485,065	126,356	318,789
2085-2089	36,947	2,390,347	187,129	292,506
2090-2094	130,180	2,257,003	217,385	262,178
2095-2099	847,018	2,075,468	252,533	226,946
2100-2104	1,802,677	1,836,226	293,399	185,983
2105-2109	2,296,779	1,528,903	340,841	138,428
2110-2114	2,829,828	1,140,938	395,955	83,182
2115-2119	2,667,914	731,525	354,387	20,832
2120-2124	3,274,599	285,914	-	-
2125-2129	122,793	25,407	-	-
2130-2134	111,712	6,339	-	-
	<u>\$19,633,151</u>	<u>\$ 45,930,747</u>	<u>\$ 26,664,115</u>	<u>\$ 14,514,215</u>

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The City has leasing agreements with several air carriers that are regulated by the Federal Aviation Administration, and as such qualify to be treated as a regulated lease in accordance with GASB 87. The leases with the air carriers have specific requirements that are subject to external laws and regulations mandated by Federal Aviation Administration. The City leases land and building space to third parties under these agreements. The building leases expired on September 30, 2022. The expired leases continue under a hold over provision until such time that a new lease is negotiated. The hold over provision allows the City to terminate the lease at any time. Revenues collected under the building leases for fiscal year 2024 totaled \$7,362,757. Due to the current hold over provision, expected future minimum lease payments are not included in the schedule below. The land lease range is 30 years with annual lease payments totaling \$4,610. As of September 30, 2024, the remaining nominal amount of the revenue that will be recognized as revenue over the lease term associated with these leases amount to \$31, 341 which is expected to be received for each of the subsequent five years and in five-year increments thereafter as stated below:

<u>Fiscal Year</u>		<u>Business-Type Activities</u>
2025	\$	2,915
2026		2,915
2027		2,915
2028		2,915
2029		2,915
2030-2034		14,577
2035-2039		2,187
Total	\$	<u>31,341</u>

5. Unavailable/Unearned Revenue

Governmental funds report a deferred inflow of resources in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not-yet earned. Amounts that are “unavailable” are not reported as a deferred inflow of resources in entity-wide statements. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

	<u>Unavailable</u>	<u>Unearned</u>
General Fund		
Leases – Land/ROW receivables	\$ 37,119	\$
Telecommunicator - 911 Call Takers	18,674	
Prepaid lease payments		187,207
Occupational license fees and fines received for subsequent year		594,732
Special Revenue Funds		
HUD - Fraud Recovery	94,892	356
Community Redevelopment Agency - Lease receivables	5,136	
CDBG - Housing Rehab Project notes receivable	228,670	
Code Enforcement - Lot Cleaning	26,835	
Golf Course- Lease receivables	1,500	
Parks Recreation - Lease receivables	2,100	
Tennis Center- Lease receivables	10,737	
Build America Bonds subsidy		
CMP - Use Fee		43,750
CMP - Leases		15,326
American Rescue Act Funding		6,727,863
Home Reconstruction Loans	460,507	
Grant request and draws prior to meeting all requirements		135,171
	<u>\$ 886,170</u>	<u>\$ 7,704,405</u>

The American Rescue Plan grant does not require the City to hold unspent funds in a separate bank account. The unspent monies are not earned so it is not a component of net position at the fund or government-wide level. Since the terms of the grant require the funds to be expended within a set number of years and unspent funds are not considered restricted assets of the government unit, the City does not consider presentation of the unspent monies as restricted assets necessary as of September 30, 2024.

The Airport Fund includes \$33,377,439 in unearned revenue related to an advance on project funding as required by the “Project Development Agreement” which includes \$24,509,419 from VTMAE and \$8,868,020 from Escambia County. This agreement stipulates the timing and use of the funding for the development of a commercial aircraft maintenance, repair, and overhaul (“MRO”) campus at Pensacola International Airport. VTMAE will provide a total of \$35,000,000 towards the estimated \$210,125,000 project as further disclosed in Note IV. H. The unspent funds are not considered earned until funds are expended and therefore are not a component of the Airport's net position.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for governmental activities for the fiscal year ended September 30, 2024 were as follows:

	Beginning Balance		Increases		Decreases		Ending Balance
Governmental activities:							
Non-depreciable Assets:							
Land	\$ 21,740,454	\$	948,870	\$	-	\$	22,689,324
Construction in Progress	15,793,738		12,134,371		(14,532,324)		13,395,785
Total Non-depreciable assets	<u>37,534,192</u>		<u>13,083,241</u>		<u>(14,532,324)</u>		<u>36,085,109</u>
Depreciable Assets:							
Buildings	136,474,080		1,030,285		(789,988)		136,714,377
Improvements	62,848,291		12,091,576		(453,201)		74,486,666
Infrastructure	164,452,012		1,269,235		-		165,721,247
Equipment	64,037,821		4,322,550		(1,197,835)		67,162,536
Right-to-use lease equipment	305,697		-		-		305,697
Right-to-use SBITA	146,078		1,302,032		-		1,448,110
Total Depreciable assets	<u>428,263,979</u>		<u>20,015,678</u>		<u>(2,441,024)</u>		<u>445,838,633</u>
Less accumulated depreciation for:							
Buildings	47,498,782		3,341,829		(736,428)		50,104,183
Improvements	33,356,362		2,301,221		(427,934)		35,229,649
Infrastructure	72,197,744		6,940,771		-		79,138,515
Equipment	43,359,403		4,706,451		(1,073,432)		46,992,422
Right-to-use lease equipment	145,893		65,688		-		211,581
Right-to-use SBITA	3,516		374,201		-		377,717
Total accumulated depreciation	<u>196,561,700</u>		<u>17,730,161</u>		<u>(2,237,794)</u>		<u>212,054,067</u>
Total depreciable assets net of depreciation	<u>231,702,279</u>		<u>2,285,517</u>		<u>(203,230)</u>		<u>233,784,566</u>
Governmental activities net capital assets	<u>\$ 269,236,471</u>	\$	<u>15,368,758</u>	\$	<u>(14,735,554)</u>	\$	<u>269,869,675</u>

The preceding schedule includes capital assets and accumulated depreciation for both governmental funds and the internal services funds. Per GASB 34 requirements, the internal service funds are reported on the entity-wide statements as a governmental activity. In fiscal year 2024, the net book value of assets held by Internal Service Funds is \$3,609,466 which included the addition of SBITA's \$1,302,032. Total depreciation and amortization expense for governmental activities for fiscal year 2024 is \$16,730,619 and \$439,889, respectively. The difference between the fiscal year 2024 depreciation and amortization expense, \$17,170,508, and the increase to accumulated depreciation, \$17,730,161 is \$559,653 which is a result of capital assets transferred a business-type activity a governmental activity.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Capital asset activity for business-type activities for the fiscal year ended September 30, 2024 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type activities:</u>				
Non-Depreciable Assets:				
Land	\$ 38,397,584	\$ 194,400	\$ -	\$ 38,591,984
Construction in Progress	4,197,887	16,713,434	(4,460,416)	16,450,905
Total Non-depreciable assets	<u>42,595,471</u>	<u>16,907,834</u>	<u>(4,460,416)</u>	<u>55,042,889</u>
Depreciable Assets:				
Buildings	249,394,174	1,706,534	(870,408)	250,230,300
Improvements	252,903,455	5,070,987	(378,829)	257,595,613
Equipment	50,383,219	4,587,973	(1,947,370)	53,023,823
Right to-use lease land	298,819	7,888	-	306,707
Right to-use SBITA	300,855	-	-	300,855
Total Depreciable assets	<u>553,280,522</u>	<u>11,373,382</u>	<u>(3,196,607)</u>	<u>561,457,297</u>
Less accumulated depreciation for:				
Building	111,221,995	8,176,663	(870,408)	118,528,249
Improvements	128,017,859	7,916,387	(378,126)	135,556,119
Equipment	32,213,245	3,605,732	(1,892,566)	33,926,411
Right to-use lease land	43,759	15,878	-	59,637
Right to-use SBITA	203,448	97,407	-	300,855
Total accumulated depreciation	<u>271,700,306</u>	<u>19,812,067</u>	<u>(3,141,100)</u>	<u>288,371,271</u>
Total depreciable assets net of depreciation	<u>281,580,216</u>	<u>(8,438,685)</u>	<u>(55,507)</u>	<u>273,086,026</u>
Business-type activities net capital assets	<u>\$ 324,175,687</u>	<u>\$ 8,469,149</u>	<u>\$ (4,515,923)</u>	<u>\$ 328,128,915</u>

Total depreciation and amortization expense for business-type activities for fiscal year 2024 is \$19,812,067.

There are two intangible assets reported in the Utility Fund representing the excess of the purchase price paid over the fair market value of assets acquired. In September 1989, the City purchased the Escambia County Utilities Authority's Timberland Natural Gas Distribution and recorded goodwill of \$131,646. The intangible asset is amortized on a straight-line basis over an estimated useful life of forty years. In October 2021, the City purchased a portion of Okaloosa Gas District service area and recorded goodwill of \$82,250. The intangible asset is amortized on a straight-line basis over an estimated useful life of ten years.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General Government	\$ 667,715
Public Safety	2,667,830
Physical Environment	1,972,512
Transportation	3,817,351
Economic Environment	53,631
Culture and Recreation	5,634,153
Unallocated Infrastructure	1,623,009
Capital assets held by governmental type internal service funds are charged to the various functions based on their usage	734,307

Total depreciation expense-governmental activities	\$ <u>17,170,508</u>
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Infrastructure reported per requirement of GASB 34 is presented as a separate line item instead of a specific function/program.

Business-type activities:

Gas	\$ 3,284,528
Sanitation	702,243
Port	1,143,058
Airport	<u>14,682,238</u>

Total depreciation expense- business-type activities	\$ <u>19,812,067</u>
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The fifteen-year lease agreement for the City owned Amtrak Station expired May 14, 2008. Rail services for the Sunset Limited route which passes through Northwest Florida have been suspended since 2005 as a result of the damages suffered by Hurricane Katrina. The carrying value for the land and building is approximately \$435,965 as reported in the governmental activities.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

Interfund receivables/payables balances as of September 30, 2024, are as follows:

	<u>Due To</u>	<u>Due From</u>	<u>Advance To</u>	<u>Advance From</u>
Governmental activities:				
General Fund	\$	\$ 2,129,787	\$	\$
Housing Assistance Fund	34,792			
CMP Management Services Fund	3,028			
Local Option Sales Tax Fund				
Nonmajor Governmental Funds	1,240,173	103,627		
Internal Service Funds	710,276			
Total Governmental activities	<u>1,988,269</u>	<u>2,233,414</u>	<u>-</u>	<u>-</u>
Business-type activities:				
Utility Fund	337,276	510,000		
Sanitation Fund	119,752			
Port Fund	24,496			
Airport Fund	273,621	-		
Total Business-type activities	<u>755,145</u>	<u>510,000</u>	<u>0</u>	<u>-</u>
Total governmental and business-type activities	<u>\$ 2,743,414</u>	<u>\$ 2,743,414</u>	<u>\$ -</u>	<u>\$ -</u>

Internal balances-current reported in the government-wide statement of net position in the amount of \$245,145 represents the amounts receivable/payable between government and business-type activities for end of year payroll liabilities, risk management claims and inter-fund transfers.

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**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

For the year ended September 30, 2024, interfund transfers are as follows:

Governmental activities:			
<u>Major Governmental Funds</u>	Transfer In	Transfer Out	Purpose
General Fund	\$ 11,137,600	\$ 7,800,143	Transfer from Utility Fund Transfer to CRA, Golf, Eastside TIF, Westside TIF and Stormwater Capital
Local Option Sales Tax Fund (LOST)		223,622	Transfer to Port, Airport, and Inspections
<u>Nonmajor Governmental Funds</u>		1,520,775	Transfer to Local Option Gasoline Tax Debt Service
Local Option Gasoline Tax (LOGT)			
Community Redevelopment Agency (CRA)	3,814,172	3,697,715	Transfer from General Fund Transfer to CRA Debt Service
Golf Course Fund	200,000		Transfer from General Fund
Eastside Tax Increment Financing District	184,136	87,916	City's required contribution Transfer to CRA Debt Service
Inspections Fund	2,655		Transfer from LOST and Internal Service Fund
Westside Tax Increment Financing District	866,836	276,526	City's required contribution Transfer to CRA Debt Service
CRA Debt Service	4,062,157		Transfer from CRA, Eastside TIF and Westside TIF
Local Option Gas Tax Debt Service Fund	1,520,775		Transfer from LOGT
Stormwater Capital Fund	2,735,000		Transfer from General Fund
Internal Service Fund		2,007	Transfer to Inspections
Business-type activities:			
Utility Fund		11,137,600	Transfer to General Fund
Port Fund	42,709		Transfer from LOST
Airport Fund	180,264		Transfer from LOST
Total	\$ 24,746,304	\$ 24,746,304	

Transfers reported in the government-wide statement of activities in the amount of \$10,914,627 represent the net amount of transfers between government and business-type activities. Fund financial statements report transfers without eliminations within same type activity and are reported in the schedule above.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

E. Long-term Debt

Individual Bond Issues and Notes Payable

Below are the City's individual long-term debt issues which were outstanding on September 30, 2024:

Governmental activities:

Nonmajor Funds

\$14,314,000 Local Option Gas Tax Revenue Bond, Series 2016 was issued for the purpose of financing the cost of the acquisition and construction of capital improvements to the road system of the City of Pensacola and the costs of issuance on the borrowing. The bond has a fixed interest rate of 1.83% commencing December 31, 2016, to and including December 31, 2026, payable each December 31 and June 30 of each year. Principal payments commenced on December 31, 2016, payable December 31 of each year. Debt service payments are secured with Local Option Gasoline Tax revenues. Final maturity of principal occurs on December 31, 2026.

\$ 4,483,000

\$1,307,000 Eastside Redevelopment Revenue Bond, Series 2017 was issued for the purpose of financing certain community redevelopment capital improvements in the Eastside Neighborhood Redevelopment Area included in the Eastside Neighborhood Plan and the costs of issuance on the borrowing. The bond has a fixed interest rate of 3.33% commencing April 1, 2018, to and including April 1, 2037, payable each April 1 and October 1 of each year. Principal payments commenced on April 1, 2018, payable April 1 of each year. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Eastside Redevelopment Area and in the event that these revenues are insufficient, the Local Business Tax. Final maturity of principal occurs on April 1, 2037.

931,000

\$4,082,000 Westside Redevelopment Revenue Bond, Series 2017 was issued for the purpose of financing certain community redevelopment capital improvements in the Westside Neighborhood Redevelopment Area included in the Westside Neighborhood Plan and the costs of issuance on the borrowing. The bond has a fixed interest rate of 3.33% commencing April 1, 2018, to and including April 1, 2037, payable each April 1 and October 1 of each year. Principal payments commenced on April 1, 2018, payable April 1 of each year. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Westside Redevelopment Area and in the event that these revenues are insufficient, the Local Business Tax. Final maturity of principal occurs on April 1, 2037.

2,910,000

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

\$8,000,000 Urban Core Redevelopment Revenue Bond, Series 2017 was issued for the purpose of financing certain community redevelopment capital improvements in the Urban Core Redevelopment Area included in the Urban Core Community Redevelopment Plan and the costs of issuance on the borrowing. The bond has a fixed interest rate of 3.60% commencing April 1, 2018, to and including April 1, 2040, payable each April 1 and October 1 of each year. Principal payments commenced on April 1, 2018, payable April 1 of each year. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Urban Core Redevelopment Area and in the event that these revenues are insufficient, a covenant to budget and appropriate non-ad valorem revenues of the City. Final maturity of principal occurs on April 1, 2040.

7,000,000

\$25,000,000 Infrastructure Sales Surtax Revenue Bond, Series 2017 was issued for the purpose of financing the cost of acquisition, construction renovation and equipping of additions, extensions, and improvements to facilities and general infrastructure of the City of Pensacola and the costs of issuance on the borrowing. The bond has a fixed interest rate of 2.15% commencing April 1, 2018, to and including October 1, 2028, payable each October 1 and April 1 of each year. Principal payments commenced on October 1, 2018, payable October 1 of each year. Debt service payments are secured with Infrastructure Sales Surtax revenues. Final maturity of principal occurs on October 1, 2028.

12,136,000

\$58,140,000 Urban Core Redevelopment Refunding and Improvement Revenue Bond, Series 2019 was issued for the purpose of refunding the outstanding principal balance of the Redevelopment Revenue Bonds, Series 2009B, as well as financing certain community redevelopment capital improvements in the Urban Core Redevelopment Area included in the Urban Core Community Redevelopment Plan and the costs of issuance on the borrowing. The bond has a fixed interest rate of 3.40% commencing October 1, 2019, to and including December 31, 2043, payable each April 1 and October 1 of each year. Principal payments commenced on April 1, 2021, payable April 1 of each year. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Urban Core Redevelopment Area and in the event that these revenues are insufficient, a covenant to budget and appropriate non-ad valorem revenues of the City. Final maturity of principal occurs on December 31, 2043.

51,963,568

Total Governmental Activities

\$ 79,423,568

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Business-type Activities:

Utility Enterprise

\$15,000,000 Gas System Revenue Note, Series 2016 was issued for the primary purpose of financing and/or reimbursing the cost of the design, permitting, acquisition, construction, rehabilitation and equipping of certain capital improvements to the system. The note has a fixed interest rate of 1.97% with annual principal installments beginning October 1, 2017. Debt service payments are secured with Net Revenues of the Utility System. Final maturity of principal occurs on October 1, 2026.

5,946,000

Total Utility Enterprise

5,946,000

Airport Enterprise

\$12,465,000 Airport Refunding Revenue Note, Series 2015 refunded the outstanding principal of the Airport Refunding Revenue Bonds (Non-AMT), Series 2005A. Note has a fixed interest rate of 2.55% commencing April 1, 2016, to and including October 1, 2027, payable each April 1 and October 1 of each year. Principal payments commenced on October 1, 2016, payable October 1 of each year. Debt service payments are secured with Net Revenues of the Airport. Final maturity of principal occurs on October 1, 2027.

4,575,000

\$6,300,000 Airport Refunding Revenue Note, Series 2017 refunded the outstanding principal of the Airport Revenue Bonds, Series 2012. Note has a fixed interest rate of 2.51% commencing April 1, 2018, to and including October 1, 2027, payable each April 1 and October 1 of each year. Principal payments commenced on October 1, 2018, payable October 1 of each year. Debt service payments are secured with Net Revenues of the Airport. Final maturity of principal occurs on October 1, 2027.

2,780,000

\$29,678,000 Airport Refunding Revenue Note, Series 2018 refunded the outstanding principal of the Airport Revenue Bonds, Series 2008. Note has a fixed rate of 3.93% commencing October 1, 2018 percent to and including October 1, 2038, payable each April 1 and October 1 of each year. Principal payments commenced on October 1, 2018, payable October 1 of each year. Debt service payments are secured with Net Revenues of the Airport and is further secured by certain PFC revenues, to the extent that such PFC revenues are deposited into the bond fund. Final maturity of principal occurs on October 1, 2038.

23,978,000

Total Airport Enterprise

31,333,000

Total Business-type Activities

\$ 37,279,000

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Changes in Long-Term Liabilities

Following is a summary of changes in the long-term liabilities for the City as well as the material liabilities for the City's component unit year ended September 30, 2024:

	Beginning Balance		Increases		Decreases		Ending Balance		Due Within One Year
Governmental Activities									
Due to other governments	\$ 5,200,000	\$		\$	(1,300,000)	\$	3,900,000	\$	1,300,000
Claims and judgements	4,020,860		2,111,078		(2,512,942)		3,618,996		2,753,184
Compensated absences	5,549,318		4,624,154		(3,955,835)		6,217,637		477,229
Bonds/Notes payable	85,148,180				(5,724,612)		79,423,568		5,854,981
Lease payable	159,735				(64,691)		95,044		66,671
SBITA payable	95,917		854,930		(47,236)		903,611		469,707
Total OPEB liability	7,894,149		752,669		(346,616)		8,300,202		21,583
Net Pension liability	110,785,910		41,437,496		(48,519,298)		103,704,108		
Governmental activity long term liabilities	<u>\$ 218,854,069</u>	\$	<u>49,780,327</u>	\$	<u>(62,471,230)</u>	\$	<u>206,163,166</u>	\$	<u>10,943,355</u>
Business-type activities									
Due to other governments	\$ 9,750	\$		\$	(9,750)	\$	-	\$	
Compensated absences	2,190,897		2,289,255		(2,153,997)		2,326,155		36,900
Bonds/Notes payable	42,056,000				(4,777,000)		37,279,000		4,905,000
Lease payable	282,608		7,587		(11,161)		279,034		12,083
SBITA payable	101,442				(101,442)		-		
Total OPEB liability	3,027,040		292,705		(140,751)		3,178,994		104,983
Net Pension liability	30,043,580		11,015,031		(14,007,924)		27,050,687		
Business-type activity long term liabilities	<u>\$ 77,711,317</u>	\$	<u>13,604,578</u>	\$	<u>(21,202,025)</u>	\$	<u>70,113,870</u>	\$	<u>5,058,966</u>

The City's outstanding bonds payable and notes payable do not contain any significant events of default with finance-related consequences, termination events with finance-related consequences, or subjective acceleration clauses.

Due to other governments includes an Interlocal agreement between the City of Pensacola and the Emerald Coast Utilities Authority (ECUA) which committed the City to contribute to the Main Street Wastewater Treatment Plant Replacement Project (the Project). The City committed \$19.5 million for the project and agreed to budget and appropriate water and sewer franchise fees and the beverage license tax revenues. For accounting purposes, this is a voluntary non-exchange transaction. In December 2012, ECUA provided documentation which showed all eligibility criteria had been met as of September 30, 2012. Therefore, the long-term liability and expenditure were recorded in the City's government-wide financial statements. Since the long-term liability is not due and payable in the current period it is not recorded in the fund financial statements.

Related to this transaction, the City entered in an agreement with the Community Redevelopment Agency (CRA) wherein the annual installments to ECUA will be paid from CRA revenues and any shortfall paid by the City will be reimbursed.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Compensated absences are estimated at year end only. In addition, for the governmental activities, claims and judgments are liquidated by the insurance retention fund and compensated absences are liquidated primarily by the general fund.

Other Postemployment Benefits (OPEB) were calculated by an independent consultant which provided an actuarial valuation of post-employment benefits as required by GASB 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*.

Pension liability was calculated by an independent consultant which provided an actuarial valuation of pension benefits as required by GASB 67, *Financial Reporting for Pension Plans*, and GASB 68, *Accounting and Financial Reporting for Pensions*. Net pension liability is liquidated primarily by the general fund.

Summary of Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the City's long-term bonds and notes as well as the material long-term bonds and notes for the City's component unit are as shown on the next page; includes both fixed and variable interest rate bonds/notes:

Governmental Long-Term Debt

Fiscal Year Ending September 30,	Principal	Interest	Total Principal and Interest
2025	\$ 5,854,981	\$ 2,349,013	\$ 8,203,994
2026	5,989,901	2,203,375	8,193,276
2027	6,135,210	2,054,121	8,189,331
2028	5,143,969	1,915,182	7,059,151
2029	5,280,991	1,776,159	7,057,150
2030-2034	15,103,842	7,370,365	22,474,207
2035-2039	16,917,645	4,809,252	21,726,897
2040-2044	18,997,029	1,945,531	20,942,560
Total	<u>79,423,568</u>	<u>24,422,998</u>	<u>103,846,566</u>
Less: Current	<u>(5,854,891)</u>	<u>-</u>	<u>(5,854,891)</u>
Total government debt	<u><u>\$ 73,568,677</u></u>	<u><u>\$ 24,422,998</u></u>	<u><u>\$ 97,991,675</u></u>

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

Business-Type Activities Long-Term Debt

Fiscal Year Ending September 30,	Principal	Interest	Total Principal and Interest
2025	\$ 4,905,000	\$ 1,180,846	\$ 6,085,846
2026	5,051,000	1,048,612	6,099,612
2027	5,190,000	912,276	6,102,276
2028	3,267,000	792,271	4,059,271
2029	1,403,000	713,865	2,116,865
2030-2034	7,889,000	2,680,358	10,569,358
2035-2039	9,574,000	969,452	10,543,452
Total	<u>37,279,000</u>	<u>8,297,680</u>	<u>45,576,680</u>
Less: Current	<u>(4,905,000)</u>	<u>-</u>	<u>(4,905,000)</u>
Total business-type debt	<u><u>\$ 32,374,000</u></u>	<u><u>\$ 8,297,680</u></u>	<u><u>\$ 40,671,680</u></u>

Debt Restriction

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions. The City has no legal debt margin.

Revenues Pledged for Debt Repayment

The City has pledged future Tax Increment Revenues derived from the Urban Core Redevelopment Area to repay \$6,715,000 in Bonds issued in 2009, \$8,000,000 in Bonds issued in 2017 and a \$58,140,000 Bond issued in 2019. Proceeds of the 2009 bonds provided financing for the construction of a Community Maritime Park. Proceeds from the 2019 bond provided financing to refund \$38,925,000 in outstanding 2009 bonds. Proceeds of the 2017 bond and remaining proceeds from the 2019 bond provided financing for certain community redevelopment capital improvements in the Urban Core Community Redevelopment Area included in the Urban Core Community Redevelopment Area Plan. The bonds are secured by Tax Increment Revenues derived from the Urban Core Redevelopment Area, and with respect to the Series 2009B Bonds Federal Direct Payments, and in the event that these revenues are insufficient a Covenant to Budget and Appropriate and are payable through 2043. Principal and interest paid for the current year on the 2017 bond was \$308,117 and the 2019 bonds was \$3,440,406 and Tax Increment Revenues for the current year were \$10,271,554.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The City has pledged future Tax Increment Revenues derived from the Eastside Redevelopment Area to repay a \$1,307,000 Bond issued in 2017. Proceeds of the bond provided financing for certain community redevelopment capital improvements in the Eastside Neighborhood Redevelopment Area included in the Eastside Neighborhood Plan. The bond is secured by Tax Increment Revenues derived from the Eastside Redevelopment Area and in the event that these revenues are insufficient, the Local Business Tax and are payable through 2037. Principal and interest paid for the current year were \$89,900 and Tax Increment Revenues for the current year were \$468,163.

The City has pledged future Tax Increment Revenues derived from the Westside Redevelopment Area to repay a \$4,082,000 Bond issued in 2017. Proceeds of the bond will provide financing for certain community redevelopment capital improvements in the Westside Neighborhood Redevelopment Area included in the Westside Neighborhood Plan. The bond is secured by Tax Increment Revenues derived from the Westside Redevelopment Area and in the event that these revenues are insufficient, the Local Business Tax, and are payable through 2037. Principal and interest paid for the current year were \$279,797 and Tax Increment Revenues for the current year were \$2,203,919.

The City has pledged future Infrastructure Sales Tax to repay \$25,000,000 in a Bond issued in 2017. Proceeds from the 2017 bond were used to finance the cost of acquisition, construction renovation and equipping of additions, extensions, and improvements to facilities and general infrastructure of the City of Pensacola. Debt service payments are secured with the Infrastructure Sales Tax revenues and are payable through 2028. Principal and interest paid for the current year on the 2017 bond was \$2,561,391 and Infrastructure Sales Tax revenues for the current year were \$12,212,289.

The City has pledged future Local Option Gasoline Tax (LOGT) revenues to repay \$14,314,000 in a Bond issued in 2016. Proceeds of the bond was used to finance the cost of the acquisition and construction of capital improvements to the road system of the City of Pensacola and the costs of issuance on the borrowing. Debt service payments are secured with the LOGT revenues through 2026. In the event that LOGT is insufficient to pay debt service, the loan is furthered secured by a covenant to budget and appropriate from the City's non-ad valorem revenues. Principal and interest paid for the current year were \$1,536,224 and LOGT revenues for the current year were \$1,423,954. Local Option Gasoline Tax revenues along with funds available in the Local Option Gas Tax Debt Service Fund are sufficient to make annual debt service payments.

The City has pledged future Net Revenues of the Utility System to repay \$20,000,000 in Notes issued in 2011 and 2016. Proceeds of the notes were used to provide financing for the construction of and rehabilitation of capital improvements to the gas system. Debt service payments are secured with the Net Revenues of the Utility System through 2026. Principal and interest paid (cash basis) for the current year were \$2,040,900 and net revenues for the current year were \$15,147,853 .

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The City has pledged future Net Revenues of the Airport to repay \$48,443,000 in Bonds and Notes issued between 2015 through 2018. Proceeds of the bonds were used to finance the acquisition, construction and rehabilitation improvements to the Airport Facilities as well as refinance its Airport Revenue Refunding Bond, Series 2005A, Airport Improvement Revenue Bonds, Series 2008 and Airport Revenue Bonds, Series 2012. Debt service payments are secured with the Net Revenues of the Airport through 2038. Principal and interest paid (cash basis) for the current year were \$2,328,554 and net revenues for the current year were \$8,550,030. Net Revenues excludes CFC revenues of \$3,300,231 pledged towards the Airport Taxable Customer Facility Charge Revenue Note, Series 2008 and operating expenses of \$1,029,283.

The City has pledged future Passenger Facility Charge (PFC) revenue (to the extent they are deposited into the Bond Fund) of the Airport to refinance its Airport Revenue Bonds, Series 2008. Proceeds of the bonds were used to finance acquisition, construction, and rehabilitation improvements to the Airport Facilities. Debt service payments are secured with the Passenger Facility Charge (PFC) revenue to the extent they are deposited into the Bond Fund through 2038. Principal and interest paid (cash basis) for the current year were \$1,716,695 and net revenues for the current year were \$5,922,365.

Direct Borrowings, Direct Placements and Lines of Credit

The City has no direct borrowings, direct placements, or unused lines of credit.

Leases Payable

The City is a lessee for noncancellable leases of land and equipment. At September 30, 2024, the City's lease payable of \$374,078 was composed of the following:

Governmental Activities

Equipment leases – annual lease payments total \$68,609; due date March 2026. This amount includes interest at a rate of 3%.	<u>\$95,044</u>
Total Governmental Activities Lease Payable	<u><u>\$95,044</u></u>

Business-type Activities

Land leases – annual lease payments total \$19,812; due dates ranging from September 2032 to April 2074. This amount includes interest at a rate of 3%.	<u>\$279,034</u>
Total Business-type Activities Lease Payable	<u><u>\$279,034</u></u>

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The future principal and interest lease payments as of September 30, 2024 were as follows:

Fiscal Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 66,671	\$ 1,812	\$ 12,083	\$ 8,203
2026	28,373	160	12,955	7,828
2027	-	-	13,866	7,426
2028	-	-	14,799	7,016
2029	-	-	15,812	6,537
2030-2034	-	-	68,853	25,491
2035-2039	-	-	49,198	17,588
2040-2044	-	-	64,477	9,085
2045-2049	-	-	21,934	1,267
2050-2054	-	-	776	713
2055-2059	-	-	902	586
2060-2064	-	-	1,047	438
2065-2069	-	-	1,217	266
2070-2074	-	-	1,114	71
	<u>\$ 95,044</u>	<u>\$ 1,972</u>	<u>\$ 279,034</u>	<u>\$ 92,515</u>

SBITA Payable

The City has subscription-based information technology arrangements. At September 30, 2024, The City's SBITA payable of \$903,611 was composed of the following:

Governmental Activities

Annual subscription payments total \$497,264; due dates ranging from September 2026 to December 2026. This amount includes interest at a rate of 3%.	<u>\$903,611</u>
Total Governmental Activities SBITA Payable	<u>\$903,611</u>

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

The future principal and interest SBITA payments as of September 30, 2024 were as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2025	\$ 469,707	\$ 17,879
2026	433,904	3,400
	<u>\$ 903,611</u>	<u>\$ 21,279</u>

Florida Ports Finance Commission Agreement

Florida Ports Financing Commission Revenue Bonds, Series 1999 – On July 17, 1996, the Florida Ports Financing Commission (the “Commission”) was created pursuant to Section 320.20(3) and Chapter 163, Part I, Florida Statutes through an Interlocal Agreement among Canaveral Port Authority, Jacksonville Port Authority and Panama City Port Authority. The Commission’s purpose is to provide a cost-effective means of financing various capital projects for the State of Florida’s ports by issuing bonds and transferring the proceeds thereof to the individual ports. The Commission and SunTrust Bank, Central Florida, National Association, Orlando, Florida (the “Trustee”) entered into an Indenture of Trust, dated September 1, 1999 (the “Indenture”), which authorized the issuance of \$153,115,000 Florida Ports Financing Commission Revenue Bonds (State Transportation Trust Fund), Series 1999 (the Bonds”). The Bonds were refunded in 2011 with principal and interest payments through October 1, 2029.

On October 14, 1999, the Bonds were issued to provide funds to finance the costs of acquiring and constructing capital projects undertaken by 10 ports located in the State of Florida (the “Ports”), including the City. The amount allocated to the City was not to exceed \$3,000,000, which was available for approved expenditures. The Commission loaned the proceeds of the Bonds (the “Loans”) to the Ports pursuant to separate loan agreements (the “Loan Agreements”) entered into between each of the Ports individually and the Commission.

The Loan Agreement entered into by the City provides that the City will repay its Loan solely from monies due from the State Transportation Trust Funds. Pursuant to Section 320.20(4), Florida Statutes, \$15,000,000 of the revenues received by the State of Florida from motor vehicle registration fees is to be deposited annually in the State Transportation Trust Fund for funding Projects (the “State Monies”). Basic Payments under the Loan Agreement are payable solely from monies on deposit in the State Transportation Trust Fund. The Department of Transportation and the Commission entered into a Master Agreement pursuant to which the Department of Transportation agrees to transfer the State Monies annually into an escrow account held by the State Department of Insurance, Division of Treasury, on behalf of the Trustee which may be drawn upon by the Trustee in order to pay the debt service on the Bonds as the same becomes due. The City has assigned all of its right, title and interest to the monies allocated to the City from State Monies to the Trustee on behalf of the Commission, to pay its portion of debt service on the Bonds.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

In addition to the Basic Payments, the City agreed to pay on demand of the Commission or the Trustee additional payments constituting (a) its proportionate share of certain ongoing fees, costs and expenses related to the financing program, (b) all reasonable fees and expenses of the Commission and the administrator of the financing program, (c) its proportionate share of rebate obligations relating to the Bonds pursuant to Section 149 of the Internal Revenue Code of 1986, and (d) any unallowable costs required to be repaid by the Borrower under the Loan Agreement (the "Additional Payments"). The City has agreed to pay from legally available non-ad valorem revenues of its Port facilities (the "Port Revenues") sufficient monies to make such Additional Payments. Such agreement is applicable solely to the Additional Payments and does not cover the Basic Payments.

The Bonds do not create nor constitute an obligation or debt of the State of Florida or any political subdivision thereof or any public corporation, port or governmental agency existing under the laws of the State of Florida other than the Commission. The Bonds do not constitute the giving, pledging or loan of the faith and credit of the State of Florida or any political subdivision thereof or any public corporation, port or governmental agency existing under the laws of the State of Florida. The Bonds are payable solely from State Monies as the Basic Payments of the Borrowers.

The financing program of the Commission described above is in substance a grant program, inasmuch as all debt service payments on the Bonds are payable solely from monies in the State Transportation Trust Fund. The program was structured with Loan Agreements in order to satisfy certain legal requirements. Bondholders have no recourse to the Borrowers, including the City, for payment of the principal and interest on the Bonds.

The City has not recorded a liability for the loan since it does not have any obligation except for monies due it from the State Transportation Trust Fund. As discussed above, all of such monies have been assigned to the Trustee to pay the debt. Except to the extent the City is obligated to pay Additional Payments from the Port Revenues, the City has no other obligation on the debt and no other monies of the Authority have been pledged or are obligated for payment of the debt. As expenditures were incurred for the approved projects, the City recorded a receivable from the Commission for 50% of qualified amounts and recorded the amount to be reimbursed as contributed capital. Monies not expended on approved projects by individual ports (excess project funds) are returned to the funding pool and reallocated. The amount expended by the City in excess of the allocated \$2.7 million was made possible through the excess funding reallocation program. The bond proceeds have since been fully expended by the ports to which they were allocated. The City has incurred in total \$3,904,251 of eligible expenditures.

On January 12, 2021, the Commission agreed to issue Florida Ports Financing Commission Refunding Revenue Bonds, Series 2021 in order to refinance the Series 2011 Bonds with principal and interest payments through October 1, 2029. The City of Pensacola received an additional allocation of \$1,081,712 from the savings that were realized and deposited into the State of Florida's Seaport Grant Program.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

F. Fund Balance Disclosure

Fund Balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing ones, or enhance the financial position of the City, in accordance with policies established by the City Council. In accordance with Governmental Accounting and Financial Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies fund balance as follows.

Non-Spendable Fund Balance – Amounts that are not in a spendable form or are required to be maintained intact (such as inventory or prepaids).

Restricted Fund Balance – Amounts that can be spent only for the specific purposes stipulated by external resource providers (such as grantors) or enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally. An Ordinance adopted by Council establishes a fund balance commitment.

Assigned Fund Balance – Amounts the City intends to use for a specific purpose. The City Council via resolution or the Mayor, as authorized by City Council Policy (enacted through resolution), establishes fund balance assignments.

Unassigned Fund Balance – The residual classification for the General Fund and includes amounts that are not contained in the other classifications. Unassigned amounts are the portion of fund balance which is not obligated or specifically designated and is available for any purpose. The general fund is the only fund that reports a positive unassigned balance amount.

For classification of fund balance 1) when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first 2) when expenditures are incurred for purposes for which amounts in any of unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

In June 2010, the City Council approved Resolution No. 31-10 which established the Fund Balance Policy of Governmental Funds as well as committed the Council Reserves Fund Balance in the General Fund. On September 25, 2014, the City Council approved the same Council Reserve Policy by Ordinance, amending chapter 3-1 of the Code of the City of Pensacola, Florida, creating section 3-1-13.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

On March 9, 2017, City Council amended chapter 3-1-13 of the Code of the City of Pensacola, Florida, increasing the minimum reserve from 15 percent to 20 percent.

The Council Reserve, which is required to be a minimum of 20 percent of the General Fund beginning adopted appropriations, is reported as committed fund balance in the General Fund. The Council Reserve shall not be used until current year revenues decrease by 5 percent or more of the total adopted beginning estimated revenues, including transfers and all efforts have been exhausted to fund unanticipated needs and/or emergencies, such as implementing a modified hiring freeze and expenditure reductions. Upon determination of the need, the Mayor may initiate use of the reserves through written communication to the City Council, explaining the nature of the emergency with approval by a two-thirds vote of City Council. Proceeds from the sale of City (general government) owned surplus real property, specifically approved by City Council for such purpose, and any other funds identified in the annual budget (and amendments thereto) will be used to increase the reserve. Interest earnings will be applied on the reserve balance each fiscal year.

The City does not have a formal minimum fund balance policy for unassigned fund balance. A schedule of City fund balances is provided in the following pages.

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CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

	Major Funds			
	General Fund	Housing Assistance Payments	CMP Management Services Fund	Local Option Sales Tax Fund
<i>Fund Balance</i>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays and Deposits	439,144	8,305	105,916	
Subtotal non-spendable fund balance	439,144	8,305	105,916	-
Restricted				
Parking				
Redevelopment Rev Bond(s) debt payments				
Local Option Gas Tax debt payments				
Stormwater projects				
Section 8 program administrative		2,094,420		
Natural disaster projects				
General government	657,893			117,000
Transportation	794,778			1,038,920
Physical Environment				
Saenger capital	541,840			
Public safety	585,856			163,855
Community development projects				
Culture and recreation	455,534		890,680	567,668
Tree landscape	21,942			
Building inspections				
Local Option Sales Tax debt payment				2,455,462
Local Options Sales Tax projects				4,665,770
Subtotal restricted fund balance	3,057,843	2,094,420	890,680	9,008,675
Committed				
Council Reserve	15,586,480			
Tree landscape	561,176			
Park purchases	56,434			
Stormwater projects				
Subtotal committed fund balance	16,204,090	-	-	-
Assigned				
General government	8,072,772			
Demolition	562,583			
Lien amnesty	28,269			
Housing Initiatives Fund	508,876			
Inner City Housing Initiatives				
Parking				
Community development projects				
Natural disaster projects	2,550,000			
Culture and recreation			960,602	
Physical Environment				
Subtotal assigned fund balance	11,722,500	-	960,602	-
Unassigned	728,157			
<i>Total Fund Balance</i>	\$ 32,151,734	\$ 2,102,725	\$ 1,957,198	\$ 9,008,675

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

	Nonmajor Funds			
	Special Revenue Funds			
	Special Grants	Local Option Gasoline Tax	Community Development Block Grant	Community Redevelopment Agency
<i>Fund Balance</i>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays and Deposits				1,026
Subtotal non-spendable fund balance	-	-	-	1,026
Restricted				
Parking				
Redevelopment Rev Bond(s) debt payments				
Local Option Gas Tax debt payments				
Stormwater projects				
Section 8 program administrative				
Natural disaster projects				
General government	64,841			
Transportation	140,335	916,179		
Physical Environment	246,242			
Saenger capital				
Public safety	17,984			
Community development projects				5,194,826
Culture and recreation	373,976			
Tree landscape				
Building inspections				
Local Option Sales Tax debt payment				
Local Options Sales Tax projects				
Subtotal restricted fund balance	843,378	916,179	-	5,194,826
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Stormwater projects				
Subtotal committed fund balance	-	-	-	-
Assigned				
General government				
Demolition				
Lien amnesty				
Housing Initiatives Fund				
Inner City Housing Initiatives				
Parking				
Community development projects				4,234,767
Natural disaster projects				
Culture and recreation				
Physical Environment				
Subtotal assigned fund balance	-	-	-	4,234,767
Unassigned	(687,826)			
Total Fund Balance	\$ 155,552	\$ 916,179	\$ -	\$ 9,430,619

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

	Nonmajor Funds			
	Special Revenue Funds			
	Stormwater Utility Fund	Parking Fund	Code Enforcement	Law Enforcement Trust
Fund Balance				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays and Deposits	10,484	1,707	2,857	
Subtotal non-spendable fund balance	10,484	1,707	2,857	-
Restricted				
Parking		242,979		
Redevelopment Rev Bond(s) debt payments				
Local Option Gas Tax debt payments				
Stormwater projects				
Section 8 program administrative				
Natural disaster projects				
General government				
Transportation				
Physical Environment				
Saenger capital				
Public safety				354,071
Community development projects				
Culture and recreation				
Tree landscape				
Building inspections				
Local Option Sales Tax debt payment				
Local Options Sales Tax projects				
Subtotal restricted fund balance	-	242,979	-	354,071
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Stormwater projects	932,004			
Subtotal committed fund balance	932,004	-	-	-
Assigned				
General government				
Demolition				
Lien amnesty				
Housing Initiatives Fund				
Inner City Housing Initiatives				
Parking		703,540		
Community development projects				
Natural disaster projects				
Culture and recreation				
Physical Environment			1,867,965	
Subtotal assigned fund balance	-	703,540	1,867,965	-
Unassigned				
Total Fund Balance	\$ 942,488	\$ 948,226	\$ 1,870,822	\$ 354,071

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

	Nonmajor Funds			
	Special Revenue Funds			
	Eastside			
	Natural Disaster		Tax Increment	
	Fund	Golf Course Fund	Financing District	Inspections Fund
<i>Fund Balance</i>				
Non-spendable				
Inventories	\$	\$ 6,566	\$	\$
Prepays and Deposits		21,687		
Subtotal non-spendable fund balance	-	28,253	-	-
Restricted				
Parking				
Redevelopment Rev Bond(s) debt payments				
Local Option Gas Tax debt payments				
Stormwater projects				
Section 8 program administrative				
Natural disaster projects	653,240			
General government				
Transportation				
Physical Environment				
Saenger capital				
Public safety				
Community development projects			773,227	
Culture and recreation		14,629		
Tree landscape				
Building inspections				1,911,031
Local Option Sales Tax debt payment				
Local Options Sales Tax projects				
Subtotal restricted fund balance	653,240	14,629	773,227	1,911,031
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Stormwater projects				
Subtotal committed fund balance	-	-	-	-
Assigned				
General government				
Demolition				
Lien amnesty				
Housing Initiatives Fund				
Inner City Housing Initiatives				
Parking				
Community development projects				
Natural disaster projects	2,446,244			
Culture and recreation		375,979		
Physical Environment				
Subtotal assigned fund balance	2,446,244	375,979	-	-
Unassigned				
<i>Total Fund Balance</i>	\$ 3,099,484	\$ 418,861	\$ 773,227	\$ 1,911,031

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

	Nonmajor Funds			
	Special Revenue Funds			
	Westside Tax Increment Financing District	Recreation Fund	Tennis Fund	American Rescue Plan Act
<i>Fund Balance</i>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays and Deposits		1,023	9,922	
Subtotal non-spendable fund balance	-	1,023	9,922	-
Restricted				
Parking				
Redevelopment Rev Bond(s) debt payments				
Local Option Gas Tax debt payments				
Stormwater projects				
Section 8 program administrative				
Natural disaster projects				
General government				
Transportation				
Physical Environment				
Saenger capital				
Public safety				
Community development projects	2,558,762			
Culture and recreation			29,240	
Tree landscape				
Building inspections				
Local Option Sales Tax debt payment				
Local Options Sales Tax projects				
Subtotal restricted fund balance	2,558,762	-	29,240	-
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Stormwater projects				
Subtotal committed fund balance	-	-	-	-
Assigned				
General government				
Demolition				
Lien amnesty				
Housing Initiatives Fund				
Inner City Housing Initiatives				
Parking				
Community development projects				
Natural disaster projects				
Culture and recreation		735,035	174,111	
Physical Environment				
Subtotal assigned fund balance	-	735,035	174,111	-
Unassigned				
<i>Total Fund Balance</i>	\$ 2,558,762	\$ 736,058	\$ 213,273	\$ -

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

	Nonmajor Funds			
	Debt Service Fund		Capital Projects Funds	
		Local Option Gasoline Tax Debt Service	CRA 2017 Project Fund	CRA 2019 Project Fund
Fund Balance	CRA Debt Service			
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays and Deposits				
Subtotal non-spendable fund balance	-	-	-	-
Restricted				
Parking				
Redevelopment Rev Bond(s) debt payments	4,168,535			
Local Option Gas Tax debt payments		1,558,454		
Stormwater projects				
Section 8 program administrative				
Natural disaster projects				
General government				
Transportation				
Physical Environment				
Saenger capital				
Public safety				
Community development projects			4,161,199	4,531,252
Culture and recreation				
Tree landscape				
Building inspections				
Local Option Sales Tax debt payment				
Local Options Sales Tax projects				
Subtotal restricted fund balance	4,168,535	1,558,454	4,161,199	4,531,252
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Stormwater projects				
Subtotal committed fund balance	-	-	-	-
Assigned				
General government				
Demolition				
Lien amnesty				
Housing Initiatives Fund				
Inner City Housing Initiatives				
Parking				
Community development projects				
Natural disaster projects				
Culture and recreation				
Physical Environment				
Subtotal assigned fund balance	-	-	-	-
Unassigned				
Total Fund Balance	\$ 4,168,535	\$ 1,558,454	\$ 4,161,199	\$ 4,531,252

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE II. - DETAIL NOTES ON ALL FUNDS (Continued)

	<u>Nonmajor Funds</u>	
	<u>Capital Projects Funds</u>	
	<u>Stormwater Capital</u>	<u>Total All Funds</u>
<i>Fund Balance</i>		
Non-spendable		
Inventories	\$	6,566
Prepays and Deposits		602,071
Subtotal non-spendable fund balance	-	608,637
Restricted		
Parking		242,979
Redevelopment Rev Bond(s) debt payments		4,168,535
Local Option Gas Tax debt payments		1,558,454
Stormwater projects	888,160	888,160
Section 8 program administrative		2,094,420
Natural disaster projects		653,240
General government		839,734
Transportation		2,890,212
Physical Environment		246,242
Saenger capital		541,840
Public safety		1,121,766
Community development projects		17,219,266
Culture and recreation		2,331,727
Tree landscape		21,942
Building inspections		1,911,031
Local Option Sales Tax debt payment		2,455,462
Local Options Sales Tax projects		4,665,770
Subtotal restricted fund balance	888,160	43,850,780
Committed		
Council Reserve		15,586,480
Tree landscape		561,176
Park purchases		56,434
Stormwater projects	6,312,867	7,244,871
Subtotal committed fund balance	6,312,867	23,448,961
Assigned		
General government		8,072,772
Demolition		562,583
Lien amnesty		28,269
Housing Initiatives Fund		508,876
Inner City Housing Initiatives		-
Parking		703,540
Community development projects		4,234,767
Natural disaster projects		4,996,244
Culture and recreation		2,245,727
Physical Environment		1,867,965
Subtotal assigned fund balance	-	23,220,743
Unassigned		40,331
<i>Total Fund Balance</i>	\$ 7,201,027	\$ 91,169,452

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION

A. Risk Management

The City is self-insured with respect to general, auto liability, and workers' compensation claims. An excess liability policy for workers' compensation has been purchased. In any given fiscal year, insurance settlements have not exceeded insurance coverage. Coverage limits remained the same. Self-insured retentions for workers' compensation increased for FY 2024. The coverage limits and deductibles are as follows:

<u>Primary Coverage</u>	<u>Coverage (in millions)</u>	<u>Deductible</u>
Port operations	16	10,000
Airport operations	250	0
Law Enforcement	2	150,000
Public officials	2	75,000

<u>Excess Liability Coverage</u>	<u>Coverage (in millions)</u>	<u>Self Insured Retentions</u>
Workers' compensation (W/C)	Per Florida Statutory Limits	1,000,000 Per Occurrence
Gas Operation	35	500,000 Per Occurrence
Gas Operation - Pollution	35	500,000 Per Occurrence

The City has established reserves of \$4,196,795 in the Insurance Retention Fund representing a contract between the City and its employees regarding health, life, dental, and survivor disability insurance; a majority of which is survivor disability insurance. This amount is not available for city-wide catastrophic losses.

All departments of the City participate in the self-insurance program and make payments to the Insurance Retention Fund. Claims liability of \$3,618,996 on September 30, 2024 is based on the requirements of *Governmental Accounting Standards Board* (GASB) Statements No. 10 and No. 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is a) probable that a liability has been incurred at the date of the financial statements and b) the amount of the loss can be reasonably estimated.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

Claim liabilities, including incurred but not reported (IBNR) claims, are based on the estimated ultimate cost of settling the claim (including the effects of inflation and other societal and economic factors), using past experience adjusted for current trends, and any other factors that would modify past experience. Claim liabilities also include specific, incremental claim adjustment expenses. In addition, estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Expenses and liabilities are estimated through a case-by-case review of all claims and the application of historical experience of the outstanding claims. Estimates of IBNR losses are based on historical experience and are stratified to general, automobile, and workers' compensation liabilities.

On September 30, 2024, the claims liability for automobile, general, and workers' compensation liability were \$728,947, \$427,022, and \$2,463,027 respectively. The City's insurance administrators do not calculate, or report discounted amounts for automobile and general liability. Workers' compensation liability is discounted at a rate of 8%. Each claim under workers' compensation is calculated independently using the monthly payment amount and the present value factor. The undiscounted amount is not calculated and, therefore unavailable for disclosure.

Changes in the Fund's claims liability amount in fiscal year 2023 and 2024 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2023	\$3,769,562	2,014,443	(1,763,145)	\$4,020,860
2024	\$4,020,860	2,111,078	(2,512,942)	\$3,618,996

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**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

B. Pension Plans

Pension Plan Financial Statements

The financial statements for the General, Fire, and Police Pension Plans are presented below:

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	General Pension and Retirement Fund	Firefighter's Relief and Pension Fund	Police Officers' Retirement Fund	Total Pension Trust Funds
ASSETS				
Other cash	\$ 84,929	\$ 380,534	\$ 333,976	\$ 799,439
Receivables:				
Employer	180	325	156	661
Employee	9,915	35,743	8,088	53,746
Private trust funds			82,143	82,143
Due from other funds	5			5
Total receivables	<u>10,100</u>	<u>36,068</u>	<u>90,387</u>	<u>136,555</u>
Investments :				
Short term investments	2,406,134	3,678,233	1,944,330	8,028,697
Debt Securities & Bond Mutual Funds	46,001,353	25,026,362	18,915,332	89,943,047
Convertible Corporate Bonds	11,021,801	11,613,334		22,635,135
Stock Mutual Funds	8,665,790	28,647,978		37,313,768
Mortgage Backed Securities	5,595,873	13,750,816	10,798,775	30,145,464
Commingled Trust Fund	8,422,714	8,284,060	23,380,035	40,086,809
Domestic Stocks	44,963,088	39,628,483	68,171,281	152,762,852
Preferred Stocks	264,005	276,476		540,481
Foreign Stocks	22,539,847	2,735,637	12,115,257	37,390,741
Total investments	<u>149,880,605</u>	<u>133,641,379</u>	<u>135,325,010</u>	<u>418,846,994</u>
Total assets	<u>\$ 149,975,634</u>	<u>\$ 134,057,981</u>	<u>\$ 135,749,373</u>	<u>\$ 419,782,988</u>
LIABILITIES				
Accounts payable	\$ 109,268	\$ 145,773	\$ 63,506	\$ 318,547
Total liabilities	<u>109,268</u>	<u>145,773</u>	<u>63,506</u>	<u>318,547</u>
NET POSITION				
Restricted for pension benefits	<u>\$ 149,866,366</u>	<u>\$ 133,912,208</u>	<u>\$ 135,685,867</u>	<u>\$ 419,464,441</u>

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

**STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	General Pension and Retirement Fund	Firefighter's Relief and Pension Fund	Police Officers' Retirement Fund	Total Pension Trust Funds
Additions:				
Contributions - city	\$ 5,604,123	\$ 1,239,610	\$ 3,411,441	\$ 10,255,174
Contributions - employee	265,284	847,882	194,544	1,307,710
Commission recapture	127	4	5,091	5,222
Insurance proceeds - State of Florida	942,123	847,852	1,789,975	1,789,975
Total contributions	<u>5,869,534</u>	<u>3,029,619</u>	<u>4,458,928</u>	<u>13,358,081</u>
Investment income				
Net appreciation/(loss)				
in fair value of investments	18,441,510	18,646,255	21,375,335	58,463,100
Interest and dividends	4,411,352	2,824,015	3,271,660	10,507,027
	<u>22,852,862</u>	<u>21,470,270</u>	<u>24,646,995</u>	<u>68,970,127</u>
Less investment expense	586,158	577,775	507,275	1,671,208
Net investment income	<u>22,266,704</u>	<u>20,892,495</u>	<u>24,139,720</u>	<u>67,298,919</u>
Total additions	<u>28,136,238</u>	<u>23,922,114</u>	<u>28,598,648</u>	<u>80,657,000</u>
Deductions:				
Pensions paid - employees	10,810,536	8,060,590	7,319,011	26,190,137
Pensions paid - widows	2,181,147	1,116,537	807,115	4,104,799
Pensions paid - children	2,862			2,862
Refunds to employees	30,539			30,539
Deferred retirement option plan	279,433	1,066,810	126,226	1,472,469
Health insurance assistance	90,188			90,188
Administrative expenses	158,376	140,621	145,321	444,318
Total deductions	<u>13,522,542</u>	<u>10,415,097</u>	<u>8,397,673</u>	<u>32,335,312</u>
Change in net position	<u>14,613,696</u>	<u>13,507,017</u>	<u>20,200,975</u>	<u>48,321,688</u>
Net position restricted for pension benefits:				
Beginning of year	<u>135,252,670</u>	<u>120,405,191</u>	<u>115,484,892</u>	<u>371,142,753</u>
End of year	<u>\$ 149,866,366</u>	<u>\$ 133,912,208</u>	<u>\$ 135,685,867</u>	<u>\$ 419,464,441</u>

The State Insurance proceeds are based on Chapter 185.08 and Chapter 175.101 of the Laws of Florida.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

Plan Description

Plan administration. The City maintains three contributory, defined benefit, single employer pension plans which are administered by the City's Finance Director. The Firefighters' Relief and Pension Plan covers full-time firefighters; the Police Officers' Retirement Fund covers full-time police officers hired prior to January 1, 2013; the General Pension and Retirement Plan covers non-public safety, full-time employees hired prior to June 18, 2007. The administrative costs are included in the City's cost and contribution rate provided in the actuarial valuation. Benefits and refunds of the defined pension plan are recognized when due and payable in accordance with the terms of the plan.

As of June 18, 2007, the General Pension and Retirement Plan was closed to new participants. Existing non-public safety, full-time employees were given an option to remain in the General Pension and Retirement Plan or join the Florida Retirement System (FRS), multiple-employer, cost sharing public employee retirement system. New participants hired after June 18, 2007 are required to participate in FRS.

The Police Officers' Retirement Fund is for all full-time sworn officers. The Police Officers' Retirement Fund was closed on January 1, 2013 to new participants. The existing participants were given the opportunity to remain in the current plan or participate in the FRS. New officers hired after January 1, 2013 are required to participate in FRS.

Management of all three retirement plans is vested in a Board of Trustees for each plan. The General Pension and Retirement Plan Board consists of six members, two which are elected by the participants, one elected by City Council President and three are appointed by the City Council. The Firefighters' Relief and Pension Plan and the Police Officers' Retirement Fund Board consist of five members, two which are elected by the participants, two are appointed by the City Council and the fifth member is elected by the other four members.

The City also participates in the Florida Retirement System (FRS). The FRS provides two cost sharing, multiple employers defined benefit plans which are administered by Florida Department of Management Services, Division of Retirement (division), including the FRS Pension Plan ("FRS Plan") and Retiree Health Insurance Subsidy ("HIS Plan"). These two plans cover non-public safety, full-time employees hired after June 18, 2007 and new police officers hired after January 1, 2013. Unlike the City's three contributory, defined benefit, single employer pension plans, FRS requires employees to participate in the Federal Social Security Program. The FRS Plan was established and is administered in accordance with Chapter 121, Florida Statutes. The HIS Plan was established and administered in accordance with section 112.363, Florida Statutes.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. That report may be obtained by writing to the Florida Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32399, calling 1-877-377-1737 or from the web site:

http://www.dms.myflorida.com/workforce_operations/retirement/publications.

Plan Membership. Actuarial reports for the General Pension and Retirement plan, Firefighters' Relief and Pension plan and Police Officers' Retirement plan are required to be updated every three years per State Statute Chapter 112.63(2), 175.261(1)(b) and 185.221(2)(b), respectively. Membership of the General Pension and Retirement Plan, on September 30, 2023 as well as the Firefighters' Relief and Pension Plan and the Police Officers' Retirement plan as of September 30, 2024 consisted of the following:

	General Pension and Retirement	Firefighters' Relief and Pension	Police Officers' Retirement
Retirees and beneficiaries receiving benefits	552	176	174
Terminated plan members entitled to but not yet receiving benefits	42	2	18
DROP plan members	12	6	7
Active plan members	69	110	45
Total	<u>675</u>	<u>294</u>	<u>244</u>
Number of participating Employers	1	1	1

The General Pension and Retirement Plan was closed to new participants hired on or after June 18, 2007. The Police Officers' Retirement Fund was closed to new participants hired after January 1, 2013.

Membership of the FRS broken down by class, per City payroll records, as of September 30, 2024 consisted of the following:

DROP	1
Elected Officials	6
Senior Management Retired	1
Regular Class	391
Regular Class Retired	2
Senior Management	11
Special Risk	120
Special Risk Retired	1
Total	<u>533</u>

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

Benefits Provided. For the HIS Plan, fiscal year ended June 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30, and the maximum payment is \$150 per month. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide subsidy benefits to all participants, benefits may be reduced or cancelled. All other pension plan benefits are shown in the chart below.

	<u>FRS Plan</u>	<u>General Pension and Retirement</u>	<u>Firefighters' Relief and Pension</u>	<u>Police Officers' Retirement</u>
Vesting	Prior to 7/1/2011 6 years; On or after 07/1/2011 8 years	6 years	10 years	12 years
Eligibility for retirement	Prior to 7/1/2011 Age 62 with (w/o) 30 yrs. of svc or 30 yrs. of svc w/no age requirement After 7/1/2011 age 65 with 33 yrs if svc	Age 55 w/ 20 yrs. of svc or 30 yrs. of svc w/no age requirement	Age 52 w/10 yrs. of svc or 25 yrs. of svc w/no age requirement	Age 55 w/12 yrs. of svc or 25 yrs. of svc w/ no age requirement
Monthly retirement benefit	Based on final average earnings (Prior to 07/1/2011) highest 5 yrs.) (After 07/1/2011 highest 8 yrs.): Regular Class - Age 62 1.6% - Age 63 1.63% - Age 64 1.65% - Age 65 1.68% Senior Mgmt. - Age 62 2% Elected Officials - Age 62 3% Special Risk - Age 62 - 2% if hired between 12/1/70 and 9/30/74 - 3% if hired after 10/1/74	Based on final average earnings (last 5 yrs.): - 75% of 1st \$2,400 - 50% of next \$1,200 - 40% of excess or 2.1% times yrs. of svc prior to 10/1/12 and 1.75% times yrs. of svc after 10/1/12 (30 yrs. max) times final monthly average earnings (whichever formula provides the greater benefit) but not less than 25 per yrs. of svc	Based on final average earnings (highest 2 of last 5 yrs.) or last 5 yrs. if less than 20 yrs. on 6/10/2015: 75% of final monthly average earnings for normal retirements with 25 or more yrs. of svc or: - 75% of 1st \$2,400 - 70% of next \$1,200 - 65% of any add '1 amount for disability retirements and normal retirements w/less than 25 yrs. of svc	Based on final average earnings (highest 2 of last 5 yrs. or last 5 if less than 20 yrs. on 1/1/2013): Percentage of average final compensation for each full year of credited service: - Hired before 10/1/79 receive 2% - Hired on or after 10/1/79 who elected to participate receive 3%
Other Benefits	- Early retirement - Deferred retirement - Disability retirement - Health insurance subsidy - Death benefits - Deferred retirement option program	- Early retirement - Deferred retirement - Disability retirement - Health ins. subsidy - Death benefits - Deferred retirement option program	- Early retirement - Deferred retirement - Disability retirement - Death benefits - Deferred retirement option program	- Early retirement - Deferred retirement - Disability retirement - Death benefits - Deferred retirement option program
Post-retirement COLA	3% per year if retired prior to 7/1/2011; if retired on or after 07/1/2011, years of service before 7/1/2011 divided by total years of service times 3%	Retired prior to 10/1/12 up to 1.5% annually and retired on or after 10/1/12 up to 1% w/a corresponding increase in the CPI	Up to 3% annually w/a corresponding increase in the CPI for those hired prior to 7/1/99; hired between 7/1/99 and 6/10/15 up to 2% annually w/a corresponding increase in CPI; hired after 6/10/15 no COLA	Retired Prior to 1/1/13 up to 3% annually; retired on or after 1/1/13 up to 3% first ten years and not to exceed 2% thereafter w/a corresponding increase in the CPI (Increase at the discretion of Pension Bd)

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

Contributions. For the three contributory, defined benefit, single employer pension plans, the Boards of Trustees establish contributions based on an actuarially determined rate recommended by an independent actuary. The rate is the estimated cost of benefits earned by employees during the year, with an additional amount to finance the unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate, the contribution rate of employees and any Chapter 175/185 funds applied.

The City is required to make contributions to FRS Plan based on state-wide contribution rates, established by the Florida Legislature. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the FRS Plan. The rates are updated as of July 1 of each year. As reported by the FRS, the City's contributions, including employee's three percent contribution to the FRS plan totaled \$4,179,268 for the State's fiscal year ended June 30, 2024.

The HIS Plan is funded by required contributions from FRS participating employers. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The City's contributions are a percentage of gross compensation for all active FRS members. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. As reported by the FRS, the City's contributions to the plan totaled \$633,358 for the State's fiscal year ended June 30, 2024.

For the year ended September 30, 2024, the contribution rates were as follows:

	FRS Plan	HIS Plan	General Pension and Retirement	Firefighters' Relief and Pension	Police Officers' Retirement
Contributions					
Employee	3.00%	N/A	5.50%	11.00%	5.20%
Employer	See Below	2.00%	116.19%	16.08%	91.18%
Regular Class	13.63%	N/A	N/A	N/A	N/A
Senior Mgmt.	34.52%	N/A	N/A	N/A	N/A
Elect Officials	58.68%	N/A	N/A	N/A	N/A
DROP	21.13%	N/A	N/A	N/A	N/A
Special Risk	32.79%	N/A	N/A	N/A	N/A
Retired	6.84%	N/A	N/A	N/A	N/A
Sr. Mgmt Ret.	25.90%	N/A	N/A	N/A	N/A
Sr. Risk Ret.	14.07%	N/A	N/A	N/A	N/A
State	N/A	N/A	N/A	12.22%	22.66%

All employee contributions to the pension plans are based on a percentage of pay. The remaining contribution percentages shown above are reported as a percentage of pay for comparative purposes only. The General Pension and Retirement and the Police Officers' Retirement plans are closed plans therefore the percentage of pay will continue to increase as participants retire.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

Investments

Investment policy. The City's three contributory, defined benefit, single employer pension plans investment policy for the allocation of invested assets is established and may be amended by their respective Board of Trustees by a majority vote of its members. It is the policy of the Boards of Trustees to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Board's policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Boards' adopted asset allocation policy as of September 30, 2024 and the State Board of Administrations policy as of June 30, 2024.

	Florida Retirement System (FRS)	General Pension and Retirement	Firefighters' Relief and Pension	Police Officers' Retirement
Asset Class:				
Global Equity	45.0%			
Domestic Equity		37%	37%	40%
International Eq		13%	15%	15%
Master Limited Partnerships		5%	5%	
Real Estate	12.0%	5%	8%	10%
Convertible Sec		10%	10%	
Fixed Income	29.0%	30%	25%	25%
Private Equity	11.0%			
Strategic Investments	2.0%			
Cash Equivalents/ Short Term TIPS	1.0%			
Alternatives				10%
Total	100%	100%	100%	100%

Concentrations. The plans did not hold assets in any one organization that exceeded five percent or more of the pension plan's fiduciary net position.

Rate of Return. For the year ended September 30, 2023, the annual money-weighted rate of return on pension plan investments for the General Pension and Retirement Plan was -22.20 percent. For the year ended September 30, 2023, the Firefighters' Relief and Pension Plan was 10.45 percent and the Police Officers' Retirement Fund was 9.02 percent. This reflects the changing amounts actually invested.

Receivables. The pension plans do not have receivables from long-term contracts.

Allocated Insurance Contracts. The pension plans do not have allocated insurance contracts.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

Reserves. The Police Officers' Retirement Fund has a small portion of funds deposited in a Contribution Surplus Account (\$1,214,870) as of September 30, 2023. These funds can be used to fund required contributions and possibly for benefit improvements, respectively.

Deferred Retirement Option Program (DROP)

The City has a DROP for each of the defined benefit plans established by City ordinance. A participant may join when he/she is eligible to receive a retirement benefit. The DROP provides for an accrual of interest at a 4% rate for all participants in the Firefighters' Relief and Pension Plan who entered prior to June 10, 2015 and 1.3% for those who enter thereafter, 4% for the Police Officers' Retirement Fund who entered prior to January 1, 2013 and 1.3% for those who enter thereafter and 4% for the General Pension and Retirement Plan who entered prior to October 1, 2012 and 1.3% for those who enter thereafter.

The DROP ordinance provides that all participants who entered DROP prior to October 1, 2012 may receive a Cost-of-Living Adjustment (COLA) while in DROP. Those in the Firefighters' Relief and Pension Plan may receive a Cost-of-Living Adjustment (COLA) while in DROP. However, those in the Police Officers' Retirement Fund who enter DROP on or after January 1, 2013 and those in the General Pension and Retirement Plan who entered on or after October 1, 2012 receive no COLA while in DROP.

Drop balances as of September 30, 2024 for the General Pension and Retirement Plan, Firefighters' Relief and Pension Plan and Police Officers' Retirement Fund were \$1,925,201, \$342,244, and \$706,766, respectively.

The FRS Plan has a DROP available for eligible employees. A participant may join upon reaching normal retirement. Each month the participant defers joining reduces the length of eligible participation. FRS DROP participants accrue interest at a rate of 1.3%.

Net Pension Liability

The General Pension and Retirement Plan, the Firefighters' Relief and Pension Plan and the Police Officers' Retirement Fund do not issue audited stand-alone financial statements but rely on the audit performed for the City. All three of the defined benefit pension plans are included within this financial report. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS.

The funded status of the General Pension and Retirement Plan as of September 30, 2023, the Firefighters' Relief and Pension Plan as of September 30, 2023, the Police Officers' Retirement Fund as of September 30, 2023, and the Florida Retirement System and HIS Plan as of June 30, 2024 are provided in the table on the following page.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

	General Pension	Fire Pension	Police Pension	FRS Plan	HIS Plan	Total
Total Pension Liability	\$ 172,138,950	\$ 142,246,228	\$ 146,675,304	\$ 175,189,532	\$ 11,788,268	\$ 648,038,283
Plan Fiduciary Net Position	(135,252,670)	(120,405,193)	(115,484,891)	(146,638,550)	(566,140)	(518,347,444)
Less Reserve Accounts			1,063,956			
City Net Pension Liability	<u>36,886,280</u>	<u>21,841,035</u>	<u>32,254,369</u>	<u>28,550,982</u>	<u>11,222,128</u>	<u>130,754,795</u>
Current year pension expense	6,869,067	6,201,002	5,265,345	5,478,803	975,757	24,789,974
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.57%	84.65%	78.74%	83.70%	4.80%	

Basis for Allocation. The City's proportion of the net pension liability for the FRS Plan and HIS plan was calculated based on contributions for each of the fiscal years 2023 and 2024 relative to the contributions of all participants.

On June 30, 2024, the City's FRS Plan proportionate share of net pension liability was .0738%, which was a decrease of .0028% from its proportionate share of .0766% measured as June 30, 2023. The City's HIS proportionate share of net pension liability was .0748% which was an increase of .0004% from its proportionate share .0744% measured as of June 30, 2023

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).

Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).

Changes in proportion and differences between contributions and proportionate share of contributions – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).

Differences between expected and actual earnings on pension plan investments – amortized over five years.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

The actuarial recognized pension expense, calculated in accordance with GASB 68, for the year ended September 30, 2024, is as follows: General Pension and Retirement Plan \$6,869,067; Firefighters' Relief and Pension Plan \$6,201,002; and Police Officers' Retirement Fund \$5,265,345. For the year ended September 30, 2024, the City recognized pension expense of \$5,478,803 for its proportionate share of the FRS Plan and \$975,757 for its proportionate share of the HIS plan. The total pension total pension expense for all plans was \$24,789,974.

City's total contributions \$13,221,542 made after the measurement date for the year ended September 30, 2024 are as follows: General Pension and Retirement Plan \$5,604,123 (one year of contributions); Firefighters' Relief and Pension Plan \$2,181,732; Police Officers' Retirement Fund \$4,259,293; City's proportionate share of the FRS Plan \$1,024,133 and City's proportionate share of the HIS plan \$152,261. Due to the timing of the actuarial reports, contributions made after the measurement date for the City's three pension plans covered twelve months and contributions made after the measurement date for FRS and HIS covered three months. Contributions made after the measurement date are not included as a deferred outflow of resources in the table below and will be recognized as a reduction of the net pension liability in the subsequent fiscal period. On September 30, 2024, the City reported deferred outflows of resources, excluding contributions made after the measurement date, and deferred inflows of resources related to pension from the following sources:

	General Pension		Fire Pension		Police Pension		FRS		HIS		Total	Total
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$		\$ 982,620	1,647,067	\$ 1,089,289		\$ 2,884,416		\$ 108,357	21,548	\$ 5,064,682	\$ 1,668,615
Changes of assumptions			383,772	-	-	-	3,913,173		198,605	1,328,556	4,495,550	1,328,556
Net difference between projected and actual investment earnings	14,453,750		11,646,477		9,251,450		1,897,645		4,059		35,351,677	1,901,704
Differences in Proportionate Share of Contributions							2,268,815	709,928	1,321,081	-	3,589,896	709,928
Total	\$ 14,453,750	-	\$ 13,012,869	1,647,067	\$ 10,340,739	-	\$ 9,066,404	2,607,573	\$ 1,628,043	1,354,163	\$ 48,501,805	\$ 5,608,803

Amounts reported as the net of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	General	Fire Pension	Police	FRS	HIS	Total
September 30:	Pension		Pension			
2025	3,361,977	2,203,404	2,969,127	(572,122)	44,433	8,006,819
2026	3,715,995	2,727,187	2,203,068	6,215,252	54,823	14,916,325
2027	7,761,072	6,805,461	5,604,518	453,083	79,864	20,703,998
2028	(385,294)	(370,250)	(435,974)	21,430	55,839	(1,114,249)
2029				341,187	30,425	371,612
Thereafter					8,496	8,496
Total	\$ 14,453,750	\$ 11,365,802	\$ 10,340,739	\$ 6,458,830	\$ 273,880	\$ 42,893,001

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

Actuarial assumptions. The General Pension and Retirement Plan as of September 30, 2023, the Firefighters' Relief and Pension Plan as of September 30, 2023, and the Police Officers' Retirement Fund as of September 30, 2023 total pension liability was determined by an actuarial valuation and the Florida Retirement System was determined by actuarial assumptions as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement.

	General Pension and Retirement	Firefighters' Relief and Pension	Police Officers' Retirement	FRS Plan	HIS Plan
Actuarial Assumptions:					
Inflation	2.40%	2.50%	2.50%	2.40%	2.40%
Salary increases	4.50% - 9.50%	Service Based	4.00%	3.50%	3.50%
Investment rate of return	7.00%	7.75%	7.13%	6.70%	
Municipal bond rate					3.93%
Mortality	PUB-2010 Mortality table for males & females as appropriate	PUBS.H-2010	PUBS.H-2010	Generational PUB- 2010 with Projection Scale MP-2018	Generational PUB- 2010 with Projection Scale MP-2018

For the City's three defined benefit plans, the long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The long-term expected rate of return on the FRS plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

The long-term expected rate of return for each major asset class are summarized in the table below:

Asset Class:	General Pension and Retirement	Firefighters' Relief and Pension	Police Officers' Retirement	Florida Retirement System
Domestic Equity	7.16%	7.20%	7.50%	N/A
International Equity	2.92%	2.90%	8.50%	N/A
Global Equity	N/A	N/A	N/A	7.00%
Private Equity	N/A	N/A	N/A	8.80%
Master Limited Partnerships	5.06%	5.10%	4.50%	N/A
Real Estate	5.94%	5.90%	4.50%	6.80%
Convertible Sec	5.88%	5.90%	N/A	N/A
Strategic Investments	N/A	N/A	N/A	6.20%
Fixed Income	1.68%	1.70%	2.50%	5.60%
TIPS	N/A	N/A	N/A	N/A
Global Bonds	N/A	N/A	N/A	N/A
Broad Market Fixed Income	N/A	N/A	2.50%	N/A
Cash	N/A	N/A	N/A	3.30%

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

Discount rate. The projection of cash flows used to determine the General Pension and Retirement Plan's 7.0% discount rate, the Firefighters' Relief and Pension Plan's 7.75% discount rate, the Police Officers' Retirement Fund's 7.125% discount rate and FRS Plan's 6.70% discount rate assumed that contributions would continue at the current rates. For all plans excluding the HIS Plan, the fiduciary net position was projected to cover all future benefit payments of current plan members. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return. The discount rate used for calculating the total HIS pension liability is equal to the single rate that results in the same actuarial present value as would be calculated by using two different discount rates for the discount at the long-term expected rate of return for benefit payments prior to the projected depletion of the fiduciary net pension (trust assets) and the discount at a municipal bond rate for benefit payments after the projected depletion date. The HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor.

**General Pension
Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability (a)	Net Position (b)	Liability (a) - (b)
Balances at 09/30/23	\$174,582,913	\$131,905,286	\$ 42,677,627
Changes for the year:			
Service Cost	595,038		595,038
Interest	11,756,747		11,756,747
Differences between expected and Actual Experience	(1,536,980)		(1,536,980)
Changes of Assumptions	0		0
Contributions - employer		5,599,918	(5,599,918)
Contributions - employee		258,091	(258,091)
New investment income		10,895,651	(10,895,651)
Benefit payments, including refunds of employee contributions	(13,258,768)	(13,258,768)	
Administrative expense		(147,508)	147,508
Net changes	(2,443,963)	3,347,384	(5,791,347)
Balances at 09/30/24	\$172,138,950	\$135,252,670	\$ 36,886,280

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

Fire Pension
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability (a)	Net Position (b)	Asset (a) - (b)
Balances at 09/30/23	\$ 139,184,402	\$116,636,599	\$ 22,547,803
Changes for the year:			
Service Cost	1,670,725		1,670,725
Interest	10,515,121		10,515,121
Differences between expected and Actual Experience	1,228,275		1,228,275
Changes of assumptions	-		-
Changes in benefit terms	-		-
Contributions - employer		1,676,492	(1,676,492)
Contributions - employee		719,300	(719,300)
New investment income		11,807,357	(11,807,357)
Benefit payments, including refunds of employee contributions	(10,352,295)	(10,352,295)	
Administrative expense		(82,260)	82,260
Net changes	<u>3,061,826</u>	<u>3,768,594</u>	<u>(706,768)</u>
Balances at 09/30/24	<u>\$ 142,246,228</u>	<u>\$120,405,193</u>	<u>\$ 21,841,035</u>

Police Pension
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability (a)	Net Position (b)	Liability (a) - (b)
Balances at 09/30/23	\$141,929,617	\$109,616,680	\$ 32,312,937
Changes for the year:			
Service Cost	799,340		799,340
Interest	9,880,425		9,880,425
Differences between expected and Actual Experience	2,178,577		2,178,577
Changes in Assumptions	-		-
Contributions - employer		4,004,031	(4,004,031)
Contributions - employee		203,586	(203,586)
Contributions - buy back	-	-	-
New investment income		9,848,267	(9,848,267)
Benefit payments, including refunds of employee contributions	(8,112,655)	(8,112,655)	
Administrative expense		(75,018)	75,018
Other changes			-
Net changes	<u>4,745,687</u>	<u>5,868,211</u>	<u>(1,122,524)</u>
Less Reserve Accounts		(1,063,956)	(1,063,956)
Balances at 09/30/24	<u>\$146,675,304</u>	<u>\$114,420,935</u>	<u>\$ 32,254,369</u>

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

Sensitivity of the net pension liability to changes in the discount rate. Below represents the net pension liability of the City, calculated using the current discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current rate:

<u>General Pension</u>	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability	\$ 53,292,455	\$ 36,886,280	\$ 22,869,534

<u>Fire Pension</u>	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
City's net pension asset	\$ 38,212,664	\$ 21,841,035	\$ 8,261,702

<u>Police Pension</u>	1% Decrease 6.13%	Current Discount Rate 7.13%	1% Increase 8.13%
City's net pension liability	\$ 49,533,787	\$ 32,254,369	\$ 16,052,268

<u>FRS</u>	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
City's net pension liability	\$ 50,220,179	\$ 28,550,983	\$ 10,398,435

<u>HIS</u>	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
City's net pension liability	\$ 12,774,953	\$ 11,222,130	\$ 9,933,036

Payable to the Pension Plan

As of September 30, 2024, the City reported a payable of \$10,100 to the General Pension and Retirement Plan, \$36,068 to the Firefighters' Relief and Pension Plan, \$8,244 to the Police Officers' Retirement Fund, \$25,649 to the FRS Plan, and \$2,554 to HIS Plan for the outstanding amount of contributions to the pension plans required for the year ended September 30, 2024

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

C. Post-Employment Benefits Other Than Pensions (OPEB)

GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. The total OPEB liability is recorded at the fund level for proprietary activities and the allocated amount for governmental activities is presented at the government-wide level.

The annual OPEB cost is included in the line item of *salaries* for proprietary fund statements and is allocated by function for governmental activities on the government-wide financial statements.

General Information about the Plan

Plan Description. The City of Pensacola administers a single employer defined benefit plan which offers three plans for health care through Blue Cross Blue Shield of Florida: Health Options HMO, Blue Options PPO Health Savings Account, and BlueMedicare Group PPO. Insurance is offered to both active employees and retirees who worked for the City for a continuous six or more years and had health insurance coverage at the time of their retirement.

The City has followed a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit costs and expenses plus any addition to the reserve for accrued costs incurred but not yet reported, as determined as part of the insurance contract. The contribution requirements of plan members are established by the City. For active employees, the City pays any remaining required amounts after the contributions of plan members are taken into account. Retired members pay the full premium associated with the coverage elected; except for General Pension and Retirement Plan participants who receive a direct subsidy from the General Pension and Retirement Plan of \$56 per month. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

The City contracted with a recognized and certified actuarial firm to provide an actuarial valuation of post-employment benefits (a copy of this report can be obtained by contacting the City of Pensacola's Financial Services Department).

Benefits provided. Post-employment benefits, such as health care, are offered on a retiree pay all basis; whereas retired members pay the full premium associated with the coverage elected, except for General Pension and Retirement Plan participants who receive a direct subsidy from the General Pension and Retirement Plan of \$56 per month. The State of Florida, per Statute 112.08(01), requires claims experience of the retiree group to be co-mingled with that of active employees in determining the health plan cost. The co-mingling of claims requirement equates to an implicit subsidy to retirees which creates an OPEB liability on the part of the City. The benefit payments recognized is due to the \$56 monthly subsidy as well as the implicit rate subsidy.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

Employees covered by benefit terms. On December 31, 2022, the valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving a benefit	225
Inactive employees entitled to but not yet receiving a benefit	0
Active employees	766
Total	<u>991</u>

Total OPEB Liability

The total OPEB liability of \$11,479,196 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial assumptions or other inputs. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. As such, amounts regarding the funding status of the plan and the annual required contributions of the employer are subject to revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Significant accrual methods and assumptions for the reporting period of September 30, 2024 were as follows:

	<u>FISCAL YEAR 2024</u>
Valuation Date	12/31/2022
Inflation	2.50%
Municipal Bond Index Rate:	
Prior measurement date	3.72%
Measurement date	3.26%
Health Care Cost Trends:	
Pre-Medicare	6.50%
ultimate trend rate	4.40%
year of ultimate trend rate	2032
Post-Medicare	4.75%
ultimate trend rate	4.40%
year of ultimate trend rate	2025

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

The discount rate used to measure the total OPEB liability was based on the Bond Buyer General Obligation 20-year Municipal Bond Index published at the end of the last week during the month of December by The Bond Buyer

Mortality rates were based on the PubG.H-2010 mortality tables, with sex-distinct collar adjustments that align with the assumption used by the Florida Retirement System Pension Plan as required by 112.63(1)(f), F.S.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period of January 1, 2022 through December 31, 2022.

Changes to Total OPEB Liability

	Total OPEB Liability (a)
Balances at 12/31/22	\$ 10,921,189
Changes for the year:	
Service cost *	167,004
Interest	399,282
Changes in benefit terms	0
Differences between expected and actual experience	(108,278)
Changes in assumptions or other inputs	479,088
Benefit payments	(379,089)
Net changes	<u>558,007</u>
Balances at 12/31/23	<u><u>\$ 11,479,196</u></u>
* The service cost includes interest for the year.	

The total OPEB liability is based upon an actuarial valuation performed as of the Valuation Date, December 31, 2022. An expected total OPEB liability is determined as of December 31, 2023, the Measurement Date, using standard roll forward techniques. The roll forward calculation begins with the total OPEB liability, as of the Measurement Date, December 31, 2023, adds the annual normal cost (also called the Service Cost), interest at the Discount Rate for the year, and then subtracts the Benefit Payments for the year.

The City actuary has assumed significant changes in the Municipal Bond Index Rate between the Valuation Date and the Measurement Date. The City actuary has also assumed changes in the retirement rates and DROP entry assumptions because of the provision change from Senate Bill 7024.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

Since the Prior Measurement Date, the Discount Rate has changed from 3.72% to 3.26% due to a change in the Municipal Bond Rate.

There are no changes in benefit terms since the Prior Measurement Date.

No benefit payments are attributable to the purchase of allocated insurance contracts.

Sensitivity of the total OPEB liability to changes in the discount rate. Below represents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current discount rate:

Discount Rate Sensitivity			
	1% Decrease 2.26%	Current Discount Rate 3.26%	1% Increase 4.26%
City's total OPEB liability	\$ 13,058,282	\$ 11,479,196	\$ 10,177,098

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The blended rate is comprised of the pre-Medicare health care cost trend rate is 6.50%, decreasing to 4.4% by 2032, and the post-Medicare health care cost trend rate is 4.75%, decreasing to 4.4% by 2025. Below represents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percent-point lower or 1-percent-point higher than the current healthcare cost trend rates:

Health Care Cost Trend Rate Sensitivity			
	1% Decrease Blended Rate	Current Blended Rate	1% Increase Blended Rate
City's total OPEB liability	\$ 10,075,796	\$ 11,479,196	\$ 13,175,200

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2024, the City recognized an OPEB Income of \$1,203,970. Contributions made after the measurement date for the year ended September 30, 2024, were \$251,781. Contributions made after the measurement date are not included as a deferred outflow of resources in the table below. On September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB, excluding contributions made after the measurement date, from the following sources shown on the next page:

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 8,350,173
Changes of assumptions or other inputs	2,062,436	1,965,785
Total	<u>\$ 2,062,436</u>	<u>\$ 10,315,958</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Period Ended December 31:	
2024	\$ (1,518,475)
2025	(1,633,686)
2026	(1,390,897)
2027	(1,390,897)
2028	(919,821)
Thereafter	(1,399,747)
Total	<u>\$ (8,253,523)</u>

D. Deferred Compensation/Replacement Benefit Program

The City of Pensacola also has four retirement plans which are defined contribution pension plans. These plans provide benefits at retirement to general and public safety employees of the City. On September 30, 2024 there were 336 active plan members. The plan provisions and contribution requirements are established and may be amended by the City of Pensacola City Council. The following, on the next page, is a schedule of employee and employer contributions.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

	General & Police Social Security Replacement Plan	Pension Replacement Plan	Non-Social Security Plan	Elected Officers & Part-time Employees Plan
Employee Contribution	4.7%, 5.7% or 6.7%	5.5%	\$10 minimum	7.5%
City Contributions	Matches employee's contribution up to 6.7%	0-5 yrs. of service 1.5% 5-10 yrs. of service 2.5% 10 or more years 6.5%	None	None
Employee Contribution for 9/30/24	\$1,004,323	\$32,643	\$781,053	\$-0-
City Contribution for 9/30/24	\$619,873	\$35,737	N/A	N/A

Employer and plan member contributions are recognized in the period that the contributions are due.

As required by Internal Revenue Code Section 457, the assets are held in trust for the employees' benefit. The Finance Director, selected by the government as the administrator, is responsible for the administration of the plan, including approval of certain investment alternatives (funds) which are made available to plan participants. The government has a fiduciary duty to administer the plan properly and to assure that the investment alternatives made available are reasonable. However, since plan participants select the investment fund or funds in which their deferred compensation accounts are invested, the government has no liability for investment losses which occur as a result of the investments selected by the plan participants.

E. Termination Benefits

The City of Pensacola does not offer any termination benefits to employees.

F. Litigation

The City is contingently liable with respect to other lawsuits and other claims incidental to the ordinary course of its operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of management, based on the advice of counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

G. Grant Contingencies

The City has received numerous state and federal grants. The disbursement of funds received under these programs is subject to review and audit by grantor agencies. Any disbursements disallowed by these agencies could become a liability of the City. In the opinion of management, any such claims should not have a material adverse effect on the financial position of the City.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

H. Contractual, Construction, and Equipment Commitments

The City has outstanding commitments for contractual services and for the construction and acquisition of property, plant, and equipment at year-end. The commitments represent the difference between the contract prices of the various projects and the amounts paid on each contract. Outstanding commitments by fund on September 30, 2024 were:

General Fund	\$ 2,445,009
Housing Assitances Payments	16,922
Community Maritime Park Management Services	76,197
Local Option Sales Tax	2,034,358
Utility Fund	1,851,044
Sanitation Fund	525,736
Port Fund	6,862,489
Airport Fund	86,808,361
Nonmajor Government	6,021,991
Internal Service Funds	<u>1,206,606</u>
Total	<u>\$ 107,848,713</u>

The Airport’s outstanding commitment of \$86,808,361 is mainly due to project Titan. Project Titan is the continuation of the development of a commercial aircraft maintenance, repair, and overhaul (“MRO”) campus at Pensacola International Airport that began with the occupancy of MRO Hangar 1 by VT MAE in the summer of 2018. Project Titan consists of the construction of up to three additional MRO Hangars, including warehouses/support services centers and an administrative office space, all of which will be leased to VT MAE under the Master Lease Agreement. Total cost of Project Titan is estimated not to exceed the amount of committed funds, currently totaling \$210,125,000. The first phase of which consisted of the construction of MRO Hanger 2 was completed in fiscal year 2023. The second phase of the project includes an additional hanger(s), connector taxiway, apron and parking lot which the Airport began design for in fiscal year 2023. Airport’s construction commitments will continue to be large until the project is completed.

I. Tax Abatements

The City of Pensacola provides tax abatements under the Economic Development Ad Valorem Tax Exemption (EDATE) program. The EDATE program provides tax abatements to attract and/or expand businesses within the City limits. The program was established by ordinance in accordance with Florida Statute Chapter 196.1995. The abatements are up to 100% of the assessed value of all improvements to real property made by or for the use of a new business and all tangible personal property of such new business, or up to 100% of the assessed value of all added improvements to real property made to facilitate the expansion of an existing business and the net increase in all tangible personal property acquired to facilitate such expansion of an existing business through a direct reduction of the business’s property bill. Tax abatements may be granted to any new or expanding business as defined in Florida Statute Chapter 196.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

The agreements include recapture provisions should the business receiving the tax abatement fail to meet its commitments, such as the submittal of the annual renewal application. No other commitments were made by the City as part of those agreements. For the fiscal year ended September 30, 2024, the City abated real and tangible property taxes totaling \$262,891 under the EDATE program, including the following tax abatement agreements that exceed 10 percent of the total amount abated:

- A 100% real property tax abatement to real estate company for opening an apartment complex in the enterprise zone. The abatement amounted to \$260,085.

J. Change in accounting principle

The City adopted GASB Statement No. 100, "Accounting changes and error corrections-an amendment of GASB Statement No 62." in fiscal year 2024. The new statement requires if there is a change to or within the financial reporting entity then that change should be reported by adjusting the current reporting period's beginning net position, fund balance, or fund net position, as applicable, for the effect of the change as if the change occurred as of the beginning of the reporting period. The City had a change to major/non-major funds. The American Rescue Plan Act Fund was no longer considered a major fund in fiscal year 2024. There was no change to the beginning fund balance because it was zero as of the end of fiscal year 2023. The Community Maritime Park Management Services Fund was considered major in fiscal year 2024 whereas it was considered non-major in the prior fiscal year. The beginning fund balance to non-major funds decreased by \$2,355,694, as well as major funds' beginning fund balance increased by \$2,355,694, as a result of the implementation of GASB Statement No. 100.

K. Other Significant Commitments

1. *Pensacola Energy Contract – Natural Gas Purchases.* Pensacola Energy has the option under its contract with its natural gas supplier, BP Corporation North America, to exercise several hedging options for the purchase of natural gas. This hedging strategy allows Pensacola Energy to purchase a percentage of its natural gas at specified prices for future delivery. Pensacola Energy, in concurrence with its commodities consultant, decided on pricing strategies due to the volatility in the market price of natural gas. Pensacola Energy enters into these hedging contracts to protect itself against volatility in the market price of natural gas. However, due to the instability of the market, the market price to purchase natural gas may be lower than the price at which Pensacola Energy is committed to buy. Should the natural gas supplier fail to fulfill the gas hedging contracts, the terms of the contract include provisions for recovering the cost in excess of the guaranteed price from the natural gas supplier should Pensacola Energy have to procure natural gas on the open market. While Pensacola Energy does take advantage of the hedging contract, since BP Corporation North America is not required to store a set amount of natural gas for Pensacola Energy there is no financial statement value.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

2. *Multi-Use Facility Agreement.* On July 20, 2011, CMPA and Northwest Florida Professional Baseball (NFPB), the owner of the Blue Wahoos “AA” minor league baseball franchise, entered into an agreement for NFPB’s use of the baseball stadium at the Park. The term of the agreement is for 10 years, with two optional 5-year renewal periods, and requires NFPB to pay an annual use fee of \$175,000 plus attendance and variable ticket surcharges. In addition, the agreement requires that revenues collected from the variable ticket surcharge be set aside to fund capital maintenance and repairs at the Vince Whibbs Sr. Community Maritime Park. In April 2015, NFPB exercised the option to purchase the naming rights to the multi-use facility. CMPA was entitled to receive 50% of the net revenues generated from the naming rights agreement. After the dissolution of the CMPA on June 1, 2017, the Multi-Use Facility Agreement was assigned to the City.

On September 22, 2021, NFPB provided notice to the City to extend the agreement and exercise their option through March 31, 2032, utilizing both of the two (2) five (5) year renewal terms available under the agreement.

Community Redevelopment Agency (CRA)

1. *CRA Interlocal Agreement – Downtown Improvement Board.* On September 11, 2022, the Agency and the Pensacola Downtown Improvement Board (DIB) entered into an Interlocal Agreement whereby the Agency agreed to contribute to the DIB an annual amount equal to the funds paid into the Urban Core Redevelopment Trust Fund by the DIB through September 30, 2025. The primary purpose of the contribution was for the development and implementation of a downtown housing and parking strategy or any other proper functions of the DIB, provided such functions are reasonably consistent and compatible with the long-term goals and objectives outlined in the Urban Core Redevelopment Plan. The annual installments to the DIB are paid from Tax Increment Revenues derived from the Urban Core Redevelopment Area. Payments for the year ended September 30, 2024 totaled \$574,070.
2. *CRA Interlocal Agreement - Main Street Wastewater Treatment Plant.* On June 26, 2009, the City and the Agency entered into an Interlocal Agreement whereby the Agency agreed to pay the Emerald Coast Utilities Authority \$19.5 million towards the relocation of the Main Street Wastewater Treatment Plant. The obligation was recorded in fiscal year 2012 upon project completion. Annual installments to the Authority of \$1.3 million began in fiscal year 2013 and will extend through fiscal year 2027. The annual installments to the Authority will be paid from Tax Increment Revenues derived from the Urban Core Redevelopment Area and any shortfall paid by the City will be reimbursed by the Agency when funds are available. Payments for the year ended September 30, 2024 totaled \$1,300,000.
3. *CRA Interlocal Agreement – Eastside Redevelopment Loan.* On September 30, 2016, as amended on August 10, 2017, the City and the Agency entered into an Interlocal Agreement which established the terms and conditions by which the City would provide a loan to the Agency in the principal amount of \$500,000 to finance a portion of the cost associated with the design, construction and acquisition of the General Daniel “Chappie” James, Jr. Museum and Youth Flight Academy.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE III. – OTHER INFORMATION (Continued)

The loan was made from the City's Insurance Retention Fund to the Agency's Eastside TIF District and has a thirty (30) year term with interest only being paid until the twenty (20) year Eastside Redevelopment Revenue Bond, Series 2017 has matured. Principal payments begin December 31, 2037 and end on December 31, 2045. Since the principal repayment on the loan does not start until December 31, 2037, the full interfund balance was reduced and a transfer between the Eastside TIF District Fund and the City was recorded. At the point of repayment, the full long-term liability will be recorded and the transfer reversed.

4. *CRA Interlocal Agreement – Administrative Services.* On September 22, 2017, as amended on August 13, 2019, the City and the Agency entered into an Interlocal Agreement whereby the City agreed to provide administrative services to the Agency through December 31, 2045. Administrative services include personnel, financial, legal, engineering, planning, purchasing, construction, insurance, title, and construction services. All personnel assigned by the City are employees of the City and are not officers, employees, or agents of the Agency. As such, the Agency has no pension obligation, other post-employment obligations, or other liabilities related to personnel. In consideration of the services, the Agency reimburses the City based on the actual cost of services. Payments for the year ended September 30, 2024 totaled \$865,499.

5. *CRA Interlocal Agreement – Urban Core Landscape Maintenance Services.* On September 22, 2017, the City and the Agency entered into an Interlocal Agreement whereby the City agreed to provide landscape maintenance services and park and public space enhancements and accessibility improvements on the Agency's behalf through December 31, 2043. These services include the cost to maintain any improvements to various public facilities within the Urban Core Community Redevelopment Area which, pursuant to the Urban Core Community Redevelopment Plan, the Agency has made. In consideration of the services, the Agency reimburses the City based on the actual cost of services. Payments for the year ended September 30, 2024 totaled \$464,312.

6. *CRA Interlocal Agreement – Eastside Landscape Maintenance Services.* On November 15, 2017, the City and the Agency entered into an Interlocal Agreement whereby the City agreed to provide landscape, park, property management, leasing, accessibility improvement, public space enhancement, and facilities maintenance services on the Agency's behalf through December 31, 2045. These services include the cost to maintain any improvements to various public facilities within the Eastside Community Redevelopment Area which, pursuant to the Eastside Community Redevelopment Plan, the Agency has made. In consideration of the services, the Agency reimburses the City based on the actual cost of services. Payments for the year ended September 30, 2024 totaled \$24,337.

7. *CRA Interlocal Agreement – Community Policing Innovations.* On September 20, 2023, the City and the Agency entered into an Interlocal Agreement whereby the City agreed to provide additional policing services within the Urban Core Community Redevelopment Area through September 30, 2024. These services aim to reduce crime by reducing opportunities for, and increasing perceived risk of engaging in, criminal activity through visible presence of police. In consideration of the services, the Agency reimburses the City based on the actual cost of services. Payments for the year ended September 30, 2024 totaled \$182,740.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE III. – OTHER INFORMATION (Continued)

8. *CRA Interlocal Agreement – Community Maritime Park Stadium Improvements.* On July 23, 2021, the City and the Agency entered into an Interlocal Agreement whereby the Agency agreed to contribute up to \$2,000,000 to fund certain improvements at the Vince Whibbs Sr. Community Maritime Park Blue Wahoos Stadium. Such improvements include, but are not limited to, the conversion of the Blue Wahoos Stadium baseball field from natural grass to synthetic turf and any irrigation changes needed to accommodate the conversion, the conversion of the Blue Wahoos Stadium lights to LED, the removal of existing bullpens and construction of new bullpens, the construction of new batting cages, the purchase of additional training tables, dishwashers and surveillance equipment, internet and phone upgrades, replacement of HWC chairs, painting, repairs to seats, flooring, electrical outlets and elevators all in furtherance of maximizing the use and impact of the Vince Whibbs Sr. Community Maritime Park improvements paid for with tax increment revenues derived from the Urban Core Community Redevelopment Area. As of September 30, 2024, \$1,713,600 has been paid towards improvements for the project, life-to-date.

L. Special Items

Residual equity transfer

The sanitation fund was restructured to exclude code enforcement. Part of this restructuring was to create a new fund for code enforcement. So, the residual equity transfer was a transfer of code enforcement-related fund balance from the sanitation fund to the now code enforcement fund.

Franchise Fee Lawsuit

In July 2024, a court ruling determined that the City of Pensacola had unlawfully collected franchise fees from Pensacola Energy customers since 1970. As a result, the court ordered the City to refund the improperly collected fees, including accrued interest, to affected customers. Additionally, the court mandated that the City cease charging franchise fees to all customers within city limits. The City has ended billing franchise fees to Pensacola Energy customers due to this judgement ruling.

As of September 30, 2024, no damages have been determined, and the financial impact of the refund obligation remains uncertain. The City is currently evaluating the ruling and exploring potential legal and financial options. Accordingly, no liability has been recorded in the financial statements as of the reporting date. Management will continue to monitor the situation and assess the financial impact once a damage amount is determined.

REQUIRED SUPPLEMENTARY INFORMATION

PENSION FUNDS SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND
RELATED RATIOS, PROPORTIONATE SHARE OF THE NET PENSION LIABILITY,
EMPLOYER CONTRIBUTIONS AND
INVESTMENT RETURNS

OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY

BUDGET TO ACTUAL FINANCIAL REPORTS

CITY OF PENSACOLA, FLORIDA

GENERAL PENSION & RETIREMENT FUND

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PENSACOLA GENERAL PENSION AND RETIREMENT PLAN SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS Fiscal Year *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service Cost (BOY)	\$ 595,038	\$ 598,194	\$ 653,860	\$ 706,288	\$ 692,814	\$ 806,853	\$ 806,853	\$ 960,937	\$ 875,872	\$ 875,872
Interest	11,756,747	12,115,554	12,200,468	12,830,343	12,870,665	13,096,503	13,087,373	13,265,393	13,080,194	13,039,418
Difference between Expected & Actual Experience	(1,536,980)	(2,466,070)	-	(3,644,260)		(2,139,264)		(6,829,727)		
Changes in Assumptions	-	3,052,973	-	(62,137)		3,260,021		8,088,948		
Changes of benefit terms									1,929,586	
Differences between expected and actual experience										
Changes of assumptions										
Benefit payments, including refunds of member contributions	(13,258,768)	(13,978,631)	(14,078,231)	(13,412,714)	(13,364,040)	(13,213,824)	(14,334,373)	(13,902,080)	(13,007,151)	(13,664,554)
Refunds of contributions	-	-	(10,529)	(23,117)	(31,267)			(82,082)	(31,304)	(82,048)
Net change in total pension liability	(2,443,963)	(677,980)	(1,234,432)	(3,605,597)	168,172	1,810,289	(440,147)	1,501,389	2,847,197	168,688
Total pension liability - beginning	174,582,913	175,260,893	176,495,325	180,100,922	179,932,750	178,122,461	178,562,608	177,061,219	174,214,022	174,045,334
Total pension liability - ending (a)	\$ 172,138,950	\$ 174,582,913	\$ 175,260,893	\$ 176,495,325	\$ 180,100,922	\$ 179,932,750	\$ 178,122,461	\$ 178,562,608	\$ 177,061,219	\$ 174,214,022
Plan fiduciary net position										
Contributions - employer	\$ 5,599,918	\$ 5,599,854	\$ 5,946,411	\$ 5,946,490	\$ 6,200,753	\$ 6,200,956	\$ 6,788,208	\$ 6,788,559	\$ 6,586,144	\$ 6,586,424
Contributions - member	258,091	266,873	279,948	285,355	294,284	305,534	341,314	360,693	375,026	388,789
Net investment income	10,895,651	(28,860,605)	30,484,953	11,992,518	1,761,461	11,373,720	14,963,864	11,356,088	(2,230,201)	14,895,032
Benefit payments, including refunds of member contributions	(13,258,768)	(13,978,631)	(14,078,231)	(13,412,714)	(13,364,040)	(13,199,103)	(14,334,373)	(13,902,080)	(13,007,151)	(13,664,554)
Health insurance assistance										
Refunds of Contributions	-	-	(10,529)	(23,117)	(31,267)	(14,721)		(82,082)	(31,304)	(82,048)
Administrative expense	(147,508)	(112,771)	(114,316)	(97,740)	(113,078)	(112,430)	(134,684)	(102,605)	(126,054)	(103,765)
Contributions - Lawsuit										
Member buybacks										
Other									2,149,812	
Net change in plan fiduciary net position	3,347,384	(37,085,280)	22,508,236	4,690,792	(5,251,887)	4,553,956	7,624,329	4,418,573	(6,283,728)	8,019,878
Plan fiduciary net position - beginning	131,905,286	168,990,567	146,482,331	141,791,539	147,043,426	142,489,470	134,865,141	130,446,568	136,730,296	128,710,418
Plan fiduciary net position - ending	135,252,670	131,905,287	168,990,567	146,482,331	141,791,539	147,043,426	142,489,470	134,865,141	130,446,568	136,730,296
Less health care reserves										
Total plan fiduciary net position (b)	\$ 135,252,670	\$ 131,905,287	\$ 168,990,567	\$ 146,482,331	\$ 141,791,539	\$ 147,043,426	\$ 142,489,470	\$ 134,865,141	\$ 130,446,568	\$ 136,730,296
City's net pension liability - ending (a)-(b)	\$ 36,886,280	\$ 42,677,626	\$ 6,270,326	\$ 30,012,994	\$ 38,309,383	\$ 32,889,324	\$ 35,632,991	\$ 43,697,467	\$ 46,614,651	\$ 37,483,726
Plan fiduciary net position as a percentage of the total pension liability	78.57%	75.55%	96.42%	83.00%	78.73%	81.72%	80.00%	75.53%	73.67%	78.48%
Covered payroll	4,852,230	5,076,072	5,067,293	5,258,416	5,555,159	6,174,853	6,347,558	6,901,570	6,757,461	6,961,827
City's pension liability as a percentage of covered payroll	760.19%	840.76%	123.74%	570.76%	689.62%	532.63%	561.37%	633.15%	689.82%	538.42%
Annual money-weighted rate of return	-22.20%	-17.40%	23.46%	8.46%	1.20%	8.02%	11.10%	11.20%	8.80%	-1.90%

*The amounts presented for each fiscal year were determined as of September 30th, of the prior year.

NOTE: The General Pension and Retirement Plan is a closed plan therefore the percentage of covered employee payroll will continue to increase as participants retire.

**CITY OF PENSACOLA, FLORIDA
GENERAL PENSION & RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION**

Notes to Schedule:

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

SCHEDULE OF EMPLOYER CONTRIBUTIONS										
Last 10 Fiscal Years *										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined employer contribution	\$ 5,599,918	\$ 5,599,854	\$ 5,599,853	\$ 5,946,411	\$ 5,946,490	\$ 6,200,753	\$ 6,200,956	\$ 6,788,208	\$ 6,788,560	\$ 7,515,167
Actual employer contribution	<u>5,599,918</u>	<u>5,599,854</u>	<u>5,599,854</u>	<u>5,946,411</u>	<u>5,946,490</u>	<u>6,200,753</u>	<u>6,200,956</u>	<u>6,788,208</u>	<u>6,788,560</u>	<u>7,515,167</u>
Annual contribution deficiency (excess)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(1)</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Covered payroll	\$ 4,919,803	\$ 4,852,230	\$ 5,076,072	\$ 5,089,969	\$ 5,067,293	\$ 5,258,416	\$ 5,555,159	\$ 6,174,853	\$ 6,347,558	\$ 6,901,570
Actual contributions as a % of covered payroll	113.82%	115.41%	110.32%	116.83%	117.35%	117.92%	111.63%	109.93%	106.95%	108.89%
2014 actuarially determined employer contribution includes \$553,997 in prepaid reserves and excludes \$71,761 in health care contributions.										
Current year covered payroll is not actuarially determined therefore subject to change in future years.										
* Based on contributions made during the fiscal year noted.										

**CITY OF PENSACOLA, FLORIDA
GENERAL PENSION & RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION**

	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Valuation Date	9/30/2023	9/30/2022	9/30/2020	9/30/2020	9/30/2018	9/30/2018	9/30/2016	9/30/2016	9/30/2015	9/30/2014
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed
Remaining Amortization Period	7 years	7 years	7 years	7 years	8 years	9 years	10 years	11 years	12 years	13 years
Asset Valuation Method	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market
Actuarial Assumptions:										
Inflation	2.40%	2.40%	2.40%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Salary increase	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%
Investment rate of return	7.2%, net of pension plan investment expense, including inflation	7.2%, net of pension plan investment expense, including inflation	7.2%, net of pension plan investment expense, including inflation	7.2%, net of pension plan investment expense, including inflation	7.4%, net of pension plan investment expense, including inflation	7.4%, net of pension plan investment expense, including inflation	7.6%, net of pension plan investment expense, including inflation	7.6%, net of pension plan investment expense, including inflation	7.8%, net of pension plan investment expense, including inflation	7.8%, net of pension plan investment expense, including inflation
Cost of living adjustments	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%
Mortality Rates	PUB-2010 Headcount Weighted	PUB-2010 Headcount Weighted	PUB-2010 Headcount Weighted	PUB-2010 Headcount Weighted	RP-2000 Generational Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP 2000 Combined Healthy set forward 5 years for males and RP 2000 combined Healthy for females	RP 2000 Combined Healthy set forward 5 years for males and RP 2000 combined Healthy for females

CITY OF PENSACOLA, FLORIDA FIREFIGHTER'S RELIEF & PENSION FUND REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS Fiscal year *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost (BOY)	\$ 1,670,725	\$ 1,569,316	\$ 1,497,129	\$ 1,258,728	\$ 1,290,959	\$ 1,263,734	\$ 1,317,501	\$ 1,340,661	\$ 1,189,882	\$ 1,578,578
Interest	10,515,121	10,453,664	10,322,867	9,985,729	9,887,893	9,735,179	9,731,641	9,595,671	9,016,289	9,116,288
Difference between Expected and Actual Experience	1,228,275	(1,624,615)	(1,424,849)	(511,791)	(87,339)	260,034	(3,442,328)	(482,293)	30,585	
Changes in Assumptions	-	-	-	1,918,859			967,856		7,780,467	
Changes in Benefit Terms	-	-	411,685		(1,793)			802,334	(4,080,439)	
Contributions - Buy Back								44,064		
Benefit payments, including refunds of member contributions	(10,352,295)	(9,061,274)	(8,497,992)	(9,404,872)	(10,188,894)	(8,438,858)	(8,511,653)	(8,929,344)	(6,788,324)	(8,163,106)
Net change in total pension liability	3,061,826	1,337,091	2,308,840	3,246,653	900,826	2,820,089	63,017	2,371,093	7,148,460	2,531,760
Total pension liability - beginning	139,184,402	137,847,311	135,538,471	132,291,818	131,390,992	128,570,903	128,507,886	126,136,793	118,988,333	116,456,573
Total pension liability - ending (a)	\$ 142,246,228	\$ 139,184,402	\$ 137,847,311	\$ 135,538,471	\$ 132,291,818	\$ 131,390,992	\$ 128,570,903	\$ 128,507,886	\$ 126,136,793	\$ 118,988,333
Plan fiduciary net position										
Contributions - employer	\$ 1,676,492	\$ 1,995,497	\$ 1,898,060	\$ 1,720,961	\$ 1,658,203	\$ 2,009,062	\$ 2,336,545	3,826,740	\$ 4,334,264	\$ 3,649,568
Contributions - member	719,300	732,734	619,231	543,443	505,660	480,066	449,131	421,774	474,193	457,362
Contributions - Buy Back								44,064		
Net investment income	11,807,357	(26,186,134)	28,553,234	13,110,520	3,440,824	10,905,810	12,473,832	9,928,990	(1,770,463)	10,980,094
Benefit payments, including refunds of member contributions	(10,352,295)	(9,061,274)	(8,497,992)	(9,404,872)	(10,188,894)	(8,438,858)	(8,511,653)	(8,929,344)	(6,788,324)	(8,163,106)
Administrative expense	(82,260)	(73,987)	(65,256)	(75,205)	(73,186)	(93,728)	(90,536)	(105,921)	(92,822)	(131,563)
Other							81,471			
Net change in plan fiduciary net position	3,768,594	(32,593,164)	22,507,277	5,894,847	(4,657,393)	4,862,352	6,738,790	5,186,303	(3,843,152)	6,792,355
Plan fiduciary net position - beginning	116,636,599	149,229,764	126,722,487	120,827,640	125,485,033	120,622,681	113,883,891	108,697,588	112,540,740	106,396,777
Plan fiduciary net position - ending	120,405,193	116,636,600	149,229,764	126,722,487	120,827,640	125,485,033	120,622,681	113,883,891	108,697,588	113,189,132
Less reserve account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 648,392
Total plan fiduciary net position (b)	\$ 120,405,193	\$ 116,636,600	\$ 149,229,764	\$ 126,722,487	\$ 120,827,640	\$ 125,485,033	\$ 120,622,681	\$ 113,883,891	\$ 108,697,588	\$ 112,540,740
City's net pension liability - ending (a)-(b)	\$ 21,841,035	\$ 22,547,802	\$ (11,382,453)	\$ 8,815,984	\$ 11,464,178	\$ 5,905,959	\$ 7,948,222	\$ 14,623,995	\$ 17,439,205	\$ 6,447,593
Plan fiduciary net position as a percentage of the total pension liability	84.65%	83.80%	108.26%	93.50%	91.33%	95.51%	93.82%	88.62%	86.17%	94.58%
Covered payroll	6,329,377	6,661,211	5,629,353	4,940,394	4,596,890	4,364,222	4,082,999	3,834,292	7,494,388	4,157,835
City's pension liability as a percentage of covered payroll	345.07%	338.49%	-202.20%	178.45%	249.39%	135.33%	194.67%	381.40%	232.70%	155.07%
Annual money-weighted rate of return	10.45%	-17.88%	22.94%	11.12%	2.83%	9.20%	11.14%	9.18%	-1.56%	10.16%

* The amounts presented for each fiscal year were determined as of September 30th, of the prior year.

NOTE: Information is presented for those years in which information is available.

**CITY OF PENSACOLA, FLORIDA
FIREFIGHTER'S RELIEF & PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION**

Notes to Schedule:

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

FIREFIGHTERS' RELIEF & PENSION FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Last 10 Fiscal Years *										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined employer contribution	\$ 1,342,706	\$ 1,342,706	\$ 1,979,502	\$ 1,837,352	\$ 1,711,806	\$ 1,644,078	\$ 1,993,643	\$ 2,321,285	\$ 3,822,480	\$ 4,334,264
Actual employer contribution	<u>1,676,492</u>	<u>1,342,706</u>	<u>1,995,497</u>	<u>1,898,060</u>	<u>1,720,961</u>	<u>1,658,203</u>	<u>2,009,062</u>	<u>2,336,545</u>	<u>3,826,740</u>	<u>4,334,264</u>
Annual contribution deficiency (excess)	\$ <u>(333,786)</u>	\$ <u>0</u>	\$ <u>(15,995)</u>	\$ <u>(60,708)</u>	\$ <u>(9,155)</u>	\$ <u>(14,125)</u>	\$ <u>(15,419)</u>	\$ <u>(15,260)</u>	\$ <u>(4,260)</u>	\$ <u>0</u>
Covered payroll	\$ 6,539,077	\$ 6,329,377	\$ 6,611,211	\$ 5,629,353	\$ 4,939,900	\$ 4,596,890	\$ 4,364,222	\$ 4,082,999	\$ 3,834,292	\$ 7,494,388
Actual contributions as a % of covered payroll	25.64%	21.21%	30.18%	33.72%	34.84%	36.07%	46.03%	57.23%	99.80%	57.83%
2014 actuarially determined employer contribution excludes \$551,981 in current year prepaid reserves.										
Current year covered payroll is not actuarially determined therefore subject to change in future years.										
* Based on contributions made during the fiscal year noted.										

NOTE: Information is presented for those years in which information is available.

**CITY OF PENSACOLA, FLORIDA
FIREFIGHTER'S RELIEF & PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION**

	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Valuation Date	10/1/2023	10/1/2022	10/1/2021	10/1/2020	10/1/2019	10/1/2018	10/1/2017	10/1/2016	10/1/2015	10/1/2014
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	New UAAL amortization bases are amortized over 15 years	New UAAL amortization bases are amortized over 15 years	New UAAL amortization bases are amortized over 15 years	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed
Remaining Amortization Period	12	12	12	30 years	30 years	30 years	30 years	30 years	30 years	30 years
Asset Valuation Method	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period
Actuarial Assumptions:										
Inflation	2.50%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	3.00%	3.00%
Salary increase	Service Based	Service Based	Service Based	5.5%-12.68%	5.5%-12.68%	5.5%-12.68%	5.5%-12.68%	5.5%-12.68%	5.5%-12.68%	5.5%-13.95%
Investment rate of return	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	8.00%
Cost of living adjustments	2.875%	2.875%	2.875%	2.875%	2.875%	2.875%	2.875%	2.875%	2.875%	2.875%
Mortality:	PUBS.H-2010	PUBS.H-2010	PUBS.H-2010	PUBS.H-2010	RP-2000 Generational Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP 2000 Combined Healthy Projected to 2011 Sex Distinct	1994 UP Mortality Projected to 2006 - Sex Distinct

NOTE: Information is presented for those years in which information is available.

**CITY OF PENSACOLA, FLORIDA
POLICE OFFICERS' RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS										
	Fiscal Year *									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost (BOY)	\$ 799,340	\$ 794,084	\$ 785,361	\$ 825,932	\$ 786,760	\$ 816,071	\$ 761,793	\$ 912,596	\$ 818,742	\$ 860,340
Interest	9,880,425	9,893,600	9,624,254	9,511,040	9,193,908	8,949,790	8,977,910	8,876,315	8,390,513	8,151,071
Differences between expected and actual experience	2,178,577	(2,541,190)	1,350,334	699,810	1,361,896		(2,653,681)		312,274	866,959
Changes of assumptions	-	-	-	(1,978,840)					6,217,609	3,431,350
Contributions - buy back	-	-	-	51,726		47,123	41,367			
Benefit payments, including refunds of member contributions	(8,112,655)	(8,560,682)	(7,416,057)	(7,544,199)	(6,317,326)	(6,397,599)	(8,755,072)	(7,539,629)	(6,446,003)	(5,994,107)
Net change in total pension liability	4,745,687	(414,188)	4,343,892	1,565,469	5,025,238	3,415,385	(1,627,683)	2,249,282	9,293,135	7,315,613
Total pension liability - beginning	141,929,617	142,343,805	137,999,913	136,434,444	131,409,206	127,993,821	129,621,504	127,372,222	118,079,087	110,763,474
Total pension liability - ending (a)	\$ 146,675,304	\$ 141,929,617	\$ 142,343,805	\$ 137,999,913	\$ 136,434,444	\$ 131,409,206	\$ 127,993,821	\$ 129,621,504	\$ 127,372,222	118,079,087
Plan fiduciary net position										
Contributions - employer	\$ 3,248,120	\$ 3,972,023	\$ 4,157,135	\$ 4,254,519	\$ 4,445,468	\$ 4,528,544	\$ 4,331,190	3,830,736	\$ 3,830,839	3,825,656
Contributions - member	203,586	214,372	215,050	219,429	211,533	209,565	218,457	227,357	240,097	156,000
Net investment income	9,848,267	(20,777,957)	24,880,274	9,020,508	4,289,802	9,429,700	11,614,044	8,651,676	(2,362,487)	6,881,022
Benefit payments, including refunds of member contributions	(8,112,655)	(8,560,682)	(7,416,057)	(7,544,199)	(6,317,326)	(6,397,599)	(8,755,072)	(7,539,629)	(6,446,003)	(5,994,107)
Administrative expense	(75,018)	(66,997)	(48,522)	(38,631)	(48,723)	(52,447)	(115,371)	(93,853)	(82,441)	(69,051)
State Insurance	755,911	683,116	640,286	623,811	601,682	572,693	542,277	533,483	512,808	473,283
Member buybacks	-	-	-	51,726		47,123	41,367	-	-	12,024
Net change in plan fiduciary net position	5,868,211	(24,536,125)	22,428,166	6,587,163	3,182,436	8,337,579	7,876,892	5,609,770	(4,307,187)	5,284,827
Plan fiduciary net position - beginning	109,616,680	134,152,805	111,724,639	105,137,476	101,955,040	93,617,461	85,740,569	80,130,799	84,437,986	79,153,159
Plan fiduciary net position - ending	115,484,891	109,616,680	134,152,805	111,724,639	105,137,476	101,955,040	93,617,461	85,740,569	80,130,799	84,437,986
LESS RESERVE ACCOUNTS	1,063,956	966,951	878,884	769,559	668,865	371,687	775,007	1,168,510	1,203,293	1,097,405
Total Plan fiduciary net position (b)	\$ 114,420,935	\$ 108,649,729	\$ 133,273,921	\$ 110,955,080	\$ 104,468,611	\$ 101,583,353	\$ 92,842,454	\$ 84,572,059	\$ 78,927,506	83,340,581
City's net pension liability - ending (a)-(b)	\$ 32,254,369	\$ 33,279,888	\$ 9,069,884	\$ 27,044,833	\$ 31,965,833	\$ 29,825,853	\$ 35,151,367	\$ 45,049,445	\$ 48,444,716	34,738,506
Plan fiduciary net position as a percentage of the total pension liability	78.7%	77.2%	94.3%	81.0%	77.1%	77.3%	72.5%	65.2%	62.0%	70.6%
Covered payroll	\$ 4,037,524	\$ 4,122,527	\$ 4,135,565	\$ 4,219,813	\$ 4,067,890	\$ 4,030,069	\$ 4,201,063	4,372,250	\$ 4,423,864	\$ 4,466,862
City's pension liability as a percentage of covered payroll	798.9%	807.3%	219.3%	640.9%	785.8%	740.1%	836.7%	1030.3%	1095.1%	777.7%
Annual money-weighted rate of return	9.02%	-15.52%	22.47%	8.50%	4.15%	9.92%	13.48%	11.11%	-2.34%	9.00%

* The amounts presented for each fiscal year were determined as of September 30th, of the prior year.

NOTE: The Police Officers' Retirement Fund is a closed plan therefore the percentage of covered employee payroll will continue to increase as participants retire.

**CITY OF PENSACOLA, FLORIDA
POLICE OFFICERS' RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION**

Notes to Schedule:

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

SCHEDULE OF EMPLOYER CONTRIBUTIONS										
Last 10 Fiscal Years *										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined employer contribution	\$ 3,884,353	\$ 3,884,353	\$ 4,591,571	\$ 4,797,421	\$ 4,878,329	\$ 5,047,150	\$ 5,101,237	\$ 4,873,467	\$ 4,364,219	\$ 4,343,646
Actual employer contribution	3,884,353	3,884,353	4,655,139	4,797,421	4,878,329	5,047,150	5,101,237	4,873,467	4,364,219	4,343,646
Annual contribution deficiency (excess)	\$ 0	\$ 0	\$ (63,568)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered payroll	\$ 3,915,130	\$ 4,037,524	\$ 4,122,527	\$ 4,135,576	\$ 4,219,795	\$ 4,067,890	\$ 4,030,089	\$ 4,201,063	\$ 4,372,250	\$ 4,423,864
Actual contributions as a % of covered payroll	99.21%	96.21%	112.92%	116.00%	115.61%	124.07%	126.58%	116.01%	99.82%	98.19%
Current year covered payroll is not actuarially determined therefore subject to change in future years.										
Contributions do not include amounts drawn down from reserves.										
* Based on contributions made during the fiscal year noted.										

**CITY OF PENSACOLA, FLORIDA
POLICE OFFICERS' RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION**

	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Valuation Date	10/1/2023	10/1/2022	10/1/2021	10/1/2020	10/1/2019	10/1/2018	10/1/2017	10/1/2016	10/1/2015	10/1/2014
Actuarial cost method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age
Amortization method	New UAAL	New UAAL	New UAAL	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount
Remaining Amortization Period	15	10	10	11	12	13 years	14 years	15 years	16 years	17 years
Asset Valuation Method	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index
Actuarial Assumptions:										
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Salary increase	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Investment rate of return	7.125%	7.125%	7.125%	7.125%	7.125%	7.125%	7.125%	7.125%	7.125%	7.25%
Cost of living adjustments	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Mortality Rates	PUBS.H-2010	PUBS.H-2010	PUBS.H-2010	PUBS.H-2010	RP-2000 Healthy Annuitant for Males or Females with adjustments for mortality improvements based on Scale BB	RP-2000 Healthy Annuitant for Males or Females with adjustments for mortality improvements based on Scale BB	RP-2000 Healthy Annuitant for Males or Females with adjustments for mortality improvements based on Scale BB	RP-2000 Healthy Annuitant for Males or Females with adjustments for mortality improvements based on Scale BB	RP-2000 Healthy Annuitant for Males or Females with adjustments for mortality improvements based on Scale BB	RP-2000 Healthy Annuitant for Males or Females with adjustments for mortality improvements based on Scale BB

CITY OF PENSACOLA, FLORIDA
FLORIDA RETIREMENT SYSTEM PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY Fiscal Year										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the FRS net pension liability (asset)	0.073804322%	0.076552186%	0.073462936%	0.067580322%	0.059663066%	0.055026148%	0.049432047%	0.045283952%	0.041335299%	0.039418763%
City's proportion of the FRS net pension liability (asset)	\$ 28,550,983	\$ 30,503,623	\$ 27,334,115	\$ 5,104,925	\$ 25,858,852	\$ 18,949,722	\$ 14,889,189	\$ 13,394,689	\$ 10,437,195	\$ 5,091,462
Covered payroll	\$ 33,311,629	\$ 28,688,445	\$ 25,635,863	\$ 22,838,497	\$ 21,417,967	\$ 19,573,461	\$ 17,140,563	\$ 15,295,017	\$ 12,840,904	\$ 12,296,508
City's pension liability as a percentage of covered payroll	85.7%	106.3%	106.6%	22.4%	120.7%	96.8%	86.9%	87.6%	81.3%	41.4%
Plan fiduciary net position as a percentage of the total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

NOTE: The amounts presented were determined as of June 30, the end of the State of Florida's fiscal year.

SCHEDULE OF EMPLOYER CONTRIBUTIONS Last 10 Fiscal Years										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined employer contribution	\$ 4,179,268	\$ 3,682,652	\$ 3,134,797	\$ 2,574,518	\$ 1,982,339	\$ 1,706,208	\$ 1,453,249	\$ 1,210,082	\$ 1,099,355	\$ 978,143
Actual employer contribution	4,179,268	3,682,652	3,134,797	2,574,518	1,982,339	1,706,208	1,453,249	1,210,082	1,099,355	978,143
Annual contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered payroll	\$ 32,932,227	\$ 32,119,766	\$ 28,415,317	\$ 25,403,511	\$ 22,014,597	\$ 20,065,477	\$ 17,140,563	\$ 15,295,017	\$ 12,840,904	\$ 12,296,508
Actual contributions as a % of covered payroll	12.69%	11.47%	11.03%	10.13%	9.00%	8.50%	8.48%	7.91%	8.56%	7.95%

NOTE: The amounts presented were determined as of September 30, the end of the City of Pensacola's fiscal year.

**CITY OF PENSACOLA, FLORIDA
FLORIDA RETIREMENT SYSTEM PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION**

Notes to Schedule:

Method and assumptions used in calculations of actuarially determined contributions. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Valuation Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Ultimate Entry Age Normal	Individual Entry Age	Individual Entry Age
Asset Valuation Method	Level Percentage Closed, Layered	Level Percentage Closed, Layered	Level Percentage Closed, Layered	Level Percentage Closed, Layered	Level Percentage Closed, Layered	Level Percentage Closed, Layered	Level Percentage Closed, Layered	Level Percentage Closed, Layered	Level Dollar Amount Closed	Level Dollar Amount Closed
Asset Valuation Method	20 years	20 years	20 years	20 years	25 years	30 years	30 years	30 years	30 years	30 years
Actuarial Assumptions:										
Inflation	2.40%	2.40%	2.40%	2.40%	2.40%	2.60%	2.60%	2.60%	2.60%	2.60%
Salary increase	Varies	Varies	Varies	Varies	Varies	Varies	3.25%	3.25%	3.25%	3.25%
Investment rate of return	6.70%	6.70%	6.70%	7.00%	7.00%	6.90%	7.00%	7.10%	7.60%	7.65%
Cost of living adjustments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mortality Rates	Generational PUB-2010 with Scale MP-2018	Generational PUB-2010 with Scale MP-2018	Generational PUB-2010 with Scale MP-2018	Generational PUB-2010 with Scale MP-2018	Generational PUB-2010 with Scale MP-2018	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables

NOTE: The amounts presented were determined as of June 30, the end of the State of Florida's fiscal year.

CITY OF PENSACOLA, FLORIDA
FRS RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY Fiscal Year										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the HIS net pension liability (asset)	0.074809327%	0.074430476%	0.070189581%	0.064240703%	0.055541371%	0.051069262%	0.047519167%	0.043820246%	0.041586882%	0.040531215%
City's proportion of the HIS net pension liability (asset)	\$ 11,222,130	\$ 11,820,551	\$ 7,434,198	\$ 7,880,088	\$ 6,781,511	\$ 5,714,139	\$ 5,029,482	\$ 4,685,463	\$ 4,846,779	\$ 4,133,546
Covered payroll	\$ 31,667,900	\$ 29,495,000	\$ 25,584,699	\$ 22,747,410	\$ 19,281,404	\$ 18,165,949	\$ 15,524,948	\$ 13,972,362	\$ 12,840,904	\$ 12,296,508
City's pension liability as a percentage of covered payroll	35.4%	40.1%	29.1%	34.6%	35.2%	31.5%	32.4%	33.5%	37.7%	33.6%
Plan fiduciary net position as a percentage of the total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

NOTE: The amounts presented were determined as of June 30, the end of the State of Florida's fiscal year.

SCHEDULE OF EMPLOYER CONTRIBUTIONS Last 10 Fiscal Years										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined employer contribution	\$ 633,358	\$ 489,617	\$ 424,706	\$ 377,607	\$ 320,059	\$ 283,583	\$ 262,412	\$ 241,173	\$ 221,345	\$ 169,762
Actual employer contribution	633,358	489,617	424,706	377,607	320,059	283,583	262,412	241,173	221,345	169,762
Annual contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered payroll	\$ 33,380,670	\$ 31,229,539	\$ 27,149,190	\$ 24,148,144	\$ 20,493,766	\$ 18,244,421	\$ 15,596,591	\$ 14,039,291	\$ 12,840,904	\$ 12,296,508
Actual contributions as a % of covered payroll	1.90%	1.57%	1.56%	1.56%	1.56%	1.55%	1.68%	1.72%	1.72%	1.38%

NOTE: The amounts presented were determined as of September 30, the end of the City of Pensacola's fiscal year.

CITY OF PENSACOLA, FLORIDA
FRS RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM
REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule:

Method and assumptions used in calculations of actuarially determined contributions. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Valuation Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age
Asset Valuation Method	Fair Market Value	Fair Market Value	Fair Market Value	Fair Market Value	Fair Market Value	Fair Market Value	Fair Market Value	Fair Market Value	Fair Market Value	Level Dollar Amount 30 years
Actuarial Assumptions:										
Inflation	2.40%	2.40%	2.40%	2.40%	2.40%	2.60%	2.60%	2.60%	2.60%	260.00%
Salary increase	3.50%	3.25%	3.25%	Varies	Varies	Varies	3.25%	3.25%	3.25%	325.00%
Discount rate	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	3.87%	3.58%	2.85%	7.65%
Cost of living adjustments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mortality Rates	Generational PUB-2010 with Projection Scale MP- 2018	Generational PUB-2010 with Projection Scale MP- 2018	Generational PUB-2010 with Projection Scale MP- 2018	Generational PUB-2010 with Projection Scale MP- 2018	Generational PUB-2010 with Projection Scale MP- 2018	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables

NOTE: The amounts presented were determined as of June 30, the end of the State of Florida's fiscal year.

**CITY OF PENSACOLA, FLORIDA
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS**

	Fiscal Year						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability							
Service Cost	\$ 167,004	\$ 232,568	\$ 223,125	\$ 133,896	\$ 91,439	\$ 101,187	\$ 87,688
Interest	399,282	373,467	380,268	593,862	977,708	895,230	798,393
Difference between Expected & Actual Experience	(108,278)	(5,052,820)	(130,766)	(5,711,095)	(5,486,957)	(392,192)	(368,076)
Changes in Assumptions or Other Inputs	479,088	(2,546,519)	160,291	1,074,050	2,968,014	(2,748,991)	5,416,699
Changes of benefit terms	-	-	-	642,604	-	-	-
Benefit payments	<u>(379,089)</u>	<u>(427,813)</u>	<u>(453,204)</u>	<u>(485,747)</u>	<u>(610,816)</u>	<u>(351,400)</u>	<u>(329,792)</u>
Net change in total OPEB liability	558,007	(7,421,117)	179,714	(3,752,430)	(2,060,612)	(2,496,166)	5,604,912
Total OPEB liability - beginning	<u>10,921,189</u>	<u>18,342,306</u>	<u>18,162,592</u>	<u>21,915,023</u>	<u>23,975,635</u>	<u>26,471,801</u>	<u>20,866,889</u>
Total OPEB liability - ending	\$ <u>11,479,196</u>	\$ <u>10,921,189</u>	\$ <u>18,342,306</u>	\$ <u>18,162,593</u>	\$ <u>21,915,023</u>	\$ <u>23,975,635</u>	\$ <u>26,471,801</u>
Covered-employee payroll	40,714,189	40,714,189	34,492,658	34,492,658	27,368,943	26,571,789	23,130,270

Notes to Schedule:

Changes in benefit terms. There are no changes in benefit terms since the Prior Measurement Date.

Changes in assumptions. Changes in assumptions and other inputs reflect the effects in the discount rate each period. The following are the discount rates used in each period:

2018	3.43%	2022	2.06%
2019	4.13%	2023	3.72%
2020	2.74%	2024	3.26%
2021	2.12%		

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

NOTE: Information is presented for those years in which information is available.

BUDGET TO ACTUAL SCHEDULES
MAJOR GOVERNMENTAL FUNDS

CITY OF PENSACOLA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			Variance with Final Budget - Positive/(Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ 37,362,900	\$ 37,362,900	\$ 38,337,891	\$ 974,991
Licenses and permits	139,800	139,800	178,984	39,184
Franchise fees	9,926,400	9,926,400	9,615,200	(311,200)
Intergovernmental	9,176,000	9,176,000	9,458,316	282,316
Charges for services	1,663,800	2,976,102	1,670,605	(1,305,497)
Fines and forfeits	141,100	141,100	98,609	(42,491)
Assessments		100,000	27,969	(72,031)
Interest income	220,000	220,000	1,508,785	1,288,785
Donations			201,835	201,835
Other	475,000	490,000	847,480	357,480
Total revenues	59,105,000	60,532,302	61,945,674	1,413,372
Expenditures:				
Current -				
General government	11,024,300	11,529,483	8,958,448	2,571,035
Public safety	40,064,300	41,907,675	41,659,319	248,356
Transportation	3,512,200	5,553,646	4,228,283	1,325,363
Culture and recreation	9,206,500	9,676,600	8,800,863	875,737
Economic environment	425,500	999,461	426,289	573,172
Physical environment		100,000	200	99,800
Human services	10,000	10,000		10,000
Capital outlay		1,181,856	514,429	667,427
Total expenditures	64,242,800	70,958,721	64,587,831	6,370,890
Excess (deficiency) of revenues over (under) expenditures	(5,137,800)	(10,426,419)	(2,642,157)	7,784,262
Other financing sources (uses):				
Transfers in	11,137,600	11,137,600	11,137,600	-
Transfers (out)	(7,800,300)	(7,800,300)	(7,800,143)	157
Sale of capital assets	50,000	128,275	220,363	92,088
Total other financing sources (uses)	3,387,300	3,465,575	3,557,820	92,245
Net change in fund balances	\$ (1,750,500)	\$ (6,960,844)	915,663	\$ 7,876,507
Fund balances at beginning of year			31,236,071	
Fund balances at end of year			\$ 32,151,734	

CITY OF PENSACOLA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOUSING ASSISTANCE PAYMENTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues :				
Intergovernmental	\$ 23,020,500	\$ 26,816,600	\$ 20,404,053	\$ (6,412,547)
Interest income			57,986	57,986
Other	8,600	8,600	50	(8,550)
Total revenues	<u>23,029,100</u>	<u>26,825,200</u>	<u>20,462,089</u>	<u>(6,363,111)</u>
Expenditures :				
Current -				
Economic environment	23,463,700	20,474,317	20,474,317	0
Capital outlay	32,000	64,836	64,836	0
Total expenditures	<u>23,495,700</u>	<u>20,539,153</u>	<u>20,539,153</u>	<u>0</u>
Other financing sources (uses):				
Sale of capital asset			538	538
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>538</u>	<u>538</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(466,600)</u>	<u>6,286,047</u>	<u>(76,526)</u>	<u>(6,362,573)</u>
Net change in fund balances	<u>\$ (466,600)</u>	<u>\$ 6,286,047</u>	<u>(76,526)</u>	<u>\$ (6,362,573)</u>
Fund balances at beginning of year			<u>2,179,251</u>	
Fund balances at end of year			<u>\$ 2,102,725</u>	

CITY OF PENSACOLA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY MARITIME PARK (CMP) MANAGEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,025,500	\$ 1,025,500	\$ 723,671	\$ (301,829)
Interest Income			146,671	146,671
Donations			50,256	50,256
Other			222	222
Total revenues	<u>1,025,500</u>	<u>1,025,500</u>	<u>920,820</u>	<u>(104,680)</u>
Expenditures:				
Current -				
Culture and recreation	1,081,000	1,576,875	1,098,928	477,947
Capital outlay		240,047	220,388	19,659
Total expenditures	<u>1,081,000</u>	<u>1,816,922</u>	<u>1,319,316</u>	<u>497,606</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(55,500)</u>	<u>(791,422)</u>	<u>(398,496)</u>	<u>392,926</u>
Net change in fund balances	<u>\$ (55,500)</u>	<u>\$ (791,422)</u>	<u>(398,496)</u>	<u>\$ 392,926</u>
Fund balances at beginning of year			<u>2,355,694</u>	
Fund balances at end of year			<u>\$ 1,957,198</u>	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

General Budget Policies

In accordance with the City Charter, the Mayor prepares and submits the annual budget and capital program to City Council. Once the budget is adopted by City Council, budget amendments are administered in accordance with Chapter 166.241, Florida Statutes, and the procedure established in the Financial Planning and Administration Policy adopted by City Council Resolution.

The Budget Policies outlined in the Financial Planning and Administration Policy allow the Mayor (or designee) to authorize budget amendments if the total appropriations of the fund are not changed. Specifically, the Mayor (or designee) shall have the authority to transfer appropriations between expenditure categories and between departments or programmatic activities except that amounts appropriated for capital outlay cannot be transferred to any other expenditure category provided no transfer shall be made from the appropriations that are contrary to Florida Law. Further, management has established budgetary control within each fund at the line-item level.

Authorized staff within each department may request budget amendments between line items or between departments within a fund subject to final determination by the Finance Director as the Mayor's designee.

Additionally, in accordance with Chapter 166.241, Florida Statutes, appropriations within a fund may only be decreased or increased by resolution with City Council approval. Expenditures for each fund may not legally exceed the total fund appropriation.

A legally adopted budget is employed as a control device for the General Fund, Special Revenue Funds, and Debt Service Funds. Enterprise, Capital Projects, and Internal Service Funds are budgeted on a limited non-GAAP basis for management control purposes.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Projects Funds. The budget for the subsequent year provides a re-appropriation of funds to complete transactions for outstanding encumbrances.

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

INTERNAL SERVICE FUNDS

FIDUCIARY FUNDS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Special Grants Fund – to account for various private, state, and federal grant receipts and the expenditures thereof.

Local Option Gasoline Tax Fund - to account for the receipt and expenditures of gasoline tax revenue.

Community Development Block Grant Fund - to account for the community development block grant and the housing rehabilitation program federal grant receipts and the expenditures thereof.

Community Redevelopment Agency Fund - to account for the tax increment development receipts and expenditures thereof.

Stormwater Utility Fund – to account for the receipt and expenditures for the operating and maintenance activities related to stormwater.

Parking Fund – To account for the public parking services receipts and the expenditures thereof.

Code Enforcement Fund - To account for the receipts and expenditures from the code enforcement program and franchise fees. Typical expenditures are related to code enforcement and operations of the code enforcement division.

Law Enforcement Trust Fund - to account for proceeds from the sale of confiscated property. Expenditure of such funds is restricted to law enforcement purposes.

Natural Disaster Fund - to account for federal and state monies received and expended for disaster relief as a result of natural disasters.

Golf Course Fund - to account for the revenues and expenditures of the Osceola Golf Course and Pro Shop.

Eastside Tax Increment Financing District - to account for the tax increment revenues associated with programs and projects identified in Eastside Community Redevelopment Area.

Inspections Fund – to account for the revenues and expenditures of collections as regulated under Florida Statute 553 referred to as the ‘Florida Building Code’.

Westside Tax Increment Financing District – to account for the tax increment revenues associated with programs and projects identified in Westside Community Redevelopment Area.

Recreation Fund – to account for the revenues and expenditures of recreation centers and athletic activities.

Tennis Fund – to account for the revenues and expenditures of the Roger Scott Tennis Center.

American Rescue Plan Act Fund – to account for federal monies received and expended for pandemic relief because of the Coronavirus..

Debt Service Fund

Debt service funds are used to account for resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

CRA Debt Service Fund - to provide monies for payment of the Redevelopment Revenue Bond(s) financed with tax increment financing revenues derived from the Urban Core, Eastside and Westside Tax Increment Financing Districts.

Local Option Gas Tax Debt Service Fund – to provide monies for the payment of the 2016 Local Option Gas Tax Bond. Financing is provided from future Local Option Gasoline Tax proceeds.

Capital Projects Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

CRA 2017 Project Fund – a capital project fund that accounts for various community development projects within the Pensacola Inner City Community Redevelopment Area. Financing is provided by amounts received from the Eastside Redevelopment Revenue Bond, Series 2017, the Westside Redevelopment Revenue Bond, Series 2017 and the Urban Core Redevelopment Revenue Bond, Series 2017.

CRA 2019 Project Fund – a capital project fund that accounts for various community development projects within the Urban Core Redevelopment Area. Financing is provided by amounts received from the Urban Core Redevelopment Revenue Bond, Series 2019.

Stormwater Capital Fund – to account for the expenditures of stormwater improvements. Financing is provided by a transfer from the General Fund of matching receipts collected by the stormwater utility fee.

**CITY OF PENSACOLA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Special Revenue Funds			
	Special Grants	Local Option Gasoline Tax	Community Development Block Grant	Community Redevelopment Agency
ASSETS				
Cash and cash equivalents	\$	\$ 347,309	\$ 2,382	\$ 3,824,936
Other cash			6,169	
Investments		438,855	9,179	4,833,133
Accrued Interest				3
Accounts receivable				5,136
Due from other funds				
Due from other governments	1,236,677	130,015	133,021	
Prepays and deposits				1,026
Inventory				
Notes receivable	460,507		228,670	
Lease Receivable				3,936
Restricted assets				
Cash and cash equivalents				454,921
Investments				574,831
Total assets	\$ 1,697,184	\$ 916,179	\$ 379,421	\$ 9,697,922
LIABILITIES				
Accounts payable	\$ 18,644	\$	\$ 14,810	\$ 26,050
Contracts payable	232,704			163,514
Contracts payable - retainage	39,700			36,665
Due to other funds	558,919		118,211	31,119
Due to other governments	95,987			
Compensated absences payable			17,730	
Unearned revenue	135,171			
Deposits				1,000
Total liabilities	1,081,125	-	150,751	258,348
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	460,507		228,670	5,136
Related to leases				3,819
Total deferred inflows of resources	460,507	-	228,670	8,955
FUND BALANCE (DEFICITS)				
Non-spendable				1,026
Restricted	843,378	916,179		5,194,826
Committed				
Assigned				4,234,767
Unassigned	(687,826)			
Total fund balances	155,552	916,179	-	9,430,619
Total liabilities, deferred inflows of resources and fund balances	\$ 1,697,184	\$ 916,179	\$ 379,421	\$ 9,697,922
Fund balances at end of year	\$ 155,552	\$ 916,179	\$ -	\$ 9,430,619

(continued)

**CITY OF PENSACOLA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Special Revenue Funds			
	Stormwater Utility Fund	Parking Fund	Code Enforcement Fund	Law Enforcement Trust
ASSETS				
Cash and cash equivalents	\$ 442,080	\$ 486,602	\$ 717,376	\$ 156,421
Other cash				
Investments	558,606	614,864	906,465	197,650
Accrued Interest				
Accounts receivable			318,230	
Due from other funds				
Due from other governments	8,440			
Prepays and deposits	10,484	1,707	2,857	
Inventory				
Notes receivable				
Lease Receivable				
Restricted assets				
Cash and cash equivalents				
Investments				
Total assets	\$ 1,019,610	\$ 1,103,173	\$ 1,944,928	\$ 354,071
LIABILITIES				
Accounts payable	\$ 13,865	\$ 41,199	\$ 13,283	\$
Contracts payable		86,130		
Contracts payable - retainage				
Due to other funds	63,257	27,618	33,988	
Due to other governments				
Compensated absences payable				
Unearned revenue				
Deposits				
Total liabilities	77,122	154,947	47,271	0
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue			26,835	
Related to leases				
Total deferred inflows of resources	-	-	26,835.00	-
FUND BALANCE (DEFICITS)				
Non-spendable	10,484	1,707	2,857	
Restricted		242,979		354,071
Committed	932,004			
Assigned		703,540	1,867,965	
Unassigned				
Total fund balances	942,488	948,226	1,870,822	354,071
Total liabilities, deferred inflows of resources and fund balances	\$ 1,019,610	\$ 1,103,173	\$ 1,944,928	\$ 354,071
Fund balances at end of year	\$ 942,488	\$ 948,226	\$ 1,870,822	\$ 354,071

(continued)

**CITY OF PENSACOLA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Special Revenue Funds			
	Natural Disaster Fund	Golf Course Fund	Eastside Tax Increment Financing District	Inspections Fund
ASSETS				
Cash and cash equivalents	\$	\$ 197,697	\$ 353,791	\$ 890,967
Other cash				
Investments		249,807	447,045	1,125,813
Accrued Interest				
Accounts receivable		1,500		
Due from other funds				
Due from other governments	3,420,653			
Prepays and deposits		21,687		
Inventory		6,566		
Notes receivable				
Lease Receivable				
Restricted assets				
Cash and cash equivalents				
Investments				
Total assets	\$ <u>3,420,653</u>	\$ <u>477,257</u>	\$ <u>800,836</u>	\$ <u>2,016,780</u>
LIABILITIES				
Accounts payable	\$	\$ 18,638	\$ 4,727	\$ 4,623
Contracts payable		23,229	18,694	
Contracts payable - retainage			2,085	
Due to other funds	321,169	11,464	2,103	65,914
Due to other governments				
Compensated absences payable				
Unearned revenue				
Deposits		3,565		35,212
Total liabilities	<u>321,169</u>	<u>56,896</u>	<u>27,609</u>	<u>105,749</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue		1,500		
Related to leases				
Total deferred inflows of resources	<u>-</u>	<u>1,500.00</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICITS)				
Non-spendable		28,253		
Restricted	653,240	14,629	773,227	1,911,031
Committed				
Assigned	2,446,244	375,979		
Unassigned				
Total fund balances	<u>3,099,484</u>	<u>418,861</u>	<u>773,227</u>	<u>1,911,031</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>3,420,653</u>	\$ <u>477,257</u>	\$ <u>800,836</u>	\$ <u>2,016,780</u>
Fund balances at end of year	\$ <u>3,099,484</u>	\$ <u>418,861</u>	\$ <u>773,227</u>	\$ <u>1,911,031</u>

(continued)

**CITY OF PENSACOLA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Special Revenue Funds			
	Westside Tax Incremental Financing District	Recreation Fund	Tennis Fund	American Rescue Plan Act Fund
ASSETS				
Cash and cash equivalents	\$ 1,141,782	\$ 352,300	\$ 94,436	\$ 3,000,255
Other cash				
Investments	1,442,739	438,992	119,328	3,791,079
Accrued Interest		194	26	
Accounts receivable		2,100	10,737	
Due from other funds		103,627		
Due from other governments				
Prepays and deposits		1,023	9,922	
Inventory				
Notes receivable				
Lease Receivable		590,427	53,282	
Restricted assets				
Cash and cash equivalents				
Investments				
Total assets	\$ 2,584,521	\$ 1,488,663	\$ 287,731	\$ 6,791,334
LIABILITIES				
Accounts payable	\$ 901	\$ 85,241	\$ 4,695	\$ 40,284
Contracts payable	21,331	3,718		23,095
Contracts payable - retainage				92
Due to other funds	3,527	2,884		
Due to other governments				
Compensated absences payable				
Unearned revenue				6,727,863
Deposits		93,227		
Total liabilities	25,759	185,070	4,695	6,791,334
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue		2,100	10,737	
Related to leases		565,435	59,026	
Total deferred inflows of resources	-	567,535	69,763	-
FUND BALANCE (DEFICITS)				
Non-spendable		1,023	9,922	
Restricted	2,558,762		29,240	
Committed				
Assigned		735,035	174,111	
Unassigned				
Total fund balances	2,558,762	736,058	213,273	-
Total liabilities, deferred inflows of resources and fund balances	\$ 2,584,521	\$ 1,488,663	\$ 287,731	\$ 6,791,334
Fund balances at end of year	\$ 2,558,762	\$ 736,058	\$ 213,273	\$ -

(continued)

**CITY OF PENSACOLA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>	
	<u>CRA Debt Service</u>	<u>Local Option Gas Tax Debt Service</u>	<u>CRA 2017 Project Fund</u>	<u>CRA 2019 Project Fund</u>
ASSETS				
Cash and cash equivalents	\$	\$	\$ 1,967,264	\$ 2,231,477
Other cash				
Investments			2,485,806	2,819,663
Accrued Interest				
Accounts receivable				
Due from other funds				
Due from other governments				
Prepays and deposits				
Inventory				
Notes receivable				
Lease Receivable				
Restricted assets				
Cash and cash equivalents	1,841,563	688,489		
Investments	2,326,972	869,965		
Total assets	\$ 4,168,535	\$ 1,558,454	\$ 4,453,070	\$ 5,051,140
LIABILITIES				
Accounts payable	\$	\$	\$	\$ 574
Contracts payable			235,361	355,693
Contracts payable - retainage			56,510	163,621
Due to other funds				
Due to other governments				
Compensated absences payable				
Unearned revenue				
Deposits				
Total liabilities	-	-	291,871.00	519,888
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue				
Related to leases				
Total deferred inflows of resources	-	-	-	-
FUND BALANCE (DEFICITS)				
Non-spendable				
Restricted	4,168,535	1,558,454	4,161,199	4,531,252
Committed				
Assigned				
Unassigned				
Total fund balances	4,168,535	1,558,454	4,161,199	4,531,252
Total liabilities, deferred inflows of resources and fund balances	\$ 4,168,535	\$ 1,558,454	\$ 4,453,070	\$ 5,051,140
Fund balances at end of year	\$ 4,168,535	\$ 1,558,454	\$ 4,161,199	\$ 4,531,252

(continued)

**CITY OF PENSACOLA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	Capital Projects Funds	Total Nonmajor Governmental Funds
	Stormwater Capital	
ASSETS		
Cash and cash equivalents	\$ 3,232,995	\$ 19,440,070
Other cash		6,169
Investments	4,085,166	24,564,190
Accrued Interest		223
Accounts receivable		337,703
Due from other funds		103,627
Due from other governments		4,928,806
Prepays and deposits		48,706
Inventory		6,566
Notes receivable		689,177
Lease Receivable		647,645
Restricted assets		
Cash and cash equivalents		2,984,973
Investments		3,771,768
Total assets	\$ 7,318,161	\$ 57,529,623
LIABILITIES		
Accounts payable	\$ 3,220	\$ 290,754
Contracts payable	113,914	1,277,383
Contracts payable - retainage		298,673
Due to other funds		1,240,173
Due to other governments		95,987
Compensated absences payable		17,730
Unearned revenue		6,863,034
Deposits		133,004
Total liabilities	117,134	10,216,738
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue		735,485
Related to leases		628,280
Total deferred inflows of resources	-	1,363,765
FUND BALANCE (DEFICITS)		
Non-spendable		55,272
Restricted	888,160	28,799,162
Committed	6,312,867	7,244,871
Assigned		10,537,641
Unassigned		(687,826)
Total fund balances	7,201,027	45,949,120
Total liabilities, deferred inflows of resources and fund balances	\$ 7,318,161	\$ 57,529,623
Fund balances at end of year	\$ 7,201,027	\$ 45,949,120

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds			
	Special Grants	Local Option Gasoline Tax	Community Development Block Grant	Community Redevelopment Agency
Revenues:				
Taxes	\$	\$ 1,423,954	\$	\$
Licenses and permits				
Intergovernmental	1,479,655		593,853	6,457,382
Charges for services				19,645
Fines and forfeits				
Interest income		49,525	2,138	501,142
Donations	1,030,969			
Other				100,000
Total revenues	<u>2,510,624</u>	<u>1,473,479</u>	<u>595,991</u>	<u>7,078,169</u>
Expenditures:				
Current -				
General government	162,315		596,862	4,410,621
Public safety	211,079			
Transportation	143,331	4,300		
Culture and recreation	251,474			
Economic environment	243,784			
Physical environment	325,358			
Capital outlay	1,175,727			1,091,702
Debt service -				
Principal retirement				
Interest				
Total expenditures	<u>2,513,068</u>	<u>4,300</u>	<u>596,862</u>	<u>5,502,323</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,444)</u>	<u>1,469,179</u>	<u>(871)</u>	<u>1,575,846</u>
Other financing sources (uses):				
Transfers in				3,814,172
Transfers (out)		(1,520,775)		(3,697,715)
Sale of capital assets			871	
Total other financing sources (uses)	<u>-</u>	<u>(1,520,775)</u>	<u>871</u>	<u>116,457</u>
Net Change in fund balances	<u>(2,444)</u>	<u>(51,596)</u>	<u>-</u>	<u>1,692,303</u>
Fund balances at beginning of year, as previously presented	<u>157,996</u>	<u>967,775</u>	<u>-</u>	<u>7,738,316</u>
Change within financial reporting entity nonmajor to major	-	-	-	-
Residual equity transfer	-	-	-	-
Fund balances at beginning of year, as restated	<u>157,996</u>	<u>967,775</u>	<u>-</u>	<u>7,738,316</u>
Fund balances at end of year	<u>\$ 155,552</u>	<u>\$ 916,179</u>	<u>\$ -</u>	<u>\$ 9,430,619</u>

(continued)

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds			
	Stormwater Utility Fund	Parking Fund	Code Enforcement Fund	Law Enforcement Trust
Revenues:				
Taxes	\$	\$	\$	\$
Licenses and permits				
Intergovernmental				
Charges for services	3,192,433	1,791,078	1,346,440	
Fines and forfeits	3,058		260,029	177,908
Interest income	53,064	40,939	45,593	12,721
Donations				
Other	10,510	1,118	2,935	
Total revenues	<u>3,259,065</u>	<u>1,833,135</u>	<u>1,654,997</u>	<u>190,629</u>
Expenditures:				
Current -				
General government				
Public safety				81,986
Transportation		1,499,777		
Culture and recreation				
Economic environment				
Physical environment	3,094,876		1,420,444	
Capital outlay		179,350	92,512	
Debt service -				
Principal retirement				
Interest				
Total expenditures	<u>3,094,876</u>	<u>1,679,127</u>	<u>1,512,956</u>	<u>81,986</u>
Excess (deficiency) of revenues over (under) expenditures	<u>164,189</u>	<u>154,008</u>	<u>142,041</u>	<u>108,643</u>
Other financing sources (uses):				
Transfers in				
Transfers (out)				
Sale of capital assets				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balances	<u>164,189</u>	<u>154,008</u>	<u>142,041</u>	<u>108,643</u>
Fund balances at beginning of year, as previously presented	<u>778,299</u>	<u>794,218</u>	<u>-</u>	<u>245,428</u>
Change within financial reporting entity				
nonmajor to major	-	-	-	-
Residual equity transfer	<u>-</u>	<u>-</u>	<u>1,728,781</u>	<u>-</u>
Fund balances at beginning of year, as restated	<u>778,299</u>	<u>794,218</u>	<u>1,728,781</u>	<u>245,428</u>
Fund balances at end of year	<u>\$ 942,488</u>	<u>\$ 948,226</u>	<u>\$ 1,870,822</u>	<u>\$ 354,071</u>

(continued)

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds			
	Natural Disaster Fund	Golf Course Fund	Eastside Tax Increment Financing District	Inspections Fund
Revenues:				
Taxes	\$	\$	\$	\$
Licenses and permits				2,111,851
Intergovernmental	2,553		284,027	
Charges for services		780,531		29,325
Fines and forfeits				
Interest income		17,117	38,752	76,954
Donations				
Other				30
Total revenues	<u>2,553</u>	<u>797,648</u>	<u>322,779</u>	<u>2,218,160</u>
Expenditures:				
Current -				
General government	106		413,033	
Public safety				2,338,362
Transportation	193,518			
Culture and recreation		1,054,969		
Economic environment				
Physical environment				
Capital outlay		8,777	47,463	204,200
Debt service -				
Principal retirement				
Interest			15,000	
Total expenditures	<u>193,624</u>	<u>1,063,746</u>	<u>475,496</u>	<u>2,542,562</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(191,071)</u>	<u>(266,098)</u>	<u>(152,717)</u>	<u>(324,402)</u>
Other financing sources (uses):				
Transfers in		200,000	184,136	2,655
Transfers (out)			(87,916)	
Sale of capital assets				2,588
Total other financing sources (uses)	<u>-</u>	<u>200,000</u>	<u>96,220</u>	<u>5,243</u>
Net Change in fund balances	<u>(191,071)</u>	<u>(66,098)</u>	<u>(56,497)</u>	<u>(319,159)</u>
Fund balances at beginning of year, as previously presented	<u>3,290,555</u>	<u>484,959</u>	<u>829,724</u>	<u>2,230,190</u>
Change within financial reporting entity				
nonmajor to major	-	-	-	-
Residual equity transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at beginning of year, as restated	<u>3,290,555</u>	<u>484,959</u>	<u>829,724</u>	<u>2,230,190</u>
Fund balances at end of year	<u>\$ 3,099,484</u>	<u>\$ 418,861</u>	<u>\$ 773,227</u>	<u>\$ 1,911,031</u>

(continued)

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds			
	Westside Tax Incremental Financing District	Recreation Fund	Tennis Fund	CMP Management Services Fund
Revenues:				
Taxes	\$	\$	\$	\$
Licenses and permits				
Intergovernmental	1,337,083			
Charges for services		929,002	123,357	
Fines and forfeits				
Interest income	137,867	52,613	12,989	
Donations				
Other		41		
Total revenues	<u>1,474,950</u>	<u>981,656</u>	<u>136,346</u>	<u>-</u>
Expenditures:				
Current -				
General government	891,535			
Public safety				
Transportation				
Culture and recreation		1,018,448	124,159	
Economic environment				
Physical environment				
Capital outlay	925,612		74,771	
Debt service -				
Principal retirement				
Interest				
Total expenditures	<u>1,817,147</u>	<u>1,018,448</u>	<u>198,930</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(342,197)</u>	<u>(36,792)</u>	<u>(62,584)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	866,836			
Transfers (out)	(276,526)			
Sale of capital assets				
Total other financing sources (uses)	<u>590,310</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balances	<u>248,113</u>	<u>(36,792)</u>	<u>(62,584)</u>	<u>-</u>
Fund balances at beginning of year, as previously presented	<u>2,310,649</u>	<u>772,850</u>	<u>275,857</u>	<u>2,355,694</u>
Change within financial reporting entity nonmajor to major	-	-	-	(2,355,694)
Residual equity transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at beginning of year, as restated	<u>2,310,649</u>	<u>772,850</u>	<u>275,857</u>	<u>-</u>
Fund balances at end of year	<u>\$ 2,558,762</u>	<u>\$ 736,058</u>	<u>\$ 213,273</u>	<u>\$ -</u>

(continued)

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Local Option Gas Tax Debt Service</u>	<u>Capital Project Funds</u>
	<u>American Rescue Plan Act Fund</u>	<u>CRA Debt Service</u>	<u>Local Option Gas Tax Debt Service</u>	<u>CRA 2017 Project Fund</u>
Revenues:				
Taxes	\$	\$	\$	\$
Licenses and permits				
Intergovernmental	2,107,699			
Charges for services				
Fines and forfeits				
Interest income		106,378	37,679	174,425
Donations				
Other				
Total revenues	<u>2,107,699</u>	<u>106,378</u>	<u>37,679</u>	<u>174,425</u>
Expenditures:				
Current -				
General government	1,182,107			54,443
Public safety				
Transportation				
Culture and recreation				
Economic environment				
Physical environment				
Capital outlay	925,592			1,266,575
Debt service -				
Principal retirement		2,007,612	1,441,000	
Interest		2,110,608	95,224	
Total expenditures	<u>2,107,699</u>	<u>4,118,220</u>	<u>1,536,224</u>	<u>1,321,018</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(4,011,842)</u>	<u>(1,498,545)</u>	<u>(1,146,593)</u>
Other financing sources (uses):				
Transfers in		4,062,157	1,520,775	
Transfers (out)				
Sale of capital assets				
Total other financing sources (uses)	<u>-</u>	<u>4,062,157</u>	<u>1,520,775</u>	<u>-</u>
Net Change in fund balances	<u>-</u>	<u>50,315</u>	<u>22,230</u>	<u>(1,146,593)</u>
Fund balances at beginning of year, as previously presented	<u>-</u>	<u>4,118,220</u>	<u>1,536,224</u>	<u>5,307,792</u>
Change within financial reporting entity nonmajor to major	-	-	-	-
Residual equity transfer	-	-	-	-
Fund balances at beginning of year, as restated	<u>-</u>	<u>4,118,220</u>	<u>1,536,224</u>	<u>5,307,792</u>
Fund balances at end of year	\$ <u>-</u>	\$ <u>4,168,535</u>	\$ <u>1,558,454</u>	\$ <u>4,161,199</u>

(continued)

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Capital Project Funds		Total
	CRA 2019	Stormwater	Governmental
	Project Fund	Capital	Funds
Revenues:			
Taxes	\$	\$	\$ 1,423,954
Licenses and permits			2,111,851
Intergovernmental			12,262,252
Charges for services			8,211,811
Fines and forfeits			440,995
Interest income	236,281	297,726	1,893,903
Donations			1,030,969
Other			114,634
Total revenues	<u>236,281</u>	<u>297,726</u>	<u>27,490,369</u>
Expenditures:			
Current -			
General government	10,008		7,721,030
Public safety			2,631,427
Transportation			1,840,926
Culture and recreation			2,449,050
Economic environment			243,784
Physical environment		574,652	5,415,330
Capital outlay	3,637,260	1,552,187	11,181,728
Debt service -			
Principal retirement			3,448,612
Interest			2,220,832
Total expenditures	<u>3,647,268</u>	<u>2,126,839</u>	<u>37,152,719</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,410,987)</u>	<u>(1,829,113)</u>	<u>(9,662,350)</u>
Other financing sources (uses):			
Transfers in		2,735,000	13,385,731
Transfers (out)			(5,582,932)
Sale of capital assets			3,459
Total other financing sources (uses)	<u>-</u>	<u>2,735,000</u>	<u>7,806,258</u>
Net Change in fund balances	<u>(3,410,987)</u>	<u>905,887</u>	<u>(1,856,092)</u>
Fund balances at beginning of year, as previously presented	<u>7,942,239</u>	<u>6,295,140</u>	<u>48,432,125</u>
Change within financial reporting entity			
nonmajor to major	-	-	(2,355,694)
Residual equity transfer	-	-	1,728,781
Fund balances at beginning of year, as restated	<u>7,942,239</u>	<u>6,295,140</u>	<u>47,805,212</u>
Fund balances at end of year	<u>\$ 4,531,252</u>	<u>\$ 7,201,027</u>	<u>\$ 45,949,120</u>

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Grants			Local Option Gasoline Tax		
	Budget	Actual	Variance Positive/ (Negative)	Budget	Actual	Variance Positive/ (Negative)
Revenues:						
Taxes	\$	\$	\$	\$ 1,370,000	1,423,954	\$ 53,954
Licenses and permits						
Intergovernmental	59,494,652	1,479,655	(58,014,997)			
Charges for services						
Fines and forfeits						
Interest income					49,525	49,525
Donations	3,308,609	1,030,969	(2,277,640)			
Other						
Total revenues	<u>62,803,261</u>	<u>2,510,624</u>	<u>(60,292,637)</u>	<u>1,370,000</u>	<u>1,473,479</u>	<u>103,479</u>
Expenditures:						
Current -						
General government	443,528	162,315	281,213			
Public safety	1,615,969	211,079	1,404,890			
Transportation	459,055	143,331	315,724	4,300	4,300	-
Culture and recreation	872,232	251,474	620,758			
Economic environment	7,314,437	243,784	7,070,653			
Physical environment	2,454,034	325,358	2,128,676			
Human services						
Capital outlay	49,644,006	1,175,727	48,468,279			
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>62,803,261</u>	<u>2,513,068</u>	<u>60,290,193</u>	<u>4,300</u>	<u>4,300</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(2,444)</u>	<u>(2,444)</u>	<u>1,365,700</u>	<u>1,469,179</u>	<u>103,479</u>
Other financing sources (uses):						
Transfers in						
Transfers (out)				(1,536,300)	(1,520,775)	15,525
Sale of capital assets						
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,536,300)</u>	<u>(1,520,775)</u>	<u>15,525</u>
Net Change in fund balances	\$ <u>-</u>	<u>(2,444)</u>	\$ <u>(2,444)</u>	\$ <u>(170,600)</u>	<u>(51,596)</u>	\$ <u>119,004</u>
Fund balances at beginning of year		<u>157,996</u>			<u>967,775</u>	
Fund balances at end of year		\$ <u>155,552</u>			\$ <u>916,179</u>	

(continued)

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Community Development Block Grant			Community Redevelopment Fund		
	Budget	Actual	Variance Positive/ (Negative)	Budget	Actual	Variance Positive/ (Negative)
Revenues:						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental	2,290,134	593,853	(1,696,281)	6,457,500	6,457,382	(118)
Charges for services				16,000	19,645	3,645
Fines and forfeits						
Interest income		2,138	2,138		501,142	501,142
Donations						
Other					100,000	100,000
Total revenues	<u>2,290,134</u>	<u>595,991</u>	<u>(1,694,143)</u>	<u>6,473,500</u>	<u>7,078,169</u>	<u>604,669</u>
Expenditures:						
Current -						
General government	2,290,134	596,862	1,693,272	10,164,654	4,410,621	5,754,033
Public safety						
Transportation						
Culture and recreation						
Economic environment						
Physical environment						
Human services						
Capital outlay				2,000,682	1,091,702	908,980
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>2,290,134</u>	<u>596,862</u>	<u>1,693,272</u>	<u>12,165,336</u>	<u>5,502,323</u>	<u>6,663,013</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(871)</u>	<u>(871)</u>	<u>(5,691,836)</u>	<u>1,575,846</u>	<u>7,267,682</u>
Other financing sources (uses):						
Transfers in				3,814,200	3,814,172	28
Transfers (out)				(4,815,700)	(3,697,715)	1,117,985
Sale of capital assets		871	871			
Total other financing sources (uses)	<u>-</u>	<u>871</u>	<u>871</u>	<u>(1,001,500)</u>	<u>116,457</u>	<u>1,118,013</u>
Net Change in fund balances	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(6,693,336)</u>	\$ <u>1,692,303</u>	\$ <u>8,385,695</u>
Fund balances at beginning of year		<u>-</u>			<u>7,738,316</u>	
Fund balances at end of year		\$ <u>-</u>			\$ <u>9,430,619</u>	

(continued)

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Stormwater Utility Fund			Parking Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Revenues:						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental						
Charges for services	3,100,600	3,192,433	91,833	1,535,100	1,791,078	255,978
Fines and forfeits	5,000	3,058	(1,942)			
Interest income		53,064	53,064		40,939	40,939
Donations						
Other		10,510	10,510	500	1,118	618
Total revenues	<u>3,105,600</u>	<u>3,259,065</u>	<u>153,465</u>	<u>1,535,600</u>	<u>1,833,135</u>	<u>297,535</u>
Expenditures:						
Current -						
General government						
Public safety						
Transportation				1,833,035	1,499,777	333,258
Culture and recreation						
Economic environment						
Physical environment	3,332,525	3,094,876	237,649			
Human services						
Capital outlay				498,895	179,350	319,545
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>3,332,525</u>	<u>3,094,876</u>	<u>237,649</u>	<u>2,331,930</u>	<u>1,679,127</u>	<u>652,803</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(226,925)</u>	<u>164,189</u>	<u>391,114</u>	<u>(796,330)</u>	<u>154,008</u>	<u>950,338</u>
Other financing sources (uses):						
Transfers in						
Transfers (out)						
Sale of capital assets						
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balances	<u>\$ (226,925)</u>	<u>164,189</u>	<u>\$ 391,114</u>	<u>\$ (796,330)</u>	<u>154,008</u>	<u>\$ 950,338</u>
Fund balances at beginning of year		<u>778,299</u>			<u>794,218</u>	
Fund balances at end of year		<u>\$ 942,488</u>			<u>\$ 948,226</u>	

(continued)

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Code Enforcement Fund			Law Enforcement Trust		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Revenues:						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental						
Charges for services	1,448,500	1,346,440	(102,060)			
Fines and forfeits	100,000	260,029	160,029		177,908	177,908
Interest income		45,593	45,593		12,721	12,721
Donations						
Other		2,935	2,935			
Total revenues	<u>1,548,500</u>	<u>1,654,997</u>	<u>106,497</u>	<u>-</u>	<u>190,629</u>	<u>190,629</u>
Expenditures:						
Current -						
General government						
Public safety				135,202	81,986	53,216
Transportation						
Culture and recreation						
Economic environment						
Physical environment	1,658,160	1,420,444	237,716			
Human services						
Capital outlay	106,640	92,512	14,128	145		145
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>1,764,800</u>	<u>1,512,956</u>	<u>251,844</u>	<u>135,347</u>	<u>81,986</u>	<u>53,361</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(216,300)</u>	<u>142,041</u>	<u>358,341</u>	<u>(135,347)</u>	<u>108,643</u>	<u>243,990</u>
Other financing sources (uses):						
Transfers in						
Transfers (out)						
Sale of capital assets						
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balances	<u>\$ (216,300)</u>	<u>1,870,822</u>	<u>\$ 358,341</u>	<u>\$ (135,347)</u>	<u>108,643</u>	<u>\$ 243,990</u>
Fund balances at beginning of year		<u>-</u>			<u>245,428</u>	
Residual equity transfer		<u>1,728,781</u>			<u>-</u>	
Fund balances at beginning of year, as restated		<u>1,728,781</u>			<u>245,428</u>	
Fund balances at end of year		<u>\$ 1,870,822</u>			<u>\$ 354,071</u>	

(continued)

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Natural Disaster Fund			Golf Course Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Revenues:						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental	22,876,451	2,553	(22,873,898)	798,300	780,531	(17,769)
Charges for services						
Fines and forfeits					17,117	17,117
Interest income						
Donations						
Other						
Total revenues	<u>22,876,451</u>	<u>2,553</u>	<u>(22,873,898)</u>	<u>798,300</u>	<u>797,648</u>	<u>(652)</u>
Expenditures:						
Current -						
General government	22,680,772	106	22,680,666			
Public safety	152,052		152,052			
Transportation	1,656	193,518	(191,862)			
Culture and recreation	41,971		41,971	1,062,214	1,054,969	7,245
Economic environment						
Physical environment						
Human services						
Capital outlay				8,777	8,777	-
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>22,876,451</u>	<u>193,624</u>	<u>22,682,827</u>	<u>1,070,991</u>	<u>1,063,746</u>	<u>7,245</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(191,071)</u>	<u>(191,071)</u>	<u>(272,691)</u>	<u>(266,098)</u>	<u>6,593</u>
Other financing sources (uses):						
Transfers in				200,000	200,000	-
Transfers (out)						
Sale of capital assets						
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net Change in fund balances	<u>\$ -</u>	<u>(191,071)</u>	<u>\$ (191,071)</u>	<u>\$ (72,691)</u>	<u>(66,098)</u>	<u>\$ 6,593</u>
Fund balances at beginning of year		<u>3,290,555</u>			<u>484,959</u>	
Fund balances at end of year		<u>\$ 3,099,484</u>			<u>\$ 418,861</u>	

(continued)

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Eastside Tax Increment Financing District			Inspections Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Revenues:						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits				2,596,100	2,111,851	(484,249)
Intergovernmental	284,100	284,027	(73)			
Charges for services				23,400	29,325	5,925
Fines and forfeits						
Interest income		38,752	38,752		76,954	76,954
Donations						
Other					30	30
Total revenues	<u>284,100</u>	<u>322,779</u>	<u>38,679</u>	<u>2,619,500</u>	<u>2,218,160</u>	<u>(401,340)</u>
Expenditures:						
Current -						
General government	1,105,546	413,033	692,513			
Public safety				2,721,949	2,338,362	383,587
Transportation						
Culture and recreation						
Economic environment						
Physical environment						
Human services						
Capital outlay	63,142	47,463	15,679	229,100	204,200	24,900
Debt service -						
Principal retirement						
Interest	15,000	15,000	-			
Total expenditures	<u>1,183,688</u>	<u>475,496</u>	<u>708,192</u>	<u>2,951,049</u>	<u>2,542,562</u>	<u>408,487</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(899,588)</u>	<u>(152,717)</u>	<u>746,871</u>	<u>(331,549)</u>	<u>(324,402)</u>	<u>7,147</u>
Other financing sources (uses):						
Transfers in	184,200	184,136	(64)		2,655	2,655
Transfers (out)	(89,900)	(87,916)	1,984			
Sale of capital assets					2,588	2,588
Total other financing sources (uses)	<u>94,300</u>	<u>96,220</u>	<u>1,920</u>	<u>-</u>	<u>5,243</u>	<u>5,243</u>
Net Change in fund balances	<u>\$ (805,288)</u>	<u>(56,497)</u>	<u>\$ 748,791</u>	<u>\$ (331,549)</u>	<u>(319,159)</u>	<u>\$ 12,390</u>
Fund balances at beginning of year		<u>829,724</u>			<u>2,230,190</u>	
Fund balances at end of year		<u>\$ 773,227</u>			<u>\$ 1,911,031</u>	

(continued)

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Westside Tax Increment Financing District			Recreation Fund		
	Budget	Actual	Variance Positive/ (Negative)	Budget	Actual	Variance Positive/ (Negative)
Revenues:						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental	1,337,100	1,337,083	(17)	1,016,900	929,002	(87,898)
Charges for services						
Fines and forfeits						
Interest income		137,867	137,867		52,613	52,613
Donations						
Other					41	41
Total revenues	<u>1,337,100</u>	<u>1,474,950</u>	<u>137,850</u>	<u>1,016,900</u>	<u>981,656</u>	<u>(35,244)</u>
Expenditures:						
Current -						
General government	2,969,396	891,535	2,077,861			
Public safety						
Transportation						
Culture and recreation				1,056,100	1,018,448	37,652
Economic environment						
Physical environment						
Human services						
Capital outlay	1,193,584	925,612	267,972			
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>4,162,980</u>	<u>1,817,147</u>	<u>2,345,833</u>	<u>1,056,100</u>	<u>1,018,448</u>	<u>37,652</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,825,880)</u>	<u>(342,197)</u>	<u>2,483,683</u>	<u>(39,200)</u>	<u>(36,792)</u>	<u>2,408</u>
Other financing sources (uses):						
Transfers in	866,900	866,836	(64)			
Transfers (out)	(279,800)	(276,526)	3,274			
Sale of capital assets						
Total other financing sources (uses)	<u>587,100</u>	<u>590,310</u>	<u>3,210</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balances	\$ <u>(2,238,780)</u>	<u>248,113</u>	\$ <u>2,486,893</u>	\$ <u>(39,200)</u>	<u>(36,792)</u>	\$ <u>2,408</u>
Fund balances at beginning of year		<u>2,310,649</u>			<u>772,850</u>	
Fund balances at end of year		\$ <u>2,558,762</u>			\$ <u>736,058</u>	

(continued)

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Tennis Fund			American Rescue Plan Act Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Revenues:						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental				8,563,839	2,107,699	(6,456,140)
Charges for services	128,800	123,357	(5,443)			
Fines and forfeits						
Interest income		12,989	12,989			
Donations						
Other						
Total revenues	<u>128,800</u>	<u>136,346</u>	<u>7,546</u>	<u>8,563,839</u>	<u>2,107,699</u>	<u>(6,456,140)</u>
Expenditures:						
Current -						
General government				4,435,580	1,182,107	3,253,473
Public safety						
Transportation						
Culture and recreation	128,800	124,159	4,641			
Economic environment						
Physical environment						
Human services						
Capital outlay	200,000	74,771	125,229	4,547,459	925,592	3,621,867
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>328,800</u>	<u>198,930</u>	<u>129,870</u>	<u>8,983,039</u>	<u>2,107,699</u>	<u>6,875,340</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(200,000)</u>	<u>(62,584)</u>	<u>137,416</u>	<u>(419,200)</u>	<u>-</u>	<u>419,200</u>
Other financing sources (uses):						
Transfers in						
Transfers (out)						
Sale of capital assets						
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balances	<u>\$ (200,000)</u>	<u>(62,584)</u>	<u>\$ 137,416</u>	<u>\$ (419,200)</u>	<u>-</u>	<u>\$ 419,200</u>
Fund balances at beginning of year		<u>275,857</u>			<u>-</u>	
Fund balances at end of year		<u>\$ 213,273</u>			<u>\$ -</u>	

(continued)

CITY OF PENSACOLA, FLORIDA
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	CRA Debt Service Fund			Local Option Gas Tax Debt Service		
	Budget	Actual	Variance Positive/ (Negative)	Budget	Actual	Variance Positive/ (Negative)
Revenues:						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental						
Charges for services						
Fines and forfeits						
Interest income		106,378	106,378		37,679	37,679
Donations						
Other						
Total revenues	<u>-</u>	<u>106,378</u>	<u>106,378</u>	<u>-</u>	<u>37,679</u>	<u>37,679</u>
Expenditures:						
Current -						
General government						
Public safety						
Transportation						
Culture and recreation						
Economic environment						
Physical environment						
Human services						
Capital outlay						
Debt service -						
Principal retirement	3,074,700	2,007,612	1,067,088	1,441,000	1,441,000	-
Interest	2,110,700	2,110,608	92	95,300	95,224	76
Total expenditures	<u>5,185,400</u>	<u>4,118,220</u>	<u>1,067,180</u>	<u>1,536,300</u>	<u>1,536,224</u>	<u>76</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,185,400)</u>	<u>(4,011,842)</u>	<u>1,173,558</u>	<u>(1,536,300)</u>	<u>(1,498,545)</u>	<u>37,755</u>
Other financing sources (uses):						
Transfers in	5,185,400	4,062,157	(1,123,243)	1,536,300	1,520,775	(15,525)
Transfers (out)						
Sale of capital assets						
Total other financing sources (uses)	<u>5,185,400</u>	<u>4,062,157</u>	<u>(1,123,243)</u>	<u>1,536,300</u>	<u>1,520,775</u>	<u>(15,525)</u>
Net Change in fund balances	<u>\$ -</u>	<u>50,315</u>	<u>\$ 50,315</u>	<u>\$ -</u>	<u>22,230</u>	<u>\$ 22,230</u>
Fund balances at beginning of year		<u>4,118,220</u>			<u>1,536,224</u>	
Fund balances at end of year		<u>\$ 4,168,535</u>			<u>\$ 1,558,454</u>	

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the government on a cost-reimbursement basis.

General Stock Account - to account for the cost of operating a central warehouse facility used by other City departments. Material purchases are recovered from the users.

Insurance Retention Fund - to account for the City's self-insurance program.

Central Services Fund - to account for the operation of the City Mail Room, Management Information Services, Engineering, and City Garage Facilities.

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2024

	General Stock Account	Insurance Retention Fund	Central Services Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,649	\$ 1,469,395	\$ 1,408,814	\$ 2,879,858
Investments	2,084	1,856,705	1,780,157	3,638,946
Accounts receivable (net)		255,342		255,342
Prepaid expenses		412,487	36,247	448,734
Inventory	1,373,784			1,373,784
Total current assets	<u>1,377,517</u>	<u>3,993,929</u>	<u>3,225,218</u>	<u>8,596,664</u>
Noncurrent assets:				
Prepaid expense				
Restricted assets				
Cash and cash equivalents		3,479,032		3,479,032
Investments		4,396,054		4,396,054
Capital assets				
Depreciable (net)			2,539,073	2,539,073
Intangible right-to-use asset (net)			1,070,393	1,070,393
Total noncurrent assets	<u>-</u>	<u>7,875,086</u>	<u>3,609,466</u>	<u>11,484,552</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension		369,646	2,171,579	2,541,225
Deferred OPEB		10,606	100,637	111,243
Total deferred outflows of resources	<u>-</u>	<u>380,252</u>	<u>2,272,216</u>	<u>2,652,468</u>
Total assets and deferred outflows	<u>\$ 1,377,517</u>	<u>\$ 12,249,267</u>	<u>\$ 9,106,900</u>	<u>\$ 22,733,684</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 4,147	\$ 82,353	\$ 47,253	\$ 133,753
Contracts payable		23,000	30,913	53,913
Contracts payable - retainage				-
Accrued interest payable			19,476	19,476
Due to other funds	510,000	31,415	168,861	710,276
Compensated absences payable			382,819	382,819
Claims and judgments payable		2,753,184		2,753,184
SBITA payable			469,707	469,707
Unearned revenue				-
Deposits		17,416		17,416
OPEB Liability		2,025	19,558	21,583
Total current liabilities	<u>514,147</u>	<u>2,909,393</u>	<u>1,138,587</u>	<u>4,562,127</u>
Noncurrent liabilities:				
Compensated absences payable		71,555		71,555
Claims and judgments payable		865,812		865,812
SBITA payable			433,904	433,904
Net pension liability		781,708	4,941,634	5,723,342
OPEB liability		59,281	572,685	631,966
Total noncurrent liabilities	<u>-</u>	<u>1,778,356</u>	<u>5,948,223</u>	<u>7,726,579</u>
Total liabilities	<u>514,147</u>	<u>4,687,749</u>	<u>7,086,810</u>	<u>12,288,706</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension		37,090	238,502	275,592
Deferred OPEB		69,266	538,698	607,964
Total deferred inflows of resources	<u>-</u>	<u>106,356</u>	<u>777,200</u>	<u>883,556</u>
NET POSITION				
Net investment in capital assets			2,701,555	2,701,555
Unrestricted	863,370	7,455,162	(1,458,665)	6,859,867
Total net position	<u>863,370</u>	<u>7,455,162</u>	<u>1,242,890</u>	<u>9,561,422</u>
Total liabilities and net position	<u>\$ 1,377,517</u>	<u>\$ 12,249,267</u>	<u>\$ 9,106,900</u>	<u>\$ 22,733,684</u>

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Stock Account	Insurance Retention Fund	Central Services Fund	Total
Operating revenues:				
Charges for services	\$	\$	\$ 6,637,713	\$ 6,637,713
Health		13,233,039		13,233,039
Dental		342,217		342,217
Vision		68,831		68,831
Life		235,388		235,388
Survivor disability		125,449		125,449
Liability		8,631,207		8,631,207
Other		182,945	26,907	209,852
Total operating revenues	<u>-</u>	<u>22,819,076</u>	<u>6,664,620</u>	<u>29,483,696</u>
Operating expenses:				
Salaries and employee benefits		747,647	4,475,379	5,223,026
Materials and supplies		5,233	141,311	146,544
Repairs and maintenance		388	214,912	215,300
Contractual services		153,401	1,390,333	1,543,734
Office and utilities		189,117	533,121	722,238
Premiums and claims expense -				
General liability		5,448,410		5,448,410
Workmen's compensation		1,140,752		1,140,752
Auto		653,540		653,540
Health		13,060,825		13,060,825
Dental		348,479		348,479
Vision		70,089		70,089
Life		257,592		257,592
Survivor disability		151,280		151,280
Total operating expenses before depreciation	<u>-</u>	<u>22,226,753</u>	<u>6,755,056</u>	<u>28,981,809</u>
Operating income (loss) before depreciation	<u>-</u>	<u>592,323</u>	<u>(90,436)</u>	<u>501,887</u>
Depreciation			734,305	734,305
Operating income (loss)	<u>-</u>	<u>592,323</u>	<u>(824,741)</u>	<u>(232,418)</u>
Nonoperating revenues (expenses):				
Gain (loss) on disposal of fixed assets			22,964	22,964
Interest Expense			(22,205)	(22,205)
Investment interest		452,522	137,933	590,455
Total nonoperating revenues (expenses)	<u>-</u>	<u>452,522</u>	<u>138,692</u>	<u>591,214</u>
Income (loss) before transfers:	<u>-</u>	<u>1,044,845</u>	<u>(686,049)</u>	<u>358,796</u>
Transfers:				
Transfers in (out)			(2,007)	(2,007)
Total transfers	<u>-</u>	<u>-</u>	<u>(2,007)</u>	<u>(2,007)</u>
Change in net position	<u>-</u>	<u>1,044,845</u>	<u>(688,056)</u>	<u>356,789</u>
Net position at beginning of year	<u>863,370</u>	<u>6,410,317</u>	<u>1,930,946</u>	<u>9,204,633</u>
Net position at end of year	<u>\$ 863,370</u>	<u>\$ 7,455,162</u>	<u>\$ 1,242,890</u>	<u>\$ 9,561,422</u>

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>General Stock Account</u>	<u>Insurance Retention Fund</u>	<u>Central Services Fund</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from customers	\$	\$ 17,365,330	\$ 6,664,620	\$ 24,029,950
Cash received from other funds	(155,853)	5,462,394	(2,770,947)	2,535,594
Cash payments to suppliers for goods and services	156,412	(22,019,956)	(4,412,963)	(26,276,507)
Cash payments to employees for services		(722,176)		(722,176)
Net cash provided by (used for) operating activities	<u>559</u>	<u>85,592</u>	<u>(519,290)</u>	<u>(433,139)</u>
Cash flows from noncapital financing activities:				
Net transfers			19,600	19,600
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>19,600</u>	<u>19,600</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets			(602,424)	(602,424)
Proceeds from sale of assets			1,358	1,358
Interest paid on lease/SBITA			(2,926)	(2,926)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(603,992)</u>	<u>(603,992)</u>
Cash flows from investing activities:				
Sale (purchase) of investments	(355)	(443,534)	483,329	39,440
Interest on investments		452,522	137,932	590,454
Net cash provided by (used for) investing activities	<u>(355)</u>	<u>8,988</u>	<u>621,261</u>	<u>629,894</u>
Net increase (decrease) in cash and cash equivalents	<u>204</u>	<u>94,580</u>	<u>(482,421)</u>	<u>(387,637)</u>
Cash and cash equivalents at beginning of year	<u>1,445</u>	<u>4,853,847</u>	<u>1,891,235</u>	<u>6,746,527</u>
Cash and cash equivalents of end of year	<u>\$ 1,649</u>	<u>\$ 4,948,427</u>	<u>\$ 1,408,814</u>	<u>\$ 6,358,890</u>

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
RECONCILIATION OF OPERATING INCOME TO NET CASH
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>General Stock Account</u>	<u>Insurance Retention Fund</u>	<u>Central Services Fund</u>	<u>Total</u>
Operating income (loss)	\$	\$ 592,323	\$ (824,741)	\$ (232,418)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation			734,305	734,305
Change in assets and liabilities:				
(Increase) decrease in accounts receivable		41,613		41,613
(Increase) decrease in inventory	156,412			156,412
(Increase) decrease in due from other funds				0
(Increase) decrease in prepaid expenses		(141,965)	(9,826)	(151,791)
Increase (decrease) in accounts payable	4,147	(20,021)	12,893	(2,981)
Increase (decrease) in contracts payable		23,000	(69,845)	(46,845)
Increase (decrease) in due to other funds	(160,000)	4,670	39,602	(115,728)
Increase (decrease) in deposits		(7,965)		(7,965)
Increase (decrease) in claims and judgments		(401,864)		(401,864)
Increase (decrease) in deferred revenue		(25,000)		(25,000)
Increase (decrease) in SBITA			(494,337)	(494,337)
Increase (decrease) in compensated absences		3,682	(13,309)	(9,627)
Increase (decrease) in net OPEB obligation		(12,560)	(86,114)	(98,674)
Increase (decrease) in net pension liability		29,679	192,082	221,761
Net cash provided by (used for) operating activities	\$ <u>559</u>	\$ <u>85,592</u>	\$ <u>(519,290)</u>	\$ <u>(433,139)</u>

Noncash investing, capital, and financing activities:

	<u>General Stock Account</u>	<u>Insurance Retention Fund</u>	<u>Central Services Fund</u>	<u>Total</u>
SBITA agreements initiated in current year	\$	\$	\$ 1,302,032	\$ 1,302,032

FIDUCIARY FUNDS

Fiduciary funds are trust funds used to account for assets held by the City in a trustee capacity for individuals, other governmental units and/or other funds.

PENSION TRUST FUNDS

Pension Trust Funds account for financial operations of the City's three pension plans.

General Pension and Retirement Fund – to account for the accumulation of resources to be used for pension and retirement payments for substantially all City employees except for those in the Fire and Police Pension Funds. Resources are contributed by employees and the City at actuarially determined rates. On June 18, 2007 the City's General Pension and Retirement Plan was closed to all new employees. Existing participants were given the option to participate in the Florida Retirement System or remain in the City's General Pension and Retirement Plan.

Firefighter's Relief and Pension Fund – to account for the accumulation of resources to be used for pension and retirement payments for all firefighters. Resources are contributed by employees and the City at actuarially determined rates.

Police Officer's Retirement Fund – to account for the accumulation of resources to be used for pension and retirement payments for all police officers. Resources are contributed by employees and the City at actuarially determined rates. On January 1, 2013 the City's Police Officers' Retirement Fund was closed to all new employees. Existing participants were given the option to participate in the Florida Retirement System or remain in the City's Police Officers' Retirement Fund.

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024

	<u>General Pension and Retirement Fund</u>	<u>Firefighter's Relief and Pension Fund</u>	<u>Police Officers' Retirement Fund</u>	<u>Total Pension Trust Funds</u>
ASSETS				
Other cash	\$ 84,929	\$ 380,534	\$ 333,976	\$ 799,439
Receivables:				
Employer	180	325	156	661
Employee	9,915	35,743	8,088	53,746
Private trust funds			82,143	82,143
Due from other funds	5			5
Total receivables	<u>10,100</u>	<u>36,068</u>	<u>90,387</u>	<u>136,555</u>
Investments :				
Short term investments	2,406,134	3,678,233	1,944,330	8,028,697
Debt Securities & Bond Mutual Funds	46,001,353	25,026,362	18,915,332	89,943,047
Convertible Corporate Bonds	11,021,801	11,613,334		22,635,135
Stock Mutual Funds	8,665,790	28,647,978		37,313,768
Mortgage Backed Securities	5,595,873	13,750,816	10,798,775	30,145,464
Commingled Trust Fund	8,422,714	8,284,060	23,380,035	40,086,809
Domestic Stocks	44,963,088	39,628,483	68,171,281	152,762,852
Preferred Stocks	264,005	276,476		540,481
Foreign Stocks	22,539,847	2,735,637	12,115,257	37,390,741
Total investments	<u>149,880,605</u>	<u>133,641,379</u>	<u>135,325,010</u>	<u>418,846,994</u>
Total assets	<u>\$ 149,975,634</u>	<u>\$ 134,057,981</u>	<u>\$ 135,749,373</u>	<u>\$ 419,782,988</u>
LIABILITIES				
Accounts payable	\$ 109,268	\$ 145,773	\$ 63,506	\$ 318,547
Total liabilities	<u>109,268</u>	<u>145,773</u>	<u>63,506</u>	<u>318,547</u>
NET POSITION				
Restricted for pension benefits	<u>\$ 149,866,366</u>	<u>\$ 133,912,208</u>	<u>\$ 135,685,867</u>	<u>\$ 419,464,441</u>

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Pension and Retirement Fund	Firefighter's Relief and Pension Fund	Police Officers' Retirement Fund	Total Pension Trust Funds
Additions:				
Contributions - city	\$ 5,604,123	\$ 1,239,610	\$ 3,411,441	\$ 10,255,174
Contributions - employee	265,284	847,882	194,544	1,307,710
Commission recapture	127	4	5,091	5,222
Insurance proceeds - State of Florida		942,123	847,852	1,789,975
Total contributions	<u>5,869,534</u>	<u>3,029,619</u>	<u>4,458,928</u>	<u>13,358,081</u>
Investment income				
Net appreciation/(loss) in fair value of investments	18,441,510	18,646,255	21,375,335	58,463,100
Interest and dividends	<u>4,411,352</u>	<u>2,824,015</u>	<u>3,271,660</u>	<u>10,507,027</u>
	22,852,862	21,470,270	24,646,995	68,970,127
Less investment expense	<u>586,158</u>	<u>577,775</u>	<u>507,275</u>	<u>1,671,208</u>
Net investment income	<u>22,266,704</u>	<u>20,892,495</u>	<u>24,139,720</u>	<u>67,298,919</u>
Total additions	<u>28,136,238</u>	<u>23,922,114</u>	<u>28,598,648</u>	<u>80,657,000</u>
Deductions:				
Pensions paid - employees	10,810,536	8,060,590	7,319,011	26,190,137
Pensions paid - widows	2,181,147	1,116,537	807,115	4,104,799
Pensions paid - children	2,862			2,862
Refunds to employees		30,539		30,539
Deferred retirement option plan	279,433	1,066,810	126,226	1,472,469
Health insurance assistance	90,188			90,188
Administrative expenses	<u>158,376</u>	<u>140,621</u>	<u>145,321</u>	<u>444,318</u>
Total deductions	<u>13,522,542</u>	<u>10,415,097</u>	<u>8,397,673</u>	<u>32,335,312</u>
Change in net position	<u>14,613,696</u>	<u>13,507,017</u>	<u>20,200,975</u>	<u>48,321,688</u>
Net position restricted for pension benefits:				
Beginning of year	<u>135,252,670</u>	<u>120,405,191</u>	<u>115,484,892</u>	<u>371,142,753</u>
End of year	\$ <u><u>149,866,366</u></u>	\$ <u><u>133,912,208</u></u>	\$ <u><u>135,685,867</u></u>	\$ <u><u>419,464,441</u></u>

STATISTICAL SECTION

This part of the City of Pensacola's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Financial Trends - These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Revenue Capacity - These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property, sales taxes, and utility revenue.

Debt Capacity - These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future. Note the city has no general obligation debt.

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make a comparison over time and with other governments.

Operating Information - These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

FINANCIAL TRENDS

CITY OF PENSACOLA, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General Government	\$ 11,459,325	\$ 10,675,142	\$ 13,421,994	\$ 12,382,833	\$ 12,101,937	\$ 14,024,575	\$ 12,380,195	\$ 18,281,895	\$ 18,703,847	\$ 19,344,410
Public safety	31,187,510	32,478,560	41,001,683	37,978,435	36,484,101	40,407,906	33,074,865	30,403,609	47,513,896	52,945,798
Transportation	3,205,374	4,051,784	2,896,355	4,057,926	5,333,798	6,768,664	7,746,788	8,616,365	9,579,297	9,986,044
Culture and recreation	14,030,560	13,467,494	13,651,877	13,787,334	14,315,481	14,374,666	16,196,710	18,695,537	17,947,317	18,058,922
Economic environment	16,362,079	16,502,619	17,947,509	18,318,018	16,877,887	17,914,891	18,373,202	18,189,837	19,906,544	21,209,080
Physical environment	5,470,198	3,146,051	4,218,895	4,033,681	5,524,973	7,903,072	13,195,272	5,331,122	8,444,383	7,526,155
Human services	30,000	30,000	30,000	30,000	14,492,331 (c)	9,453,927	30,000	21,666		
Unallocated depreciation	3,592,828	3,898,568	4,139,867	2,025,235	1,917,285	1,797,534	1,716,378	1,682,419	1,638,021	1,623,010
Interest on long-term debt	5,091,611	5,139,876	4,514,339	4,324,860	5,953,180	3,144,298	2,909,320	2,726,705	2,589,840	2,449,522
Total governmental activities expenses	<u>90,429,485</u>	<u>89,390,094</u>	<u>101,822,519</u>	<u>96,938,322</u>	<u>113,000,973</u>	<u>115,789,533</u>	<u>105,622,730</u>	<u>103,949,155</u>	<u>126,323,145</u>	<u>133,142,941</u>
Business-type activities:										
Utility	30,526,216	31,136,870	33,575,070	34,940,330	34,105,382	31,835,300	32,896,169	55,485,713	50,567,655	40,695,251
Sanitation	6,115,820	6,883,649	7,385,517	6,901,117	7,488,155	7,805,854	7,884,591	8,030,569	8,778,303	8,065,647
Port	2,609,159	2,601,580	2,869,779	2,615,462	2,713,331	3,521,004	3,070,577	3,785,115	3,598,499	3,701,417
Airport	23,833,660	25,085,705	25,102,535	26,533,722	28,606,833	28,398,131	26,204,842	28,985,668	33,370,793	39,275,667
Total business-type activities expenses	<u>63,084,855</u>	<u>65,707,804</u>	<u>68,932,901</u>	<u>70,990,631</u>	<u>72,913,701</u>	<u>71,560,289</u>	<u>70,056,179</u>	<u>96,287,065</u>	<u>96,315,250</u>	<u>91,737,982</u>
Total primary government expenses	<u>\$ 153,514,340</u>	<u>\$ 155,097,898</u>	<u>\$ 170,755,420</u>	<u>\$ 167,928,953</u>	<u>\$ 185,914,674</u>	<u>\$ 187,349,822</u>	<u>\$ 175,678,909</u>	<u>\$ 200,236,220</u>	<u>\$ 222,638,395</u>	<u>\$ 224,880,923</u>
Program Revenues										
Governmental activities:										
Charges for Services:										
General Government	\$ 538,272	\$ 540,401	\$ 492,954	\$ 296,437	\$ 286,817	\$ 1,220,454	\$ 261,078	\$ 153,200	\$ 316,530	\$ 378,339
Public safety	2,304,786	2,165,304	2,434,239	2,191,063	2,553,611	2,584,504	3,856,136	3,846,061	3,877,867	3,289,626
Transportation	636,372	722,452	808,801	695,121	738,270	967,281	1,817,144	2,128,911	2,080,499	2,710,873
Culture and recreation	2,817,702	3,064,679	2,996,558	2,826,837	2,777,016	1,749,952	2,605,833	2,647,772	2,941,634	2,655,130
Physical environment	2,609,127	2,785,085	2,713,930	2,779,337	2,845,664	2,845,965	2,902,846	2,994,884	3,142,705	4,732,452
Operating grants and contributions	19,435,541	20,937,879	20,751,603	21,219,767	36,160,940	32,131,025	31,148,673	48,204,504	36,252,808	32,352,377
Capital grants and contributions	9,770,999	5,240,998	5,952,566	3,239,646	2,533,119	1,675,802	938,171	1,303,263	1,241,271	3,067,474
Total governmental activities program revenues	<u>38,112,799</u>	<u>35,456,798</u>	<u>36,150,651</u>	<u>33,248,208</u>	<u>47,895,437</u>	<u>43,174,983</u>	<u>43,529,881</u>	<u>61,278,595</u>	<u>49,853,314</u>	<u>49,186,271</u>
Business-type activities:										
Charges for Services										
Utility	45,466,269	43,278,297	44,741,994	49,914,141	50,231,748	46,608,310	50,804,613	69,715,079	59,780,737	53,371,891
Sanitation	7,060,514	7,084,148	7,190,675	7,744,185	8,255,120	8,439,456	8,867,686	9,355,523	9,946,996	8,374,096
Port	1,900,212	1,609,280	1,058,964	1,259,626	2,400,834	2,740,267	2,809,593	2,881,597	2,870,396	2,522,255
Airport	21,073,261	21,887,992	21,638,635	23,190,940	25,921,379	20,718,662	22,276,241	28,883,526	31,329,994	35,120,244
Operating grants and contributions							5,866,730			
Capital grants and contributions	8,685,517	12,843,595	28,704,147	24,610,034	10,172,410	16,912,674	17,894,768	59,978,639	33,543,067	18,967,656
Total business-type activities program revenues	<u>84,185,773</u>	<u>86,703,312</u>	<u>103,334,415</u>	<u>106,718,926</u>	<u>96,981,491</u>	<u>95,419,369</u>	<u>108,519,631</u>	<u>170,814,364</u>	<u>137,471,190</u>	<u>118,356,142</u>
Total primary government program revenues	<u>\$ 122,298,572</u>	<u>\$ 122,160,110</u>	<u>\$ 139,485,066</u>	<u>\$ 139,967,134</u>	<u>\$ 144,876,928</u>	<u>\$ 138,594,352</u>	<u>\$ 152,049,512</u>	<u>\$ 232,092,959</u>	<u>\$ 187,324,504</u>	<u>\$ 167,542,413</u>

(continued)

CITY OF PENSACOLA, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense)/Revenue										
Governmental activities	\$ (52,316,686)	\$ (53,933,296)	\$ (65,671,868)	\$ (63,690,114)	\$ (65,105,536)	\$ (72,614,550)	\$ (62,092,849)	(42,670,560)	(76,469,831)	(83,956,670)
Business-type activities	21,100,918	20,995,508	34,401,514	35,728,295	24,067,790	23,859,080	38,463,452	74,527,299	41,155,940	26,618,160
Total primary government net expenses	\$ (31,215,768)	\$ (32,937,788)	\$ (31,270,354)	\$ (27,961,819)	\$ (41,037,746)	\$ (48,755,470)	\$ (23,629,397)	\$ 31,856,739	\$ (35,313,891)	\$ (57,338,510)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes	\$ 12,728,973	\$ 13,312,773	\$ 13,781,024	\$ 14,638,449	\$ 15,718,156	\$ 16,953,100	\$ 18,137,244	\$ 19,640,104	\$ 21,873,778	\$ 24,464,687
Public service taxes and franchise fees	16,339,157	16,000,690	16,092,524	17,222,374	17,135,120	17,097,763	17,473,081	19,100,875	19,955,379	19,284,664
Communication services tax	3,026,561	3,127,266	2,853,565	3,095,646	3,069,511	3,185,927	3,159,425	2,906,976	2,934,967	3,258,330
Local business tax	909,057	914,773	902,333	915,792	939,973	944,046	918,590	929,411	938,060	945,409
Local option gasoline tax	1,541,616	1,585,310	1,353,590	1,365,613	1,364,246	1,301,270	1,431,737	1,428,853	1,477,395	1,423,954
Local option sales tax	7,337,154	7,662,504	7,881,842	8,524,108	8,901,413	8,698,808	10,718,928	12,234,245	12,194,355	12,212,289
Intergovernmental revenues	6,719,109	6,846,265	6,999,518	7,330,410	7,630,878	7,485,820	8,225,603	9,831,242	9,754,477	9,414,585
Unrestricted investment earnings	1,939,068	2,026,216	1,780,315	946,252	1,683,080	1,358,607	326,148	590,532	2,265,910	4,396,700
Insurance recoveries								272,997		
Miscellaneous	4,872	14,316	139,669	35,573	29,113	38,755	58,984	199,714	226,811	373,197
Net gain (loss) on sale of asset	56,851		1,496,281	2,529,358	708,896	94,056	84,366	65,623	97,367	225,719
Special item	5,351,922	(a)	14,266,276	(b)			689,131			
Transfers	8,070,459	8,000,000	8,000,000	8,000,000	7,282,376	5,752,854	6,966,490	7,226,404	7,229,019	10,914,627
Overhead transfers	2,376,600	2,355,500	2,458,900	2,480,300	2,662,700	2,708,800	2,839,300	3,066,900	2,822,500	3,008,500
Total governmental activities	66,401,399	61,845,613	78,005,837	67,083,875	67,125,462	65,619,806	71,029,027	77,493,876	81,770,018	89,922,661
Business-type activities:										
Unrestricted investment earnings	170,836	215,216	467,169	837,949	1,353,089	1,281,334	377,237	931,927	4,181,440	6,351,988
Insurance recoveries							1,650,924			
Miscellaneous	511,037	424,772	919,630	753,915	605,249	515,442	635,705	703,755	915,681	556,307
Net gain (loss) on sale of asset	19,196		64,870	29,531	112,180	75,921	93,536	60,760	9,200	33,073
Transfers	(8,070,459)	(8,000,000)	(8,000,000)	(8,000,000)	(7,282,376)	(5,752,854)	(6,966,490)	(7,226,404)	(7,229,019)	(10,914,627)
Overhead transfers	(2,376,600)	(2,355,500)	(2,458,900)	(2,480,300)	(2,662,700)	(2,708,800)	(2,839,300)	(3,066,900)	(2,822,500)	(3,008,500)
Total business-type activities	(9,745,990)	(9,715,512)	(9,007,231)	(8,858,905)	(7,874,558)	(6,588,957)	(7,048,388)	(8,596,862)	(4,945,198)	(6,981,759)
Total primary government	\$ 56,655,409	\$ 52,130,101	\$ 68,998,606	\$ 58,224,970	\$ 59,250,904	\$ 59,030,849	\$ 63,980,639	\$ 68,897,014	\$ 76,824,820	\$ 82,940,902
Change in Net Position										
Governmental activities	\$ 14,084,713	\$ 7,912,317	\$ 12,333,969	\$ 3,393,761	\$ 2,019,926	\$ (6,994,744)	\$ 8,936,178	\$ 34,823,316	\$ 5,300,187	\$ 5,965,991
Business-type activities	11,354,928	11,279,996	25,394,283	26,869,390	16,193,232	17,270,123	31,415,064	65,930,437	36,210,742	19,636,401
Total primary government	\$ 25,439,641	\$ 19,192,313	\$ 37,728,252	\$ 30,263,151	\$ 18,213,158	\$ 10,275,379	\$ 40,351,242	\$ 100,753,753	\$ 41,510,929	\$ 25,602,392

Notes:

- (a) In FY 15, BP claim was settled for the BP Deep Horizon Oil Spill in 2010 and the City was awarded \$5,351,922
(b) In FY 17, the City cancelled the \$54,079,902 loan the CTA Investment Fund, LLC made to CMPA and the loan the City made to CTA Investment Fund, LLC which resulted in a net gain to the City of \$14,266,276.
(c) In FY 19, the City created the Hospital Special Assement Fund to account for the receipts from local hospitals and subsequently submit to the State for health care provisions.

CITY OF PENSACOLA, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	<u>2015 (a)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities										
Net investment in capital assets	\$ 173,000,255	\$ 163,348,312	\$ 190,491,657	\$ 191,203,167	\$ 186,615,457	\$ 186,703,675	\$ 190,220,754	\$ 192,144,576	\$ 197,105,128	\$ 197,344,530
Restricted	27,838,599	35,352,306	29,751,412	23,754,264	24,688,258	29,203,635	24,748,663	27,110,940	25,290,316	33,499,680
Unrestricted	(63,328,173)	(53,277,620)	(62,486,102)	(58,653,937)	(52,980,295)	(64,578,634)	(54,704,563)	(23,526,321)	(21,366,062)	(22,120,056)
Total governmental activities net position	<u>\$ 137,510,681</u>	<u>\$ 145,422,998</u>	<u>\$ 157,756,967</u>	<u>\$ 156,303,494</u>	<u>\$ 158,323,420</u>	<u>\$ 151,328,676</u>	<u>\$ 160,264,854</u>	<u>\$ 195,729,195</u>	<u>\$ 201,029,382</u>	<u>\$ 208,724,154</u>
Business-type activities										
Net investment in capital assets	\$ 135,878,607	\$ 142,842,026	\$ 168,168,989	\$ 186,225,485	\$ 194,787,731	\$ 198,846,540	\$ 212,977,675	\$ 268,611,152	\$ 282,278,975	\$ 290,299,563
Restricted	9,904,200	9,956,165	10,497,398	12,176,912	13,227,612	13,905,112	20,333,112	22,407,112	24,857,112	59,583,359
Unrestricted	20,040,759	24,305,371	23,831,458	29,067,346	35,647,632	48,181,446	59,037,375	67,423,400	87,511,964	62,672,749
Total business-type activities net position	<u>\$ 165,823,566</u>	<u>\$ 177,103,562</u>	<u>\$ 202,497,845</u>	<u>\$ 227,469,743</u>	<u>\$ 243,662,975</u>	<u>\$ 260,933,098</u>	<u>\$ 292,348,162</u>	<u>\$ 358,441,664</u>	<u>\$ 394,648,051</u>	<u>\$ 412,555,671</u>
Primary government										
Net investment in capital assets	\$ 308,878,862	\$ 306,190,338	\$ 358,660,646	\$ 377,428,652	\$ 381,403,188	\$ 385,550,215	\$ 403,198,429	\$ 460,755,728	\$ 479,384,103	\$ 487,644,093
Restricted	37,742,799	45,308,471	40,248,810	35,931,176	37,915,870	43,108,747	45,081,775	49,518,052	50,147,428	93,083,039
Unrestricted	(43,287,414)	(28,972,249)	(38,654,644)	(29,586,591)	(17,332,663)	(16,397,188)	4,332,812	43,897,079	66,145,902	40,552,693
Total primary government net position	<u>\$ 303,334,247</u>	<u>\$ 322,526,560</u>	<u>\$ 360,254,812</u>	<u>\$ 383,773,237</u>	<u>\$ 401,986,395</u>	<u>\$ 412,261,774</u>	<u>\$ 452,613,016</u>	<u>\$ 554,170,859</u>	<u>\$ 595,677,433</u>	<u>\$ 621,279,825</u>

Notes: (a) The City implemented GASB Statement 68 in fiscal year 2015.

CITY OF PENSACOLA, FLORIDA
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Function/Programs	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
General government	\$ 3,283,833	\$ 3,427,107	\$ 3,700,398	\$ 3,901,755	\$ 4,479,037	\$ 6,187,932	\$ 6,211,248	\$ 12,180,037	\$ 10,592,312	\$ 10,866,757
Public safety	2,484,036	2,349,489	2,666,971	2,280,040	2,818,481	2,677,146	4,743,763	4,208,681	4,053,510	3,767,244
Transportation	2,807,030	1,911,016	808,801	695,121	747,358	967,281	2,252,364	10,864,110	3,614,261	3,081,632
Culture and recreation	6,822,539	5,076,963	4,168,728	3,916,783	4,118,589	1,819,592	5,802,050	12,715,325	5,191,135	5,388,005
Economic environment	16,793,245	17,147,764	17,850,657	17,484,499	16,858,471	17,662,062	18,985,778	17,984,432	19,175,383	20,633,872
Physical environment	5,922,116	5,544,459	6,955,096	4,970,010	4,411,169	4,437,043	5,534,678	3,326,010	7,226,713	5,448,761
Human services					14,462,332 (a)	9,423,927				
Total governmental activities	<u>38,112,799</u>	<u>35,456,798</u>	<u>36,150,651</u>	<u>33,248,208</u>	<u>47,895,437</u>	<u>43,174,983</u>	<u>43,529,881</u>	<u>61,278,595</u>	<u>49,853,314</u>	<u>49,186,271</u>
Business-type activities:										
Utility	45,939,470	43,761,940	45,297,295	50,548,308	50,231,748	46,608,310	50,804,613	69,715,079	60,319,429	53,896,398
Sanitation	7,074,746	7,084,148	7,192,089	7,744,185	8,255,120	9,620,538	8,867,686	10,395,004	9,946,996	8,374,096
Port	2,108,450	2,457,376	2,753,554	4,971,116	5,186,090	3,156,635	3,842,119	3,321,881	3,435,479	4,152,589
Airport	29,063,107	33,399,848	48,091,477	43,455,317	33,308,533	36,033,886	45,005,213	87,382,400	63,769,286	51,933,059
Total business-type activities	<u>84,185,773</u>	<u>86,703,312</u>	<u>103,334,415</u>	<u>106,718,926</u>	<u>96,981,491</u>	<u>95,419,369</u>	<u>108,519,631</u>	<u>170,814,364</u>	<u>137,471,190</u>	<u>118,356,142</u>
Total primary government	<u>\$ 122,298,572</u>	<u>\$ 122,160,110</u>	<u>\$ 139,485,066</u>	<u>\$ 139,967,134</u>	<u>\$ 144,876,928</u>	<u>\$ 138,594,352</u>	<u>\$ 152,049,512</u>	<u>\$ 232,092,959</u>	<u>\$ 187,324,504</u>	<u>\$ 167,542,413</u>

Notes: (a) In FY 19, the City created the Hospital Special Assesment Fund to account for the receipts from local hospitals and subsequently submit to the State for health care provisions.

CITY OF PENSACOLA, FLORIDA
FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Non-spendable	\$ 31,016	\$ 28,729	\$ 23,339	\$ 23,422	\$ 26,635	\$ 50,814	\$ 43,890	\$ 48,499	\$ 58,739	\$ 439,144
Restricted	632,697	665,283	891,857	1,038,512	880,968	1,064,330	1,154,652	1,191,930	2,425,112	3,057,843
Committed	9,210,488	10,143,175	11,694,280	14,017,235	14,397,663	14,628,212	14,620,074	14,677,876	14,928,663	16,204,090
Assigned	2,761,806	2,640,289	2,692,973	4,591,459	7,170,387	9,236,622	9,879,232	9,881,458	11,415,117	11,722,500
Unassigned	1,102,141	1,128,736	1,721,705	208,800	1,516,294	537,926	98,402	3,222,097	2,408,440	728,157
Total General Fund	\$ <u>13,738,148</u>	\$ <u>14,606,212</u>	\$ <u>17,024,154</u>	\$ <u>19,879,428</u>	\$ <u>23,991,947</u>	\$ <u>25,517,904</u>	\$ <u>25,796,250</u>	\$ <u>29,021,860</u>	\$ <u>31,236,071</u>	\$ <u>32,151,734</u>
All Other Governmental Funds										
Non-spendable	\$ 7,510,198	\$ 3,437,808	\$ 3,519,866	\$ 17,153	\$ 19,944	\$ 20,867	\$ 18,040	\$ 24,383	\$ 27,376	\$ 169,493
Restricted	58,928,951	75,306,214 (a)	38,838,782	53,562,885	62,274,000	56,111,278	49,200,597	47,574,085	37,780,305	40,792,937
Committed	5,760,423	6,525,521	5,888,016	5,181,575	5,571,152	4,191,794	3,121,347	4,494,441	6,767,470	7,244,871
Assigned	3,137,792	1,712,813	867,343	716,721	872,612	4,844,743	6,913,127	7,710,896	11,593,691	11,498,243
Unassigned	(7,341,255)	(6,642,268)	(8,547,881)	(260,165)	(415,247)	(8,620,052)	(15,550,037)	(3,962,014)	(3,281,408)	(687,826)
Total all other governmental funds	\$ <u>67,996,109</u>	\$ <u>80,340,088</u>	\$ <u>40,566,126</u>	\$ <u>59,218,169</u>	\$ <u>68,322,461</u>	\$ <u>56,548,630</u>	\$ <u>43,703,074</u>	\$ <u>55,841,791</u>	\$ <u>52,887,434</u>	\$ <u>59,017,718</u>

Notes:

(a) Increase in restricted fund balance is related to the unspent bond proceeds in the Local Option Gas Tax Project Fund.

CITY OF PENSACOLA, FLORIDA
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year										
Revenues	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Taxes	\$ 33,316,544	\$ 34,076,354	\$ 34,883,249	\$ 37,034,176	\$ 38,493,239	\$ 39,663,462	\$ 43,132,137	\$ 46,421,093	\$ 49,184,082	\$ 51,974,134	
Licenses and permits	1,346,721	1,415,580	1,771,849	1,593,488	1,751,816	1,797,767	3,124,299	2,858,523	2,688,873	2,290,835	
Franchise fees	8,565,974	8,289,710	8,218,881	8,727,806	8,635,180	8,517,452	8,706,868	9,819,371	10,189,852	9,615,200	
Intergovernmental	34,883,053	31,227,672	31,348,598	30,882,832	31,258,032	32,281,626	39,864,893	58,976,026	45,786,490	43,427,167	
Charges for services	6,634,483	6,995,182	7,008,094	6,621,643	6,763,745	6,058,848	7,894,124	8,402,116	8,863,288	10,606,087	
Fines and forfeits	318,933	286,782	153,648	166,780	271,104	239,869	147,436	280,272	144,226	539,604	
Assessments	14,347	27,187	78,741	52,326	14,519,578	9,462,697	52,383	14,748	15,239	27,969	
Interest income	1,943,368	2,045,038	1,812,692	994,564	1,714,509	1,401,730	341,669	579,606	2,589,126	3,806,245	
Donations	106,536	1,017,668	2,011,038	1,125,245	71,160	20,498	87,071	246,302	801,989	1,283,060	
Other	915,518	1,320,438	775,965	840,582	647,406	713,365	681,761	948,697	754,366	1,114,583	
Total revenues	88,045,477	86,701,611	88,062,755	88,039,442	104,125,769	100,157,314	104,032,641	128,546,754	121,017,531	124,684,884	
Expenditures											
Current -											
General government	9,763,178	8,731,145	8,756,239	9,394,210	9,315,718	10,686,826	11,221,735	16,371,718	14,664,641	16,679,478	
Public safety	33,344,112	32,344,989	31,692,091	32,948,093	33,820,334	35,378,579	37,090,021	38,774,148	40,953,265	44,644,026	
Transportation	3,002,495	3,703,713	2,601,106	2,484,138	3,030,089	3,966,855	5,044,289	5,411,710	5,249,321	6,069,209	
Culture and recreation	9,888,492	8,961,041	8,901,116	9,207,741	9,255,731	9,168,428	12,575,652	14,054,641	12,237,409	12,348,841	
Economic environment	16,379,088	16,512,073	17,840,723	17,613,088	16,821,741	17,765,989	18,572,942	18,375,011	19,626,665	21,144,390	
Physical environment	5,596,702	3,345,057	4,089,950	3,233,928	4,190,835	5,791,302	11,828,268	3,879,288	6,141,812	5,415,530	
Human services	30,000	30,000	30,000	30,000	14,492,331	9,453,927	30,000	21,666			
Capital outlay	10,770,532	12,963,404	18,210,965	23,324,603	14,190,938	14,818,379	17,316,526	15,963,344	21,935,926	15,976,403	
Debt service -											
Principal retirement	3,520,000	3,695,000	4,561,000	7,740,418	6,332,419	6,593,729	7,048,568	5,483,571	5,591,068	5,724,612	
Interest	5,602,755	5,600,516	5,182,598	3,934,010	4,240,349	2,625,797	2,961,332	2,780,201	2,644,897	2,506,223	
Total expenditures	97,897,354	95,886,938	101,865,788	109,910,229	115,690,485	116,249,811	123,689,333	121,115,298	129,045,004	130,508,712	
Excess (deficiency) of revenues over (under) expenditures	(9,851,877)	(9,185,327)	(13,803,033)	(21,870,787)	(11,564,716)	(16,092,497)	(19,656,692)	7,431,456	(8,027,473)	(5,823,828)	

(continued)

CITY OF PENSACOLA, FLORIDA
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other financing sources (uses)										
Transfers in	22,172,579	21,700,560	22,697,499	18,645,522	23,813,700	22,556,620	25,216,696	24,561,143	21,029,094	24,523,331
Transfers (out)	(14,379,367)	(13,525,081)	(13,388,403)	(10,645,522)	(16,531,324)	(16,803,766)	(18,250,206)	(17,334,739)	(13,805,631)	(13,606,697)
Capital Lease Note Issuance	6,460,954 (c)									
Loan proceeds			100,000		58,140,000					
Sale of capital assets	55,366		1,487,365	2,526,004	701,970	91,769	84,366	65,190	63,864	224,360
Insurance recoveries			20,000							
Payment to refund debt					(41,182,811)					
Bonds Issued		14,314,000	5,389,000	33,000,000						
Issuance Cost		(92,109)	(44,822)	(147,900)	(160,008)					
Total other financing sources (uses)	14,309,532	22,397,370	16,260,639	43,378,104	24,781,527	5,844,623	7,050,856	7,291,594	7,287,327	11,140,994
Net change in fund balances before prior period adjustments/special items	4,457,655	13,212,043	2,457,606	21,507,317	13,216,811	(10,247,874)	(12,605,836)	14,723,050	(740,146)	5,317,166
Special Item-NMTC Unwind			(39,813,626) (d)							
Special item - BP Settlement	5,351,922 (b)									
Special item - Parking Transfer							38,626			
PPA/Change in accounting principle								641,277		
Special item - Residual Equity Transfer										1,728,781 (e)
Net change in fund balances	\$ 9,809,577	\$ 13,212,043	\$ (37,356,020)	\$ 21,507,317	\$ 13,216,811	\$ (10,247,874)	\$ (12,567,210)	\$ 15,364,327	\$ (740,146)	\$ 7,045,947
Debt service as a percentage of noncapital expenditures	10.47%	11.21%	11.65%	13.48%	10.42%	9.09%	9.41%	7.86%	7.69%	7.19%

Notes:

- (a) In FY 14, Maritime Community Construction Fund was closed and residual equity transfers were made to the CRA and Debt Service Fund.
(b) In FY 15, BP claim was settled for the BP Deep Horizon Oil Spill in 2010 and the City was awarded \$5,351,922.
(c) In FY 15, Motorola released \$6,460,954 to finance the acquisition of technology related equipment.
(d) In FY 17, the City forgave the loan made with CTA Investment Fund, LLC of \$39,813,626.
(e) In FY 24, Code Enforcement was transferred from the Sanitation Fund (a proprietary fund) to its own governmental fund.

REVENUE CAPACITY

CITY OF PENSACOLA, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(in thousands of dollars)

Fiscal Year	Personal Property	Real Property	Central Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2015	\$ 539,820	\$ 4,491,889	\$ 5,682	\$ 1,964,598	\$ 3,072,793	4.2895
2016	561,229	4,729,674	5,627	2,109,546	3,186,984	4.2895
2017	507,305	5,034,056	5,850	2,222,806	3,324,405	4.2895
2018	520,566	5,306,319	5,809	2,307,122	3,525,572	4.2895
2019	557,576	5,717,586	6,173	2,500,346	3,780,989	4.2895
2020	668,682	6,182,529	5,985	2,769,526	4,087,670	4.2895
2021	605,422	6,504,333	6,640	2,745,635	4,370,760	4.2895
2022	685,264	7,081,565	7,071	3,048,367	4,725,533	4.2895
2023	712,250	8,232,474	7,507	3,690,072	5,262,159	4.2895
2024	770,453	9,209,497	7,897	4,091,225	5,896,622	4.2895

Source: Escambia County Property Appraiser's Office

Notes: Property is reassessed every year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

CITY OF PENSACOLA, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)

Fiscal Year	City Of Pensacola Total Direct Rate	Overlapping Rates				
		City Of Pensacola Downtown Improvement Board	Escambia County School Board	Escambia County (a)	Escambia County Library MSTU (b)	Northwest Florida Water Management District
2014	4.2895	2.0000	7.5570	6.6165	0.3590	0.0400
2015	4.2895	2.0000	7.3220	6.6165	0.3590	0.0390
2016	4.2895	2.0000	7.1130	6.6165	0.3590	0.0378
2017	4.2895	2.0000	6.8760	6.6165	0.3590	0.0366
2018	4.2895	2.0000	6.6310	6.6165	0.3590	0.0353
2019	4.2895	2.0000	6.3250	6.6165	0.3590	0.0338
2020	4.2895	2.0000	6.0430	6.6165	0.3590	0.0327
2021	4.2895	2.0000	5.9280	6.6165	0.3590	0.0311
2022	4.2895	2.0000	5.6570	6.6165	0.3590	0.0294
2023	4.2895	2.0000	5.2740	6.6165	0.3590	0.0261
2024	4.2895	2.0000	5.1440	6.6165	0.3590	0.0234

Source: Escambia County Tax Collector

- Notes:** (a) Escambia County property tax rates do not include MSTU rate. The MSTU rate is a rate charged to County-Only residents.
(b) Beginning FY 2014 Escambia County began applying Library MSTU to fund the West Florida Public Library System. This MSTU is charged to both City and County properties.

**CITY OF PENSACOLA, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Sacred Heart Hospital	\$ 328,419,360	1	0.79%	\$ 141,639,913	1	0.71%
Florida Power & Light / Gulf Power	233,406,105	2	0.56%	112,850,509	2	0.57%
Pensacola Southtowne Owner LLC	66,327,615	3	0.16%	---	---	---
Chapins Landing	59,292,134	4	0.14%	---	---	---
Simon Debartolo/Simon Properties	56,516,052	5	0.14%	39,909,212	4	0.20%
Palmilla Residences LLC	42,268,359	6	0.10%	---	---	---
Armstrong World Industries	38,392,777	7	0.09%	30,200,955	5	0.15%
AHPC Cordove / Crestview	31,661,355	8	0.08%	---	---	---
Hallmark Sterling Hill LLC	27,048,348	9	0.07%	---	---	---
Walmart	26,115,237	10	0.06%	14,546,092	7	0.07%
Baptist Hospital	---	---	---	51,790,503	3	0.26%
Bellsouth/Southern Bell	---	---	---	15,856,882	6	0.08%
Moulton Properties	---	---	---	12,651,159	9	0.06%
Reichhold Inc/Arizona Chemical	---	---	---	14,235,868	8	0.07%
Holi Corp	---	---	---	12,543,877	10	0.06%
Total	\$ <u>909,447,342</u>		<u>2.19%</u>	\$ <u>446,224,970</u>		<u>2.25%</u>

Source: Escambia County Tax Collector

**CITY OF PENSACOLA, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
PAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year (a)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (c)	Totals Collections to Date	
		Amount (b)	Percentage of Levy		Amount (d)	Percentage of Levy
2015	\$ 13,156,494	12,701,481	96.5%	\$ 27,493	\$ 12,728,974	96.8%
2016	13,670,568	13,232,668	96.8%	80,105	13,312,773	97.4%
2017	14,260,035	13,768,035	96.6%	12,989	13,781,024	96.6%
2018	15,122,942	14,589,079	96.5%	49,369	14,638,448	96.8%
2019	16,218,558	15,655,210	96.5%	62,946	15,718,156	96.9%
2020	17,534,064	16,896,732	96.4%	56,368	16,953,100	96.7%
2021	18,748,372	18,093,919	96.5%	43,324	18,137,243	96.7%
2022	20,270,174	19,551,223	96.5%	88,881	19,640,104	96.9%
2023	22,572,035	21,831,672	96.7%	42,106	21,873,778	96.9%
2024	25,292,015	24,419,968	96.6%	44,719	24,464,687	96.7%

Source: Escambia County Tax Collector.

Notes: (a) The tax levy is based on the tax roll as certified by the Escambia County Property Appraiser.
(b) Current tax collections are after applicable discounts for early payment.
(c) Collections represent subsequent and current year delinquent revenues.
(d) Property taxes collected are accounted for in the General Fund.

CITY OF PENSACOLA, FLORIDA
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS
(in thousands of dollars)

	Calendar Year										
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024 (a)</u>
General merchandise stores	\$ 741,251	\$ 747,540	\$ 796,846	\$ 764,661	\$ 772,478	\$ 804,314	\$ 837,736	\$ 922,191	\$ 915,586	\$ 941,767	\$ 704,341
Grocery stores	242,179	252,702	259,820	275,592	291,707	305,567	341,687	380,464	412,962	430,691	327,557
Hotels and apartments	239,013	260,427	278,032	292,298	325,431	350,089	294,496	451,104	489,960	487,906	396,410
Lumber and building materials	269,521	273,741	306,993	343,579	368,248	415,590	541,361	774,009	691,271	596,136	472,458
Manufacturing and mining	62,944	69,620	79,555	101,702	130,644	120,665	99,706	129,589	154,433	142,217	116,157
Motor vehicle dealers	823,294	861,382	902,727	948,633	995,785	1,067,119	1,071,133	1,307,066	1,290,219	1,293,052	987,113
Office space and commercial rentals	217,941	220,022	226,118	232,768	272,278	307,300	299,737	344,822	367,708	382,333	305,593
Restaurants and lunchrooms	<u>576,942</u>	<u>614,241</u>	<u>645,724</u>	<u>674,666</u>	<u>698,068</u>	<u>728,320</u>	<u>656,232</u>	<u>843,664</u>	<u>921,954</u>	<u>983,332</u>	<u>769,889</u>
Total	<u>\$ 3,173,085</u>	<u>\$ 3,299,675</u>	<u>\$ 3,495,815</u>	<u>\$ 3,633,899</u>	<u>\$ 3,854,639</u>	<u>\$ 4,098,964</u>	<u>\$ 4,142,088</u>	<u>\$ 5,152,909</u>	<u>\$ 5,244,093</u>	<u>\$ 5,257,434</u>	<u>\$ 4,079,518</u>

City direct sales tax rate (b)

Source: Florida Department of Revenue

Notes: Data presented reflects Escambia County.

(a) 2024 data only represents the first nine months of the calendar year.

(b) The city has no direct tax rate. However, the city receives a portion of the proceeds from the Half Cent Sales Tax and the Local Option Sales Tax. The distribution of the proceeds of the Half Cents Sales Tax and the Local Option Sales Tax to the incorporated municipalities of the County are controlled by the formula set forth in Section 218.65 and 218.62, Florida Statutes.

**CITY OF PENSACOLA, FLORIDA
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	Local Option Sales Tax Escambia County	Half Cent Sales Tax School District
2015	1.00%	0.50%
2016	1.00%	0.50%
2017	1.00%	0.50%
2018	1.00%	0.50%
2019	1.00%	0.50%
2020	1.00%	0.50%
2021	1.00%	0.50%
2022	1.00%	0.50%
2023	1.00%	0.50%
2024	1.00%	0.50%

Source: City Budget Office

Note: The city has no direct tax rate. However, the city receives a portion of the proceeds from the Local Option Sales Tax. The distribution of the proceeds of the Local Option Sales Tax to the incorporated municipalities of the County are controlled by the formula set forth in Section 218.62, Florida Statutes.

CITY OF PENSACOLA, FLORIDA
SALES TAX REVENUE PAYERS BY INDUSTRY
CURRENT YEAR AND NINE YEARS AGO
(in thousands of dollars)

	2024			2015	
	<u>Tax Liability (a)</u>	<u>Percentage of Total</u>		<u>Tax Liability</u>	<u>Percentage of Total</u>
Retail trade	\$ 239,102	49.55%	\$	163,839	54.73%
Services	98,915	20.50%		60,285	20.14%
Manufacturing and mining	8,379	1.74%		3,778	1.26%
Wholesale trade	18,482	3.83%		7,558	2.52%
Construction	38,315	7.94%		18,250	6.10%
Finance, insurance, and real estate	50,350	10.43%		28,449	9.50%
Transportation and utilities	22,263	4.61%		12,972	4.33%
Agricultural	2,823	0.59%		1,607	0.54%
Other	3,911	0.81%		2,636	0.86%
Total	\$ <u>482,540</u>	<u>100.00%</u>	\$	<u>299,374</u>	<u>100.00%</u>

Source: Florida Department of Revenue Office of Research

Notes: Data presented reflects Escambia County. Data is presented on the State Fiscal Year of July 1 - June 30.

(a) Tax liability represents the state percentage of the tax liability paid by businesses in Escambia County. Total tax liability was not available by industry for Escambia County.

CITY OF PENSACOLA, FLORIDA
PENSACOLA ENERGY
GAS SOLD IN MCFS BY TYPE OF CUSTOMER
LAST TEN FISCAL YEARS
(in thousands of Mcfs)

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Type of Customer										
Residential -Inside City Limits	306	243	201	270	257	239	273	247	229	254
Residential -Outside City Limits	695	578	501	640	611	590	657	611	561	629
Commercial -Inside City Limits	310	301	298	324	326	292	306	302	294	316
Commercial -Outside City Limits	415	390	351	401	408	389	410	431	426	443
Municipal	25	24	22	25	23	24	25	25	22	23
Interruptible	1,046	944	639	647	707	690	674	674	608	631
Transportation	1,377	1,478	1,887	1,978	1,799	2,015	1,984	2,952	4,444	4,472
Total	<u>4,174</u>	<u>3,958</u>	<u>3,899</u>	<u>4,285</u>	<u>4,131</u>	<u>4,239</u>	<u>4,329</u>	<u>5,242</u>	<u>6,584</u>	<u>6,768</u>
Total direct rate per Mcf (a)	\$ 19.86	\$ 22.25	\$ 24.99	\$ 23.02	\$ 23.59	\$ 23.62	\$ 23.57	\$ 26.55	\$ 23.12	\$ 20.97

Source: Pensacola Energy

Notes: (a) Total direct rate per Mcf is calculated using residential in/out, commercial in/out, and municipal customers. Interruptible and transportation direct rates are not available.

**CITY OF PENSACOLA, FLORIDA
PENSACOLA ENERGY
GAS RATES
LAST TEN FISCAL YEARS**

Fiscal Year	Residential - Inside City Limits			Residential - Outside of City Limits			Commercial - Inside City Limits		
	Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA Rate per Mcf (a)	Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA Rate per Mcf (a)	Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA Rate per Mcf (a)
2015(c)	9.22	7.74	7.51	10.30	9.57	7.47	16.33	7.74	7.23
2016(d)	9.21	7.73	9.54	10.29	9.56	9.54	16.31	7.73	8.17
2017	9.21	7.73	11.75	10.29	9.56	11.67	16.31	7.73	9.72
2018 (e)	9.52	7.99	8.51	10.63	9.88	8.49	16.85	7.99	7.40
2019 (f)	9.75	8.18	8.63	10.88	10.12	8.46	17.25	8.18	7.88
2020 (g)	9.94	8.34	8.27	11.09	10.31	8.25	17.58	8.34	7.29
2021	9.94	8.34	8.43	11.09	10.31	8.5	17.58	8.34	7.89
2022	9.94	8.34	14.15	11.09	10.31	14.14	17.58	8.34	12.80
2023	9.94	8.34	7.78	11.09	10.31	7.81	17.58	8.34	6.94
2024	9.94	8.34	6.35	11.09	10.31	6.31	17.58	8.34	6.18

Fiscal Year	Commercial - Outside of City Limits			Municipal			Interruptible and Transportation (b)		
	Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA Rate per Mcf (a)	Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA Rate per Mcf (a)	Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA Rate per Mcf (a)
2015(c)	18.54	9.57	7.26	20.60	3.01	7.15	200.00	N/A	N/A
2016(d)	18.52	9.56	8.28	20.58	3.01	7.72	200.00	N/A	N/A
2017	18.52	9.56	9.88	20.58	3.01	8.70	200.00	N/A	N/A
2018 (e)	19.14	9.88	7.75	21.26	3.11	7.20	200.00	N/A	N/A
2019 (f)	19.60	10.12	7.79	21.77	3.18	7.26	200.00	N/A	N/A
2020 (g)	19.97	10.31	7.37	22.18	3.24	6.68	200.00	N/A	N/A
2021	19.97	10.31	7.92	22.18	3.24	7.23	200.00	N/A	N/A
2022	19.97	10.31	14.14	22.18	3.24	12.21	200.00	N/A	N/A
2023	19.97	10.31	7.24	22.18	3.24	6.93	200.00	N/A	N/A
2024	19.97	10.31	6.15	22.18	3.24	6.00	200.00	N/A	N/A

Source: Pensacola Energy

- Notes:** (a) The Purchase Gas Adjustment (PGA) is a monthly adjustment to the gas rate due to increases in the cost of gas purchased for resale. The Weather Normalization Adjustment (WNA) is an adjustment to the gas rate to account for fluctuations in consumption due to colder or warmer weather during the months of October through March of the previous or current fiscal year. PGA and WNA rates are based on a yearly average. Both the base rate and the PGA/WNA rates need to be taking into consideration when determining the yearly rate per Mcf.
- (b) Interruptible and transportation rates per Mcf are not reported as rates are negotiated on a customer by customer bases.
- (c) The increase to rates took effect in the beginning of the monthly October 2014 billing cycle
- (d) The decrease to rates took effect in the beginning of the monthly October 2015 billing cycle
- (e) The increase to rates took effect in the beginning of the monthly October 2017 billing cycle
- (f) The increase to rates took effect in the beginning of the monthly October 2018 billing cycle
- (g) The increase to rates took effect in the beginning of the monthly October 2019 billing cycle

DEBT CAPACITY

CITY OF PENSACOLA, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(dollars in thousands, except for per capita)

Fiscal Year	Governmental Activities									Business-type Activities			Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	Tax and Franchise Fee Bonds	Local Option Sales Tax Bond(s) (b)	Local Option Gas Tax Note	Community Redevelopment Notes	Maritime Community Park Construction Bonds	Maritime Community Park Loans Payable	Capital Leases	Lease/ SBITA		Gas Revenue Bonds/Notes	Airport Revenue Bonds/Notes	Lease/ SBITA			
2015	\$ -	9,750	\$ -	\$ -	43,787	\$ -	6,539	\$ -	\$ -	8,585	66,526	\$ -	135,187	1.82%	437
2016	-	6,660	14,314	-	43,190	-	6,501	-	-	6,510	63,069	-	140,244	1.85%	446
2017	-	3,415	14,043	5,389	42,152	100	6,461	-	-	19,355	60,254	-	151,169	1.88%	479
2018	-	25,000	12,750	13,008	41,074	80	4,915	-	-	16,830	59,988	-	173,645	2.16%	542
2019	-	23,048	11,434	70,825	1,175	60	3,323	-	-	15,105	50,594	-	175,564	2.16%	552
2020	-	20,957	10,094	70,495	-	40	1,685	-	-	13,346	48,075	-	164,692	1.86%	518
2021	-	18,821	8,729	68,653	-	20	-	-	-	11,551	45,470	-	153,244	1.69%	472
2022	-	16,640	7,339	66,760	-	-	-	4	-	9,719	36,981	293	137,439	1.37%	426
2023	-	14,412	5,924	64,812	-	-	-	256	-	7,851	34,205	383	127,843	1.17%	394
2024	-	12,136	4,483	62,805	-	-	-	999	-	5,946	31,333	279	117,981	1.05%	360

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(a) See demographic and economic statistics schedule for personal income and population data. These ratios are calculated using Escambia County population and personal income for the corresponding calendar year.

(b) Capital Funding Revenue Bonds, Series 2010A were outstanding during fiscal years 2010-2017. The Infrastructure sales Surtax Revenue Bond, Series 2017 was issued in fiscal year 2018. The Series 2017 Bond shows as a note payable in the financial statements.

CITY OF PENSACOLA, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES
AS OF SEPTEMBER 30, 2024
(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Other Debt			
Escambia County			
Sales Tax Revenue Bonds/Notes	\$ 105,906	16.79%	\$ 17,782
Capital Improvement Bonds/Notes	26,817	16.79%	4,503
Lease & SBITA Payable	6,500	16.79%	1,091
Escambia County School District			
State Board of Education Bonds	558	16.79%	94
Sales Tax Revenue Bonds	23,801	16.79%	3,996
Certificates of Participation	68,091	16.79%	11,432
Lease & SBITA Payable	5,053	16.79%	848
Subtotal, overlapping debt			<u>39,746</u>
City Direct Debt			
City direct debt bond(s)/notes			79,424
City lease / SBITA payable			<u>999</u>
Subtotal, direct debt			<u>80,423</u>
Total direct and overlapping debt			<u>\$ 120,169</u>

Source: Debt outstanding provided by Escambia County Clerks office.

Estimated percentages for Escambia County is obtained by dividing the city's population by the counties population.

Estimated percentages for Escambia County School Board is obtained by dividing the city's population by the counties population.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Pensacola. This process recognizes that, when considering the city's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every tax payer is a resident - and therefore responsible for repaying the debt - of each overlapping government.

Escambia County School District Bonds includes \$9,869,498 of unamortized premiums.

Escambia County Sales Tax Revenue Bonds, Series 2017 and Capital Improvement Refunding Revenue Bonds, Series 2018 includes \$10,948,129 of unamortized premiums.

CITY OF PENSACOLA, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(dollars in thousands)

Tax and Franchise Fee Bonds

Fiscal Year	Public Service Tax	Half Cent Sales Tax	Electric Franchise Fee	Debt Service		Coverage	Local Option Sales Tax	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
2015	\$ 7,773	\$ 4,192	\$ 6,110	\$ -	\$ -	-	\$ 7,337	\$ 2,940	\$ 575	2.09
2016	7,711	4,359	5,880	-	-	-	7,662	3,090	596	2.08
2017	7,874	4,479	5,688	-	-	-	7,882	3,245	242	2.26
2018	8,495	4,810	5,920	-	-	-	8,524	3,415	331	2.28
2019	8,500	5,062	5,761	-	-	-	8,901	1,952	517	3.61
2020	8,580	4,918	5,743	-	-	-	8,699	2,091	473	3.39
2021	8,766	6,001	5,848	-	-	-	10,719	2,136	428	4.18
2022	9,282	6,531	6,704	-	-	-	12,234	2,181	381	4.78
2023	9,766	6,436	7,109	-	-	-	12,194	2,228	334	4.76
2024	9,669	6,255	6,601	-	-	-	12,212	2,276	285	4.77

Community Redevelopment Bond(s)

Fiscal Year	Urban Core Tax Increment Revenues	Debt Service (g)		Coverage
		Principal	Interest	
2015	\$ 4,075	\$ 580	\$ 2,112	1.51
2016	4,428	605	2,087	1.64
2017	4,794	1,045	2,064	1.54
2018	5,260	1,210	2,130	1.57
2019	5,898	1,255	2,899	1.42
2020	6,837	1,300	1,680	2.29
2021	7,509	1,631	2,140	1.99
2022	8,084	1,675	2,086	2.15
2023	9,101	1,722	2,032	2.42
2024	10,272	1,774	1,974	2.74

Eastside Community Redevelopment Bond(s)

Fiscal Year	Eastside Tax Increment Revenues	Debt Service		Coverage
		Principal	Interest	
2015	\$ -	\$ -	\$ -	-
2016	-	-	-	-
2017	104	-	-	-
2018	120	62	27	1.35
2019	159	48	41	1.79
2020	208	50	40	2.31
2021	238	51	38	2.67
2022	295	53	36	3.31
2023	377	55	35	4.19
2024	468	57	33	5.20

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(continued)

**CITY OF PENSACOLA, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**
(dollars in thousands)

Westside Community Redevelopment Bond(s)					Local Option Gas Tax Revenue Bonds				
Fiscal Year	Westside Tax Incremental Revenues	Debt Service		Coverage	Local Option Gasoline Tax	Debt Service		Coverage	
		Principal	Interest			Principal	Interest		
2015	\$ -	\$ -	\$ -	-	\$ 1,542	\$ -	\$ -	-	
2016	-	-	-	-	1,462	-	-	-	
2017	195	-	-	-	1,477	271	242	2.88	
2018	307	194	85	1.10	1,366	1,293	245	0.89	(h)
2019	432	150	129	1.55	1,364	1,316	221	0.89	(h)
2020	637	155	124	2.28	1,301	1,340	197	0.85	(h)
2021	814	160	119	2.92	1,432	1,365	172	0.93	(h)
2022	1,203	165	114	4.31	1,429	1,390	147	0.93	(h)
2023	1,603	171	108	5.75	1,477	1,415	121	0.96	(h)
2024	2,204	177	103	7.87	1,424	1,441	95	0.93	

Gas Revenue Bonds							
Fiscal Year		Utility Charges for Services	Less: Operating Expense (a)	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2015	\$	45,783	\$ 29,947	\$ 15,836	\$ 2,010	\$ 306	6.84
2016		43,642	30,450	13,192	2,075	240	5.70
2017		45,094	32,549	12,545	2,026	246	5.52
2018		50,240	33,788	16,452	2,525	386	5.65
2019		50,630	32,761	17,869	1,725	317	8.75
2020		46,951	30,186	16,765	1,759	282	8.21
2021		51,150	31,185	19,965	1,795	246	9.78
2022		70,088	53,631	16,457	1,832	214	8.04
2023		60,210	48,476	11,734	1,868	173	5.75
2024		53,774	38,626	15,148	1,905	136	7.42

(continued)

**CITY OF PENSACOLA, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**
(dollars in thousands)

Airport Revenue Bonds

Fiscal Year	Airport Revenues	Expenses			Net Revenue	Debt Service		Coverage before Other Requirements	Other Requirements (b)	Coverage after Prepaid
		Total	Less Grant	Operating/ Maintenance (a)		Principal	Interest			
2015	\$ 18,796	\$ 11,090	\$ 221	\$ 10,869	\$ 7,927	\$ 2,145	\$ 1,277	2.32	1,246	2.68
2016	19,479	12,759	-	12,759	6,720	2,180	1,082	2.06	2,407	2.80
2017	19,111	12,847	101	12,746	6,365	2,275	986	1.95	3,479	3.02
2018	20,525	13,311	43	13,268	7,257	2,315	777	2.35	4,749	3.88
2019	22,984	15,078	62	15,016	7,968	2,831	723	2.24	4,749	3.58
2020	18,747	14,739	5,404 (j)	9,335	9,412	1,715	589	4.09	3,954	5.80
2021	19,548	13,287	4,183 (j)	9,104	10,444	1,768	542	4.52	3,684	6.12
2022	26,106	16,359	5,404 (j)	10,955	15,151	1,822	493	6.54	4,346	8.42
2023	27,500	19,165	9,580 (j)	9,585	17,915	1,874	443	7.73	9,694	11.92
2024	31,835	23,285	-	23,285	8,550	1,936	393	3.67	9,736	7.85

Airport Revenue Note CFC

Airport Revenue Bonds PFC

Fiscal Year	Customer Facility Charge	Less: Operating Expense	Net Available Revenue	Debt Service		Coverage (e)	Passenger Facility Charge	Debt Service		Coverage (f)
				Principal	Interest			Principal	Interest	
2015	\$ 2,424	\$ 720	\$ 1,704	\$ -	\$ 118	14.44	3,104	\$ 510	\$ 1,627	1.45
2016	2,415	640	1,775	-	94	18.88	3,127	535	1,600	1.46
2017	2,540	679	1,861	-	141	13.20	3,299	560	1,573	1.55
2018	2,730	711	2,019	-	228	8.86	3,876	590	1,543	1.82
2019	2,972	1,037	1,935	-	176	10.99	4,323	263	658	4.69
2020	2,003	1,767	236	-	114	2.07	2,859	804	917	1.66
2021	2,759	588	2,171	-	51	42.57	4,318	836	885	2.51
2022	2,828	167	2,661	-	12	221.75	4,865	868	852	2.83
2023	3,110	857	2,253	-	-	-	5,718	902	817	3.33
2024	3,300	1,029	2,271	-	-	-	6,794	936	781	3.96

Source: City Finance Office

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Interest consist of both variable and fixed rates.

(a) Operating expenses are net of depreciation expenses.

(b) The other requirements amount is comprised of the prior year's coverage plus non-obligated capital improvements and any excess operating funds.

(c) Excludes debt payments which were paid with bond proceeds.

(d) Excludes debt payments which were paid with sinking fund reserves.

(e) The coverage table is for illustrative purposes as required by GAAP. See CFC Bank of America Note.

(f) The coverage table is for illustrative purposes as required by GAAP. See PFC Rate Maintenance covenant in Resolution 17-08 for coverage requirements.

(g) Excludes debt payments which were paid with bond proceeds and federal subsidy payments.

(h) Local Option Gasoline Tax revenues along with funds available in the Local Option Gas Tax Debt Service Fund are sufficient to make annual debt service payments.

(j) Fiscal year 2020, 2021, 2022, and 2023 includes \$5 million, \$4 million and \$5 million, and \$9 million, respectively, in CARES Act grant funding which paid for Airport operations.

DEMOGRAPHIC AND ECONOMIC INFORMATION

**CITY OF PENSACOLA, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALANDER YEARS**

Calendar Year	Pensacola Population	Escambia County Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2015	52,191	309,539	7,433,269	24,014	39	40,206	4.7%
2016	53,690	314,788	7,572,855	24,057	37	40,125	4.9%
2017	54,185	315,607	8,044,507	25,489	37	40,234	4.9%
2018	54,583	320,502	8,030,819	25,057	37	39,807	4.0%
2019	54,422	318,174	8,139,527	25,582	37	39,499	3.3%
2020	54,382	318,081	8,831,201	27,764	37	39,828	4.5%
2021	54,312	321,905	9,091,962	28,022	38	38,181	3.8%
2022	54,790	322,390	10,021,493	31,085	37	38,955	3.1%
2023	55,382	324,878	10,934,094	33,656	39	39,066	3.0%
2024	55,030	327,846	11,229,381	34,252	39	39,067	3.5%

Source: Population, personal income, median age and unemployment rate data provide by the Florida Legislature Office of Economic and Demographic Research, Bureau of Labor Statistics, and FloridaWest. School enrollment data provided by Escambia County school system, public relations office.

Notes: All data is applicable to Escambia County except for Pensacola population.

**CITY OF PENSACOLA, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2024			2015		
	Employees	Rank	Percentage of Total MSA Employment	Employees	Rank	Percentage of Total MSA Employment
<u>Employer</u>						
Local Government	15,100	1	6.34%	14,947	1	7.91%
Navy Federal Credit Union	9,188	2	3.86%	4,707	6	2.49%
State Government	7,600	3	3.19%	4,954	5	2.62%
Federal Government	7,500	4	3.15%	6,476	2	3.43%
Baptist Health Care	5,434	5	2.28%	5,571	3	2.95%
Sacred Heart Health System	4,820	6	2.02%	5,571	3	2.95%
University of West Florida	2,769	7	1.16%	1,922	7	1.02%
Pensacola Christian College	1,584	8	0.66%	----	----	----
Ascend Performace Materials	1,288	9	0.54%	----	----	----
West Florida Healthcare	1,200	10	0.50%	1,200	10	0.63%
Lakeview Center	----	----	----	1,900	8	1.01%
Gulf Power Company	----	----	----	1,774	9	0.94%
Total	<u>56,483</u>		<u>23.70%</u>	<u>49,022</u>		<u>25.93%</u>

Source: Florida West and Florida Department of Economic Opportunity.

Notes: Principal employer information is only available on a calendar year basis and for the Pensacola Metropolitan Statistical Area. Actual numbers are not available, therefore estimates are presented.

OPERATING INFORMATION

CITY OF PENSACOLA, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities:										
General Government										
Permits issued	6,729	7,162	8,034	8,606	9,105	9,180	11,602	9,521	7,949	8,151
Building inspections conducted	14,021	13,661	15,067	18,642	18,666	17,147	18,913	23,585	24,328	19,915
Police										
Residential burglary responses	354	360	321	272	183	125	244	107	107	114
Commercial burglary responses	108	84	62	60	49	40	74	46	59	36
Emergency responses	82,201	84,804	94,293	93,800	87,706	79,621	86,296	77,825	82,721	88,733
Physical arrests	3,174	2,438	2,972	3,697	3,959	2,781	2,781	2,575	2,883	3,207
Traffic violations	6,826	6,795	7,996	7,315	8,391	8,523	5,713	6,996	6,287	7,688
Fire										
Emergency responses	6,446	6,323	7,166 (e)	7,571 (e)	7,874	5,743	5,435	7,359	7,608	7,839
Fires extinguished	221	197	255 (e)	210 (e)	252	276	238	255	268	229
Inspections	776	1,041	2,034 (e)	2,824 (e)	2,574	1,778	3,640	3,495	4,269	3,815
Transportation (a)										
Traffic signals maintained	333	449	328	354	291	178	176	315	288	771
Traffic warning signals maintained	29	32	34	31	25	34	36	30	18	20
Street lights maintained	221	209	294	207	233	183	175	215	175	490
Street name markers replaced	206	257	194	213	297	231	220	180	170	237
Traffic control signs replaced	740	978	1,037	996	1,007	971	1,230	250	280	191
Culture and recreation										
Parks and recreation										
Number of programs offered	298	425	452	459	477	375 (f)	252 (f)	238	311	374
City resident program participants	189,292	310,437 (d)	277,241	338,461	307,117	136,578 (f)	130,611 (f)	155,290	222,537	191,489
County resident program participants	45,272	113,682	99,795	76,913	61,456	58,511 (f)	39,438 (f)	53,024	63,565	67,357
Golf Course										
Rounds played	18,449	25,874	27,394	26,243	25,487	28,411	23,087	22,949	24,876	24,823
Tournaments held	62	74	78	79	79	62	42	65	75	80
Tournament participants	3,410	4,810	4,914	4,983	4,972	2,841	1,722	2,739	2,208	2,551
Economic environment										
Homes repaired/rehabilitated	32	28	12	27	11	8	6	21	12	25
New homes constructed	4	3	2	2	-	-	-	-	-	-
First-time homebuyers assisted/Foreclosure Prevention	142	115	122	130	76	84	55	44	50	82
Families assisted (monthly)	2,375	2,376	2,417	2,285	2,165	2,167	2,078	1,950	1,857	1,850
Housing inspections conducted	4,793	4,108	3,912	3,532	3,618	3,027	3,301	3,323	3,642	2,626
Nutritional Meal Programs (monthly)	1,653	1,997	1,721	1,382	1,382	1,703	323	1,771	2,279	2,132
Physical environment (a)										
Miles of paved streets swept	22,825	22,907	21,619	23,743	22,381	23,329	23,329	23,329	24,339	24,339

(continued)

CITY OF PENSACOLA, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type Activities:										
Utility										
Average daily consumption in mmbtu's (b)	10,371	9,748	9,564	10,527	10,167	10,760	11,146	10,410	10,380	10,824
Maximum daily consumption in mmbtu's	32,629	28,093	28,803	39,593	27,795	28,206	28,363	30,049	30,757	33,364
In City customer connections	16,236	15,853	14,461	13,664	13,853	14,021	14,309	14,526	14,959	15,023
Outside City customer connections	41,741	40,788	37,329	35,350	35,821	36,237	36,954	39,687	37,467	37,729
Sanitation										
Customers	19,325	19,535	19,747	19,895	20,402	20,386	20,934	21,029	21,293	21,131
Refuse collected (tons)										
Garbage	14,512	15,395	15,455	15,685	16,510	17,218	18,979	19,691	23,759	38,070
Green Waste	13,001	14,769	13,211	13,281	12,523	13,282	10,706	10,643	12,807	14,121
Recycling (new in FY 2009)	4,805	4,745	4,605	4,141	4,282	3,874	2,936	2,614	598	1,236 (h)
Construction/Demolition (C&D)	1,579	2,202	2,213	1,568	1,739	2,185	2,190	1,914	1,205	1,691
Port										
Tonnage exported	56,696	30,506	54,641	36,269	10,517	597 (g)	4,566	3,199	2,777	1,755
Tonnage imported	161,073	170,503	177,294	78,445	81,893	104,420	173,876	397,902	421,757	338,710
Number of vessels in port	54	51	20	31	29	26	28	46	50	43
Airport										
Mainland carriers	2	2	3	5	5	5	7	7	7	8
Regional commuter services	7	9	10	10	10	9	10	9	9	7
Passengers enplaned	797,854	802,260	834,504	951,751	1,100,121	692,616 (f)	1,041,318	1,223,137	1,328,498	1,521,641
Passengers deplaned	796,204	802,482	834,393	950,920	1,100,445	689,515 (f)	1,036,102	1,217,526	1,322,805	1,508,770
Air freight enplaned in pounds	4,617,580	4,196,031	4,839,066	5,815,192	4,763,078	4,937,432 (f)	5,657,427	5,561,110	4,651,014	4,769,650
Mail enplaned in pounds	2,513	2 (c)	1,202	-	-	-	598	-	-	-
Total flights (private and commercial)	104,400	97,858	114,026	115,268	125,213	107,441 (f)	102,294	120,061	135,684	158,625

Sources: Various city departments.

Notes: No operating indicators are available for the human services function. For those indicators that are null, data is not available.

(a) Data provided is based on estimates.

(b) MMBTU stands for one million British Thermal Unit.

(c) In 2016, commercial airlines have shifted from carrying mail to allow more space for passenger luggage which produces greater revenue.

(d) The increase in participants in the center programs was due to implementation of new programs.

(e) Fire operating Indicators were restated for years 2017 and 2018.

(f) In FY 20-21 the City's operations were reduced to due COVID-19 pandemic.

(g) In FY 2020 one of Port's large tenants had a decrease in sales overseas.

(h) In FY 2024 Recycling collection by trucks was stopped but recycling locations for citizen drop off began.

**CITY OF PENSACOLA, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
General Government										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	140	140	146	148	149	144	143	145	151	152
Fire										
Stations	6	6	6	6	6	6	6	7	7	7
Apparatus	31	31	31	31	31	32	32	31	31	32
Transportation (a)										
Miles of street	332	332	325	325	325	326	326	326	326	326
Traffic warning signals	60	64	66	66	65	64	66	67	67	67
Traffic control signals	92	92	92	92	92	86	96	101	101	101
Traffic control signs	10,543	10,519	10,536	10,557	10,621	10,959	10,959	10,985	11,005	11,052
Culture and recreation										
Parks and recreation										
Parks	93	93	93	93	93	93	93	93	93	94
Acreage	592	592	592	593	600	600	600	600	600	610
Golf course										
Par	70	70	70	70	70	70	70	70	70	70
Acreage	108	123	123	123	123	123	123	123	123	123
Yardage	6,450	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400
Economic environment (a)										
Street lights	7,798	7,891	7,887	7,906	8,124	9,103	9,508	9,695	9,695	9,715
Street name markers	5,691	5,703	5,709	5,711	5,734	5,749	5,749	5,749	5,749	5,749
Berths	3	3	3	3	3	3	3	3	3	3
Physical environment										
Street Sweepers	7	7	7	7	7	7	7	8	7	7

(continued)

CITY OF PENSACOLA, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

		Fiscal Year									
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type activities:											
Utility											
Miles of gas mains		1,610	1,621	1,639	1,654	1,719	1,745	1,761	1,789	1,799	1,807
Sanitation											
Collection trucks - residential											
Garbage		11	11	11	10	10	9	8	8	15	15
Collection trucks - trash collection											
Container		2	2	2	2	2	2	2	6	6	5
Grapplers		9	9	9	9	10	11	13	10	13	11
Shuttle		2	2	2	2	2	2	2	2	2	2
Dump		1	-	-	-	-	-	-	-	-	-
Tractor		1	1	1	1	1	1	1	1	1	1
Shuttle trailers		8	8	8	8	8	8	2	2	2	2
Roll Off		-	-	-	-	-	-	-	1	1	1
Rear Loader		-	-	-	-	-	-	-	1	1	1
Collection trucks - residential											
Recycling		6	7	7	5	7	7	5	5	4	0 (b)
Transfer Station											
Tractors		-	-	-	-	-	-	-	7	8	7
Trailors		-	-	-	-	-	-	-	7	7	7
Port											
Warehouses		7	7	7	7	7	7	7	7	7	7
Berths		5	5	5	5	5	5	5	5	5	5
Airport											
Runway 17-35 length and width in square feet	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150
Runway 8-26 length and width in square feet	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150
Terminal building in square feet	181,808	181,808	181,808	181,808	181,808	181,808	181,808	181,808	181,808	181,808	181,808

Sources: Various city departments.

Notes: No capital asset indicators are available for the economic environment and human services function. For those indicators that are null, data is not available.

(a) Data provided is based on estimates.

(b) The City stopped recycling collection beginning October 1, 2023 (FY 24).

CITY OF PENSACOLA, FLORIDA
FULL-TIME-EQUIVALENT CITY GOVERNMENT POSITIONS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities:										
General Government										
Mayor	9	8	8	8	8	11	11	11	12	16
City Clerk	4	3	3	2	2	3	3	3	3	4
City Council	2	4	5	5	5	5	5	5	5	5
Development Services (e)	0	0	0	0	0	0	0	0	2	2
Legal	4	3	3	4	4	6	6	7	7	7
Human Resources	7	7	10	10	10	11	13	13	14	13
Financial Services	27	27	25	25	25	24	24	24	28	27
Planning Services	6	7	8	7	8	8	8	7	5	5
Garage	17	17	17	17	17	17	18	18	17	17
Technology Resources	14	15	14	14	14	14	17	20	20	21
CRA	0	0	2	2	2	2	3	4	5	5
Parking Management (d)	0	0	0	0	0	0	0	7 (d)	7	7
Public Safety										
Police	203	204	204	204	204	205	206	206	210	210
Fire	114	115	116	123 (c)	123	123	125	125	126	126
Inspection Services	11	12	12	12	12	12	12	12	15	15
Transportation										
Public Works	24	23	23	23	23	23	23	23	26	26
Culture and Recreation										
Neighborhood Services (a)	48	47	48	48	48	50	57	62	63	64
Golf Course	4	3	3	3	3	3	3	3	3	3
Economic Environment										
Housing	20	20	20	20	20	19	23	24	24	24
Physical Environment										
Stormwater utility	26	27	27	27	27	27	27	30	32	32
Engineering	8	8	8	8	8	8	9	10	8	7
Code Enforcement (f)	0	0	0	0	0	0	0	0	0	11 (f)
Business-type activities:										
Utility	117	117	117	115	114	114	122	124	128	128
Sanitation	43	43	43	43	43	43	49	51	50	39
Port	9	9	9	8	8	8	9	9	10	10
Airport	53	51	51	53	53	56	57	58	64	64
	<u>770</u>	<u>770</u>	<u>776</u>	<u>781</u>	<u>781</u>	<u>792</u>	<u>830</u>	<u>856</u>	<u>884</u>	<u>888</u>

Source: City Budget Office

Notes: (a) Number of employees represent full time budgeted positions. Parks and recreation has part-time temporary employees to help facilitate programs during the summer.

(b) As part of reorganization, public works employees moved to park works.

(c) Six fire cadets were added with the revitalization of the Fire Cadet Program.

(d) Parking Management Division moved from the Mayor's Office to become Parking Management Department.

(e) Development Services Department created in FY 2023.

(f) Code Enforcement was included with Sanitation in years past and then separated into their own department in FY 2024

OTHER AUDIT REPORTS SECTION

**CITY OF PENSACOLA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
PASSENGER FACILITY CHARGE AND STATE FINANCIAL ASSISTANCE
FOR THE PERIOD ENDING SEPTEMBER 30, 2024**

Federal/State Agency, Pass-Through Entity, Federal Program/State Project	Assistance Listing Number	Contract Grant Number	Pass-Through Entity Identifying Number	Passed Through to Sub recipients	Total Expenditures	Passenger Facility Charge Revenue
<u>FEDERAL AWARDS</u>						
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>						
High Intensity Drug Trafficking Areas Program	95.001	G22GC0007A			14,255	
High Intensity Drug Trafficking Areas Program	95.001	G23GC0007A			23,517	
Total Executive Office of the President				-	37,772	
<u>U.S. DEPARTMENT OF COMMERCE</u>						
Passed through Department of Environmental Protection	11.419	CZ514			26,851	
Total U.S. Department of Commerce					26,851	
<u>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</u>						
Brownfields Assessment and Cleanup Cooperative Agreement	66.818	02D28822			179,026	
Total U.S. Department of Environmental Agency					179,026	
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>						
<i>Passed through Florida Division of Emergency Management</i> Hazard Mitigation Grant Program	97.039	H0871			19,163	
<i>Passed through State of Florida, Florida Division of Emergency Management:</i> Disaster Grants - Public Assistance - Federal 75%	97.036	Z2566			408,297	
Port Security Grant Program	97.056	EMW-2023-PU-00455-S01			162,315	
Assistance to Firefighters Grant	97.044	EMW-2019-FG-10291			201	
<i>Passed through Florida Division of Emergency Management</i> Emergency Management Performance Grant	97.042	N/A			8,963	
Total U.S. Department of Homeland Security				-	598,939	
<u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>						
<i>CDBG-Entitlement Grants Cluster:</i>						
COVID-19 Community Development Block Grant (CARES)	14.218	B-20-MW-12-0016		3,324	126,733	
Community Development Block Grant	14.218	B-17-20/23-MC-12-0016			144,925	
Housing Rehabilitation	14.218	B-17-18/21-23-22-MC-12-0016			263,999	
Aid to Private Agencies	14.218	B-20/23-MC-12-0016		70,000	187,338	
Total CDBG-Entitlement Grants Cluster				73,324	722,995	
<i>Passed through Escambia County Florida:</i> HOME Investment Partnerships Program	14.239	M22/23-DC-12-0225			50,673	
<i>Passed through Florida Department of Commerce</i> Community Development Block Grants	14.228	HS001			45,617	
<i>Housing Voucher Cluster:</i> Section 8 Housing Choice Vouchers Program	14.871	FL092VO0289-0305			20,539,153	
Total Housing Voucher Cluster				-	20,539,153	
Total U. S. Department of Housing and Urban Development				73,324	21,358,438	
<u>U.S. DEPARTMENT OF INTERIOR</u>						
Historic Preservation Fund Grants In Aid	15.904	P23AP01114-00			19,784	
Total U.S. Department of Interior					19,784	
<u>U. S. DEPARTMENT OF JUSTICE</u>						
Bulletproof Vest Partnership Program	16.607	2022BUBX22029600			8,200	
Bulletproof Vest Partnership Program	16.607	2023BUBX23036467			16,941	
Total Bulletproof Vest Partnership Program					25,141	
<i>Passed through Florida Department of Enforcement (FDLE)</i> Project Safe Neighborhoods	16.609	15BJA-21-GG-0310-GUNP			54,541	
Law Enforcement Trust Fund	16.922	N/A			17,090	
Edward Byrne Memorial Justice Assistance Program	16.738	O-BJA-2022-171368			179	
Edward Byrne Memorial Justice Assistance Program	16.738	O-BJA-2023-171790			31,328	
<i>Passed through State of Florida Department of Law Enforcement (FDLE)</i> Edward Byrne Memorial Justice Assistance Program	16.738	15PBJA-21-GG-00241-MUMU			50,322	
Edward Byrne Memorial Justice Assistance Program	16.738	15PBJA-22-GG-00656-MUMU			35,779	
Edward Byrne Memorial Justice Assistance Program	16.738	15PBJA-23-GG-03266-JAGX			40,991	
Total U. S. Department of Justice				-	158,599	
					255,371	
<u>U. S. DEPARTMENT OF TRANSPORTATION</u>						
Airport Improvement Program	20.106	N/A			418,711	
<i>Passed through Florida Department of Transportation</i> Highway Planning and Construction	20.205	G2A64			123,365	
Highway Planning and Construction	20.205	G2E66			79,288	
Total U. S. Department of Transportation				-	202,653	
					621,364	

**CITY OF PENSACOLA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
PASSENGER FACILITY CHARGE AND STATE FINANCIAL ASSISTANCE
FOR THE PERIOD ENDING SEPTEMBER 30, 2024**

Federal/State Agency, Pass-Through Entity, Federal Program/State Project	Assistance Listing Number	Contract Grant Number	Pass-Through Entity Identifying Number	Passed Through to Sub recipients	Total Expenditures	Passenger Facility Charge Revenue
<u>U.S. DEPARTMENT OF TREASURY</u>						
COVID-19 American Rescue Plan: Coronavirus State and Local Fiscal Recovery Funds	21.027	NA		487,752	2,107,699	
Passed through Escambia County Florida COVID-19 American Rescue Plan: Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP2107			1,302,546	
Passed through State of Florida Department of Commerce COVID-19 American Rescue Plan: Coronavirus State and Local Fiscal Recovery Funds	21.027	G0109			1,165,164	
Passed through State of Florida, Department of State COVID-19 American Rescue Plan: Coronavirus State and Local Fiscal Recovery Funds	21.027	UMRAF87HQF5			21,918	
COVID-19 American Rescue Plan: Coronavirus State and Local Fiscal Recovery Funds	21.027	WPZ5ZJLN33A9			469,494	
Total U.S. Department of Treasury				487,752	5,066,821	
				\$ 561,076	\$ 28,164,366	
TOTAL EXPENDITURES OF FEDERAL AWARDS						
PASSENGER FACILITY CHARGE					\$ 1,698,306	\$ 6,794,455
<u>STATE FINANCIAL ASSISTANCE</u>						
<u>FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>						
Resilient Florida Programs	37.098	22PLN33			113,825	
Total Florida Department of Environmental Protection				-	113,825	
<u>FLORIDA DEPARTMENT OF FINANCIAL SERVICES</u>						
Fire Decontamination Equipment Grant Program	43.013	N/A		\$	\$ 8,685	
Total Florida Department of Financial Services				-	8,685	
<u>FLORIDA DEPARTMENT OF LAW ENFORCEMENT</u>						
Identify Theft and Fraud Grant	71.042	L6013			9,500	
Total Florida Department of Law Enforcement					9,500	
<u>FLORIDA DEPARTMENT OF TRANSPORTATION</u>						
Aviation Grant Programs	55.004	G0Z27			3,817,802	
Aviation Grant Programs	55.004	G2E51			172,257	
Aviation Grant Programs	55.004	G2M52			493,862	
Aviation Grant Programs	55.004	G3134			483,619	
Aviation Grant Programs	55.004	G2E52			37,396	
					5,004,936	
Seaport Grant Programs	55.005	44102729401			72,365	
Seaport Grant Programs	55.005	44102729402			285,348	
Seaport Grant Programs	55.005	42235439404			34,588	
Seaport Grant Programs	55.005	44554819401			72,867	
				-	465,168	
Total Florida Department of Transportation				-	5,470,104	
<u>FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION</u>						
Deepwater Horizon Oil Spill	77.048	FWC21129			1,525	
Deepwater Horizon Oil Spill	77.048	FWC21130			8,022	
Total Florida Fish and Wildlife Conservation Commission				-	9,547	
<u>FLORIDA HOUSING FINANCE CORPORATION</u>						
Passed through Escambia County Florida: SHIP Program	40.901	SHIP 2023-2024			66,378	
Total Florida Housing Finance Corporation				-	66,378	
				\$ -	\$ 5,678,039	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE						

**CITY OF PENSACOLA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
PASSENGER FACILITY CHARGE AND STATE FINANCIAL ASSISTANCE
FOR THE PERIOD ENDING SEPTEMBER 30, 2024**

Federal/State Agency, Pass-Through Entity, Federal Program/State Project	Assistance Listing Number	Contract Grant Number	Pass-Through Entity Identifying Number	Passed Through to Sub recipients	Total Expenditures	Passenger Facility Charge Revenue
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, PASSENGER FACILITY CHARGE AND STATE FINANCIAL ASSISTANCE						

The schedule of expenditures of federal awards, passenger facility charge, and state financial assistance is presented on the accrual basis of accounting in accordance with generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in 2 CFR 200 Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City has elected to use the 10-percent de minimis indirect cost rate as covered in 2 CFR 200.414 of the Uniform Guidance for Federal Awards.

The City has a loan program for low income housing renovations funded through the Community Development Block Grants and a loan program for home reconstruction funded through the HOME Investment Partnerships Program Grants. Under these programs, repayments to the City are considered program revenues (income) and loans of such funds to eligible recipients are considered expenditures. There were no new loans disbursed in the fiscal year 2024. The amount of principal and interest received in loan repayments for the year was \$55,262.01 and \$95,986.41 respectively. The balance of the loans outstanding as of fiscal year end consist of:

Community Development Block Grants Assistance Listing number 14.218 \$822,668.61
HOME Investment Partnerships Program Grants Assistance Listing number 14.239 \$564,131.78

- 1 Includes debt service of \$1,698,306
- 2 Includes interest earnings of \$872,089

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and
Members of the City Council
City of Pensacola, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pensacola, Florida ("the City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 7, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Warren Averett, LLC". The signature is written in a cursive, flowing style.

Pensacola, Florida
March 7, 2025

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM, STATE PROJECT AND PASSENGER FACILITY
CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE, CHAPTER 10.550, RULES OF THE AUDITOR
GENERAL AND THE PFC AUDIT GUIDE FOR PUBLIC AGENCIES**

Honorable Mayor and
Members of the City Council
City of Pensacola, Florida

Report on Compliance for Each Major Federal Program, State Project, and Passenger Facility Charge Program

Opinion on Each Major Federal Program, State Project, and Passenger Facility Charge Program

We have audited the City of Pensacola, Florida's (the "City") compliance with the types of compliance requirements described in the OMB *Compliance Supplement*, the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement*, and the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, that could have a direct and material effect on each of the City's major federal programs, state projects and its passenger facility charges program for the year ended September 30, 2024. The City's major federal program and state financial assistance projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs, state projects and passenger facility charges program for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program, State Project, and Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, and Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs, state projects and passenger facility charges.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); Chapter 10.550, *Rules of the Auditor General*, and the *Passenger Facility Charge Audit Guide for Public Agencies*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, and *Passenger Facility Charge Audit Guide for Public Agencies* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Florida Department of Financial Services' *State Projects Compliance Supplement*, and the *Passenger Facility Charge Audit Guide for Public Agencies*, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and *Passenger Facility Charge Audit Guide for Public Agencies*. Accordingly, this report is not suitable for any other purpose.



Pensacola, Florida
March 7, 2025

**CITY OF PENSACOLA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

SECTION I – SUMMARY OF AUDITOR RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified Opinion
Internal control over financial reporting:	
Material weakness(es) identified?	_____ Yes ☒ No
Significant deficiency (ies) identified?	_____ Yes ☒ None reported
Noncompliance material to financial statements noted?	_____ Yes ☒ No

FEDERAL PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECTS

Internal control over major federal programs and state projects:	
Material weakness(es) identified?	_____ Yes ☒ No
Significant deficiency(ies) identified?	_____ Yes ☒ None reported
Type of auditors' report issued on compliance for major federal programs and state projects:	Unmodified Opinion
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516(a) or Chapter 10.550, <i>Rules of the Auditor General</i> ?	_____ Yes ☒ No

IDENTIFICATION OF MAJOR PROGRAM

Federal Program:

Federal Assistance Listing Number 14.218 – U.S. Department of Housing and Urban Development
– Community Development Block Grants Entitlement/Special Purpose Grants Cluster

Federal Assistance Listing Number 21.027 – U.S. Department of Treasury – American Rescue Plan:
Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:	\$ 844,931
Auditee qualified as low-risk auditee?	☒ Yes _____ No

**CITY OF PENSACOLA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

SECTION I – SUMMARY OF AUDITOR RESULTS

IDENTIFICATION OF MAJOR STATE FINANCIAL ASSISTANCE PROJECTS

State Projects:

CSFA No. 55.004 Aviation Grant Programs

Dollar threshold used to distinguish
between type A and type B programs: \$ 750,000

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no findings which were required to be reported in accordance with *Government Auditing Standards*.

SECTION III – MAJOR FEDERAL PROGRAM AND STATE PROJECT FINDINGS AND QUESTIONED COSTS

There are no audit findings required to be reported in accordance with the Uniform Guidance or Chapter 10.550, *Rules of the Auditor General*.

**CITY OF PENSACOLA, FLORIDA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

There were no prior year audit findings.

**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF
COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

Honorable Mayor and
Members of the City Council
City of Pensacola, Florida

We have examined the City of Pensacola, Florida's (hereinafter referred to as the "the City") compliance with the following requirements for the year ended September 30, 2024:

- (1) Florida Statute 218.415 in regard to investments.
- (2) Florida Statute 288.8018 in regard to the Deepwater Horizon Oil Spill receipts and expenditures.

Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City has complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



Pensacola, Florida
March 7, 2025

**CITY OF PENSACOLA, FLORIDA
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FUNDS
RELATED TO THE DEEPWATER HORIZON OIL SPILL
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

<u>Source</u>	<u>Amount Received in the 2024 Fiscal Year</u>	<u>Amount Expended in the 2024 Fiscal Year</u>
Florida Fish and Wildlife Conservation Commission		
Deepwater Horizon Oil Spill - Agreement FWC21129	\$ 23,679	\$ 9,975
Deepwater Horizon Oil Spill - Agreement FWC21130	33,226	8,138
Triumph Gulf Coast, Inc.		
Triumph Gulf Coast-Agreement No. 135	-	570
Triumph Gulf Coast- Agreement No. 120	24,921	3,381,672
	<u>\$ 81,826</u>	<u>\$ 3,400,355</u>

Note: This includes funds related to the Deepwater Horizon Oil Spill that are considered state financial assistance not audited as a major project. These expenditures are reported on the Schedule of Expenditures of Federal Awards and State Financial Assistance under Assistance Listing #77.048.

This schedule is prepared on the cash basis of accounting.

See independent auditor's report.

MANAGEMENT LETTER

Honorable Mayor and
Members of the City Council
City of Pensacola, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Pensacola, Florida (hereinafter referred to as the "City"), as of and for the year ended September 30, 2024, and have issued our report thereon dated March 7, 2025.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); Chapter 10.550, *Rules of the Auditor General*; and *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program, State Project, and Passenger Facility Charge Program and on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 7, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No findings were reported in the prior year.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c, *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of the City provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the City in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Downtown Improvement Board (the Board), a dependent special district of the City, reported:

- a. The total number of Board employees compensated in the last pay period of the district's fiscal year as two.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Board's fiscal year as one.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$164,536.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$9,810.
- e. Each construction project with a total cost of at least \$65,000 approved by the Board that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as – No planned projects.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Board amends a final adopted budget under Section 189.016(6), Florida Statutes. There was a budget amendment that decreased budgeted charges for services by \$15,640 and increased expenses totaling \$21,417 which was offset by a budgeted use of fund balance carryforward of \$37,120.

The specific information reported in the previous paragraph has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Additional Matters

Section 10.554 (1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of This Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Warren Averett, LLC

Pensacola, Florida

March 7, 2025

**CITY OF PENSACOLA, FLORIDA
FINANCIAL DATA SCHEDULE
SECTION 8 HOUSING CHOICE VOUCHERS PROGRAM
ASSISTANCE LISTINGS NUMBER 14.871
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Line Item #	Account Description	HCV Program 14.871	HCV CARES Act Funding 14.HCC	EHV Program 14.EHV	Total
Assets:					
Current Assets:					
Cash:					
111	Unrestricted	\$ 2,070,560		7,979	2,078,539
113	Other restricted			16,235	16,235
115	Restricted for payment of current liabilities	41,502		149	41,651
100	Total cash	<u>2,112,062</u>	<u>0</u>	<u>24,363</u>	<u>2,136,425</u>
Receivables:					
128	Fraud recovery	1,415,190			1,415,190
128.1	Allowance for doubtful accounts - Fraud	(1,320,296)			(1,320,296)
120	Total receivables	<u>94,894</u>	<u>0</u>	<u>0</u>	<u>94,894</u>
142	Prepaid expenses and other assets	8,305			8,305
150	Total current assets	<u>2,215,261</u>	<u>0</u>	<u>24,363</u>	<u>2,239,624</u>
290	Total assets	<u>\$ 2,215,261</u>	<u>0</u>	<u>24,363</u>	<u>2,239,624</u>
Liabilities:					
Current liabilities:					
312	Accounts payable <= 90 days	\$ 5,599			5,599
322	Accrued compensated absences - current portion				0
331	Accounts payable - HUD PHA Programs	1,111		149	1,260
333	Accounts payable - other government	34,792			34,792
342	Deferred revenue	94,892		356	95,248
310	Total current liabilities	<u>136,394</u>	<u>0</u>	<u>505</u>	<u>136,899</u>
300	Total liabilities	<u>136,394</u>	<u>0</u>	<u>505</u>	<u>136,899</u>
Equity:					
508.3	Nonspendable Fund Balance	8,305	0	0	8,305
509.3	Restricted Fund Balance	0	0	16,235	16,235
512.3	Unassigned fund balance	2,070,562	0	7,623	2,078,185
513	Total equity/net assets	<u>2,078,867</u>	<u>0</u>	<u>23,858</u>	<u>2,102,725</u>
600	Total liabilities and equity/net assets	<u>\$ 2,215,261</u>	<u>0</u>	<u>24,363</u>	<u>2,239,624</u>

CITY OF PENSACOLA, FLORIDA
FINANCIAL DATA SCHEDULE
SECTION 8 HOUSING CHOICE VOUCHERS PROGRAM
ASSISTANCE LISTINGS NUMBER 14.871
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Line Item #	Account Description	HCV Program 14.871	HCV CARES Act Funding 14.HCC	EHV Program 14.EHV	Total
Revenues					
Other revenue:					
70600	HUD PHA Operating Grants	\$ 19,985,609		396,394	20,382,003
71100	Investment Income - unrestricted	57,390		660	58,050
71400	Fraud Recovery	22,050			22,050
71500	Other revenue	50			50
71600	Gain or loss on sale of capital assets	538	0		538
72000	Investment Income - restricted	(63)	0		(63)
70000	Total revenues	<u>20,065,574</u>	<u>0</u>	<u>397,054</u>	<u>20,462,628</u>
Expenses					
91100	Administrative salaries	614,292		24,572	638,864
91200	Auditing fees	35,000			35,000
91500	Employee benefit contributions - administrative	425,743		9,630	435,373
91810	Allocated Overhead	85,000			85,000
91900	Other operating - administrative	3,013			3,013
92400	Tenant services - other	14,993		157	15,150
93100	Water	394			394
93200	Electricity	7,451			7,451
93300	Gas	294			294
93600	Sewer	397			397
93800	Other utilities expense	578			578
94200	Maintenance and operations - materials and other	304,991			304,991
94300	Maintenance and operations - contracts	98,317			98,317
96110	Property insurance	16,150			16,150
96200	Other general expenses	485			485
96210	Compensated absences	6,288			6,288
96900	Total operating expenses	<u>1,613,386</u>	<u>0</u>	<u>34,359</u>	<u>1,647,745</u>
97000	Excess operating revenue over operating expenses	<u>18,452,188</u>	<u>0</u>	<u>362,695</u>	<u>18,814,883</u>
Other expenses:					
97300	Housing Assistance Payments	18,470,794		368,356	18,839,150
97600	Capital outlays - governmental funds	64,836			64,836
90000	Total expenses	<u>20,149,016</u>	<u>0</u>	<u>402,715</u>	<u>20,551,731</u>
10000	Excess (deficiency) of total revenue over (under) total expenses	<u>\$ (83,442)</u>	<u>0</u>	<u>(5,661)</u>	<u>(89,103)</u>
11030	Beginning Equity	\$ 2,149,732	0	29,519	2,179,251
11170	Administrative Fee Equity	\$ 2,073,174	0	7,623	2,080,797
11180	Housing Assistance Payments Equity	\$ (6,884)	0	16,235	9,351
11190	Unit Months Available	30,048	0	420	30,048
11210	Number of Unit Months Leased	21,782	0	366	21,782



City of Pensacola

AUDIT RESULTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024



This Year's Audit Results

Matter	Conclusion
Opinions on Financial Statements	- Fairly stated in all material respects. - Considered a “clean” or “unmodified” report. - Issued on March 7, 2025
Reporting on Required Supplementary Information	- We have applied certain limited procedures which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on this information. - MDA - Pension Funds – Schedule of Changes in Net Pension Liability and Related Ratios, Proportionate Share of the Net Pension Liability, Employer Contributions and Investment Returns - Schedule of Changes in Total OPEB Liability and Related Ratios

This Year's Audit Results

Matter	Conclusion
Reporting on Supplementary Information	▪ Introductory & Statistical Section - was not subjected to auditing procedures applied in the audit of the basic financial statements, thus we express no opinion on it. ▪ The following information was subjected to the procedures applied in the audit of the basic financial statements and is fairly stated in all material respects in relation to the City's financial statements. ▪ Combining and Individual Nonmajor fund financial statements and schedules ▪ Financial Data Schedule ▪ Schedule of Expenditures of Federal Awards, Passenger Facility Charges and State Financial Assistance ▪ Schedule of Receipts and Expenditures of funds related to the Deepwater Horizon Oil Spill

This Year's Audit Results

Matter	Conclusion
Reporting under Government Auditing Standards	▪ No instances of noncompliance or other matters identified and reported . ▪ No material weaknesses were identified
Reporting on an Examination of Compliance Requirements in Accordance with Ch. 10.550, <i>Rules of the Auditor General</i>	▪ City complied, in all material respects, with (1) Florida Statute 218.415 in regards to investments. (2) Florida Statute 288.8018 in regard to the Deepwater Horizon Oil Spill receipts and expenditures.

This Year's Audit Results

Matter	Conclusion
Report on Compliance for Each Major Federal Program, State Project and Passenger Facility Charge Program and Internal Control	▪ We believe the City complied in all material respects with compliance requirements that could have a direct and material effect on each of its federal programs, state projects and the passenger facility charges program ▪ No material weaknesses in internal control identified and reported related to each major federal program, state project and the passenger facility charges program.
▪ Federal Programs: • Federal Assistance Listing Number 14.218 – U.S. Department of Housing and Urban Development Community Development Block Grants Entitlement/Special Purpose Grants • Federal Assistance Listing Number 21.027 – U.S. Department of Treasury – American Rescue Plan: Coronavirus State and Local Fiscal Recovery Funds ▪ State Project: - CSFA No. 55.004 Aviation Grant Programs	

This Year's Audit Results

Matter	Conclusion
Adjustments detected by the audit process	▪ None.
Other matters	▪ No instances of fraud or illegal acts were noted. ▪ No material uncertainties were noted. ▪ No significant changes to our planned scope or approach were required during year end fieldwork.
Financial statement disclosures	▪ The disclosures are neutral, consistent and clear.
Disagreements with management	▪ None.
Management consultations with other accountants	▪ Management has informed us that they have not consulted with other accountants.
Difficulties encountered performing the audit	▪ None.
Management representations	▪ Management has provided us with certain representations that are included in the management representation letter.

This Year's Audit Results

Matter	Conclusion
Accounting Policies	Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. We noted no changes in accounting policies utilized by City during the year.
Significant or Unusual Transactions	We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.
Major Estimates and Judgments	Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-418

Agenda Conference

4/7/2025

LEGISLATIVE ACTION ITEM

SPONSOR: DC Reeves, Mayor

SUBJECT:

CITY COUNCIL CONSENT TO THE MAYOR'S APPOINTMENT OF REAR ADMIRAL LANCE SCOTT, USN (RETIRED) AS PORT DIRECTOR FOR THE CITY OF PENSACOLA

RECOMMENDATION:

That City Council consent to the Mayor's appointment of RDML Lance Scott, USN (Ret), as Port Director of the City of Pensacola in accordance with the City Charter Section 4.01(a)(7).

HEARING REQUIRED: No Hearing Required

SUMMARY:

City Charter Section 4.01 (a) (7) - Powers and Duties of the Mayor states:

(7) To appoint the head of each department, with the consent of the City Council by an affirmative vote of a majority of City Council Members.

With the recent vacancy in the Port Director position, the city embarked on a nationwide search to find an appropriate replacement who would continue to promote and execute the Portside Pensacola Vision Plan & Reinvestment Strategy and lead the Port of Pensacola Team in a manner consistent with the city's strategic plan and the mayor's vision. RDML Scott is an accomplished expert in the maritime domain, to include both the commercial and public arenas through his vast experience over thirty years of service in the United States Navy, with the United States Transportation Command, and his license as a third mate through the United States Merchant Marine Academy. Based on his extensive qualifications, the Mayor presents for your consideration and consent, Rear Admiral Lance Scott, USN (Ret), as his appointee for the Port Director for the City of Pensacola.

PRIOR ACTION:

None

FUNDING:

N/A

FINANCIAL IMPACT:

Funding for this position is appropriated in the Port of Pensacola's budget.

LEGAL REVIEW ONLY BY CITY ATTORNEY: Yes

STAFF CONTACT:

Tim Kinsella, City Administrator

Amy Miller, Deputy City Administrator

ATTACHMENTS:

1. Lance Scott Biography
2. Lance G Scott - Resume

PRESENTATION: No



Lance G. Scott

Rear Admiral (Retired), U.S. Navy

Lance Scott retired from the U.S. Navy as a Rear Admiral having served over 31 years. His service culminated as Commander of Patrol and Reconnaissance Group, located in Norfolk, Virginia where he was directly responsible for manning, training, and equipping the U.S. Navy's Maritime Patrol Forces consisting of nearly 6,500 personnel, five variants of patrol aircraft including unmanned vehicles, and mobile tactical operations equipment in support of forces maintaining a global presence year round. During his distinguished career he also commanded a Patrol Squadron and a Patrol and Reconnaissance Wing. He has served on the Navy and Joint Staff in the Pentagon, at U.S. Indo-Pacific Command in Hawaii, and U.S. Transportation Command, headquartered at Scott Air Force Base, Illinois where he led the global operations center responsible for all Department of Defense logistics requirements.

Mr. Scott is originally from Illinois, but was raised abroad in Germany and Japan. He is a graduate of the U.S. Merchant Marine Academy at Kings Point, New York, where he received a Bachelor of Science in Marine Transportation, a license as Third Mate, Unlimited Tonnage Ocean Going Vessels, and a commission in the U.S. Navy. Additionally, he holds a Master of Arts in National Security and Strategic Studies from the Naval War College. Mr. Scott currently serves as a board member for the Maritime Patrol Association and is the President of Lance Scott and Associates, LLC, providing consulting services in the maritime, defense, and logistics industries.

Lance G. Scott

President, Lance Scott & Associates, LLC

Pensacola, FL 32503

808-291-2727 / lancescott.usn@gmail.com / LinkedIn: lance-scott

Innovative, high impact, change agent with a maritime education and experience in leading large organizations engaged in complex operations seeking Port Director position.

SUMMARY

Engaged visionary leader, who sets clear expectations founded in the organization's mission and goals with a focus on operational precision enabled by discipline, empowerment, and accountability. Builds relationships across an organization to leverage the organization's strengths to achieve superior performance and maximum return on investment. Directly managed teams of 25 up to 6500+ employees with accountability for over \$3B in assets and operating budgets and inventory over \$490M. **Active TS/SCI clearance.** Special strengths include:

- Dynamic Leadership
- Global Operations
- Strategic Planning
- Change Management
- Team Building
- Skilled Communicator

SKILLSETS

Dynamic Leadership

Thrives in high-paced operational environments leading teams to achieve organizational goals. Recognized by U.S. Transportation Command and Commander, U.S. Naval Air Forces executive leadership as an Innovative Leader and Operations Expert. Known for directing Joint Forces allocation globally and generating increased readiness outputs with a fixed budget.

Global Operations

20+ years experience of planning and executing operations and logistics in support of theater security cooperation and engagement activities in every continent across the globe. Established and forged relationships with allies and partners to conduct critical anti-submarine warfare, counter-terrorism, and counter-piracy missions in support of Geographic Combatant Commanders and partner nation operational and training objectives.

Strategic Planning

Innovated the concept and guided the implementation of an integrated priority schema to balance Joint Force logistics requirements against available resources. Ensured weight of effort was focused on the most consequential effects of the National Defense Strategy.

Change Management And Team Building

Led four organizations through operational and environmental changes brought on by an evolving strategic environment. With transparency of purpose, emphasis on safety, and oversight of procedural compliance; ensured effective mission results with increased morale and job satisfaction. Developed high-performing teams by fostering a culture of a winning attitude that resulted in mission success through achievement of organizational goals.

Skilled Communicator

Gained trust and inspired organizations through skilled verbal communications shaping content and means of delivery to the audience. Engaging personality that is effective in the company of executives, management, and labor force personnel.

PROFESSIONAL EXPERIENCE (2013 – Present)

President, Lance Scott & Associates, LLC
Pensacola, Florida

Apr 2023 – Present

Managing director of a consulting company focused on Defense, Maritime, and Logistics industries.

Commander, Patrol and Reconnaissance Force
Norfolk, Virginia

Jun 2020 – Aug 2022

Executive management of 6,500-person global organization responsible for planning and execution of Strategic, Operational, and Tactical requirements in Anti-Submarine Warfare, Intelligence, Surveillance, and Reconnaissance, and Unmanned Maritime Domain Awareness forces. Directed the integration of acquisition and fielding of Maritime Patrol and Reconnaissance Programs in excess of \$48B.

Chief, Global Operations Center – U.S. Transportation Command
Scott Air Force Base, Illinois

Sep 2018 – Jun 2020

Served as Director of USTRANSCOM's Global Logistics Operations Center responsible for planning, integrating, and directing all actions in support of Department of Defense Deployment and Distribution Enterprise. Established a global common operating picture to effectively visualize projection and sustainment of the Joint Force.

Executive Assistant to Commander, U.S Indo-Pacific Command
Camp Smith, Honolulu, Hawaii

Apr 2016 – Aug 2018

Served as principal assistant to the U.S. military's Chief Executive in Indo-Pacific region responsible for directing 335,000 Army, Navy, Marine Corps, Air Force and Coast Guard personnel, 180 ships, 2435 aircraft to safeguard U.S. national interests and maintain an assured presence in the region. Valued principal strategist and advisor to Chief Executive concerning all joint force operations to include: deliberate planning, crisis operations, regional engagement, and homeland defense operations.

**Chief of Staff for Warfare Integration Directorate (N9I) – Office of The
Chief of Naval Operations (OPNAV)**
Washington, DC

Feb 2015 – Apr 2016

Led 42-member team of professionals in the integration of Navy Warfighting Requirements Program totaling \$460B. Masterfully coordinated across multiple stakeholders to achieve alignment in delivering a balanced Navy budget. Led a dedicated Task Force to redesign Navy's strategic acquisition approach to Mine Counter Measures program of record.

Wing Commander – Commander, Patrol and Reconnaissance Wing TWO
Kaneohe Bay, Hawaii

Jul 2013 – Jan 2015

Directly accountable for mission accomplishment, training and well-being of 2,500 team members of an Aviation Wing comprised of 5 squadrons, \$1.1B in assets, and \$39M operating budget. Managed U.S. Navy's only operational unmanned aircraft system program. Created strategic plan across multiple organizations to execute a seamless homeport change of Wing TWO from Hawaii to Washington.

EDUCATION

Strategic Thinking, University of North Carolina, Kenan-Flagler School of Business, Chapel Hill, NC
Master of Science, National Security and Strategic Studies, Naval War College, Newport, RI
Bachelor of Science, Marine Transportation, United States Merchant Marine Academy, Kings Point, NY



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-388

Agenda Conference

4/7/2025

RESOLUTION

SPONSOR: DC Reeves, Mayor

SUBJECT:

RESOLUTION NO. 2025-17: RELATED TO THE PENSACOLA DOWNTOWN IMPROVEMENT BOARD'S (DIB'S) EXEMPTION FROM THE OBLIGATION TO ANNUALLY CONTRIBUTE TAX INCREMENT REVENUES TO THE REDEVELOPMENT TRUST FUND.

RECOMMENDATION:

That City Council adopt Resolution No. 2025-17.

A RESOLUTION OF THE CITY OF PENSACOLA, FLORIDA AMENDING RESOLUTION NO. 33-09; REVISING THE DEFINITION OF THE TERM "TAX INCREMENT REVENUES" SET FORTH THEREIN TO REFLECT EXEMPTION OF THE PENSACOLA DOWNTOWN IMPROVEMENT BOARD FROM THE OBLIGATION TO ANNUALLY CONTRIBUTE TAX INCREMENT REVENUES TO THE REDEVELOPMENT TRUST FUND ESTABLISHED FOR THE URBAN CORE COMMUNITY REDEVELOPMENT AREA; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

HEARING REQUIRED:

SUMMARY:

This action will advance City of Pensacola Strategic Plan Goal #6: Public Spaces that Connect Communities and Goal #8: Neighborhoods that Celebrate Culture and Honor Legacy.

In 1972, a Special Act of the Florida legislature was passed creating the Pensacola Downtown Improvement Taxing District, as was subsequently amended. The Special Acts are codified in the City code. The Pensacola Downtown Improvement Taxing District is a dependent special district, and separate legal entity, created by the City. Taxes imposed within the Pensacola Downtown Improvement Taxing District boundaries are imposed by the City upon request of the Downtown Improvement Board (DIB). Therefore, pursuant to the redevelopment statutes, the DIB is considered a "taxing authority."

In 1984, City Council adopted Ordinance No. 13-84 creating a Redevelopment Trust Fund or Tax Incremental Financing ("TIF") District to fund the Urban Core Community Redevelopment Area. The ordinance established that all taxing authorities, except school districts and water

management districts, were required to annually appropriate and pay into the Urban Core Redevelopment Trust Fund in order to fund community redevelopment activities pursuant to Chapter 163, Part III of the Florida Statutes. Since the Pensacola Downtown Improvement Taxing District boundaries lie within the boundaries of the Urban Core Community Redevelopment Area, the taxing authority is required to annually contribute to the TIF unless otherwise exempted by the City.

On July 15, 2024, the Community Redevelopment Agency (CRA) recommended that City Council authorize exemption of the DIB contribution to the Urban Core TIF. The DIB's written request for the exemption is attached.

On February 25, 2025 the City Council adopted Ordinance 14-24 to exempt DIB from payment of the annual tax increment that would otherwise be due into the Urban Core Redevelopment Trust Fund.

In 2017 and 2019 the City Council issued the Urban Core Redevelopment Revenue Bond, Series 2017 and Urban Core Redevelopment Refunding and Improvement Revenue Bond, Series 2019 respectively. The resolutions approving these debt financing stated that the City would not adversely modify the tax increment revenues without the written consent of the owners of more than 50% of the loans. Therefore, the City must amend the enabling resolution to allow the exemption of the DIB after obtaining the consent of the noteholders, Smart Bank and PNC.

PRIOR ACTION:

November 9, 2017 - City Council adopted Resolution 2017-78 authorizing the Urban Core Redevelopment Revenue Bond, Series 2017 loan.

July 18, 2019 - City Council adopted Resolution 2019-31 authorizing the Urban Core Redevelopment Refunding and Improvement Revenue Bond, Series 2019 loan.

July 15, 2024 - The CRA Board met and considered DIB's request to be exempted from the annual TIF payment.

July 15, 2024 - The CRA Board met and recommended that City Council exempt the DIB from the annual TIF payment.

February 13, 2025 - City Council voted to approve Proposed Ordinance No. 14-24 on first reading.

February 24, 2025 - City Council voted to approve Proposed Ordinance No. 14-24 on second reading.

FUNDING:

Budget: \$680,000 Estimated FY25 DIB required contribution

Actual:	\$680,000	Removed from the Urban Core Redevelopment Trust Fund
	\$680,000	TOTAL

FINANCIAL IMPACT:

Approval of this Resolution will amend Resolutions 2017-78 and 2019-31 removing monies that would have been paid by the DIB from the pledged revenues on any outstanding CRA related loan. Costs associated with this transaction are estimated at \$25,000 plus bond counsel fees with a maximum of \$50,000. These costs will be split evenly between the Urban Core CRA funds and the Downtown Improvement Board.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No**STAFF CONTACT:**

Tim Kinsella, City Administrator
Amy Lovoy, Finance Director

ATTACHMENTS:

1. Resolution No. 25-17

PRESENTATION: No

**RESOLUTION
NO. 2025-17**

**A RESOLUTION
TO BE ENTITLED:**

**A RESOLUTION OF THE CITY OF PENSACOLA, FLORIDA
AMENDING RESOLUTION NO. 33-09; REVISING THE DEFINITION
OF THE TERM "TAX INCREMENT REVENUES" SET FORTH
THEREIN TO REFLECT EXEMPTION OF THE PENSACOLA
DOWNTOWN IMPROVEMENT BOARD FROM THE OBLIGATION TO
ANNUALLY CONTRIBUTE TAX INCREMENT REVENUES TO THE
REDEVELOPMENT TRUST FUND ESTABLISHED FOR THE URBAN
CORE COMMUNITY REDEVELOPMENT AREA; PROVIDING FOR
REPEAL OF INCONSISTENT PROVISIONS; AND PROVIDING AN
EFFECTIVE DATE.**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PENSACOLA,
FLORIDA, that:**

Section 1. Authority for this Resolution.

This Resolution is adopted pursuant to the Constitution of the State of Florida, Chapter 163, Part III, Florida Statutes, Chapter 166, Part II, Florida Statutes, the municipal charter of the City of Pensacola, Florida (the "Issuer"), and other applicable provisions of law (collectively, the "Act"), and pursuant to Section 16 of Resolution No. 33-09 duly adopted by the Issuer on October 8, 2009, as amended and supplemented (collectively, the "Original Resolution").

Section 2. Definitions.

All terms defined in the Original Resolution shall have the same meaning herein, unless the text otherwise expressly requires. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

Section 3. Findings.

(A) Pursuant to Resolution No. 54-80 adopted by the City Council on September 25, 1980, and as confirmed and ratified pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council found and determined that an area designated therein as the "Pensacola Inner City" is a blighted area as therein described, that a combination of rehabilitation, conservation and redevelopment of the Pensacola Inner City is necessary, that there exists a need for a community redevelopment agency to function in the City to carry out community redevelopment purposes pursuant to Part II, Chapter 163, Florida Statutes, and that the Pensacola Inner

City is appropriate for community redevelopment projects and is thereby designated a community redevelopment area.

(B) Pursuant to Resolution No. 55-80 adopted by the City Council on September 25, 1980, and as readopted and reaffirmed pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council declared itself to be the "Community Redevelopment Agency" in the City and vested all rights, powers, duties, privileges and immunities vested in a community redevelopment agency pursuant to Part III, Chapter 163, Florida Statutes, in the City Council, subject to all responsibilities and liabilities imposed or incurred, and enumerated certain powers of an Executive Committee therein described and certain powers of the City Council, including the power to issue revenue bonds.

(C) Resolution No. 22-10 adopted by the City Council on August 19, 2010, amended the composition of the Agency pursuant to the City's Charter which became effective on January 10, 2011, such that the Agency be comprised of the members of the City Council seated pursuant to the Charter and that such City Council assume the powers of the Executive Committee therein dissolved. An Interlocal Agreement dated April 12, 2017, between the City and the Agency, provides the Mayor certain executive authority and supervision over the daily operations of the Agency for the current Fiscal Year.

(D) Pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council designated the boundaries and found and determined that an area designated therein as the "Urban Core Community Redevelopment Area" is a blighted area as therein described and that the rehabilitation, conservation and redevelopment is necessary and in the public interest.

(E) Pursuant to Ordinance No. 13-84 enacted by the City Council on March 8, 1984 (the "Trust Fund Ordinance"), the Urban Core Community Redevelopment Trust Fund was established and provided that funds allocated to and deposited in such fund shall be used for the purpose of financing the implementation of the Urban Core Community Redevelopment Plan. The Urban Core Community Redevelopment Trust Fund is required to be maintained and administered as a separate account of the City for the purposes expressed in such ordinance and Chapter 163, Florida Statutes.

(F) On January 14, 2010, the City Council adopted Resolution No. 02-10 approving an "Urban Core Community Redevelopment Plan 2010" for the Urban Core Community Redevelopment Area.

(G) On October 8, 2009, the City Council adopted the Original Resolution to authorize the issuance of Bonds secured by Pledged Revenues, defined therein to include Tax Increment Revenues.

(H) Pursuant to the Original Resolution and Resolution No. 17-78 adopted on November 9, 2017 (the "2017 Resolution"), the Issuer previously issued its Urban Core Redevelopment Revenue Bond, Series 2017 (the "2017 Bond").

(I) Pursuant to the Original Resolution and Resolution No. 2019-31 adopted on July 18, 2019 (the "2019 Resolution"), the Issuer previously issued its Urban Core Redevelopment Refunding and Improvement Revenue Bond, Series 2019 (the "2019 Bond").

(J) Section 16 of the Original Resolution provides that no material modification or amendment of the Original Resolution or of any resolution amendatory thereof supplemental thereto, may be made without the consent in writing of Owners of more than 50% in principal amount of each Series of the Bonds outstanding.

(K) Section 11(F) of the 2017 Resolution provides that the Issuer will not, without the written consent of the Registered Owner of the 2017 Bond, enact any ordinance or adopt any resolution which modifies in any manner adverse to the Registered Owner the Tax Increment Revenues.

(L) Section 11(F) of the 2019 Resolution provides that the Issuer will not, without the written consent of the Registered Owner of the 2019 Bond, enact any ordinance or adopt any resolution which modifies in any manner adverse to the Registered Owner the Tax Increment Revenues.

(M) The Issuer has determined to amend the Trust Fund Ordinance to exempt the Pensacola Downtown Improvement Board from the requirement to annually appropriate Tax Increment Revenues to the Redevelopment Trust Fund, as authorized by Section 163.387(2)(d)1., Florida Statutes, and to amend the definition of "Tax Increment Revenues" set forth in the Original Resolution to reflect such exemption.

(N) Smartbank Corporation, as the sole Registered Owner of the 2017 Bond, has given its written consent for such amendment of the Original Resolution, as required by Section 16 of the Original Resolution and Section 11(F) of the 2017 Resolution. A copy of such written consent is attached hereto as Appendix A.

(O) PNC Bank, National Association, as the sole Registered Owner of the 2019 Bond, has given its written consent for such amendment of the Original Resolution, as required by Section 16 of the Original Resolution and Section 11(F) of the 2019 Resolution. A copy of such written consent is attached hereto as Appendix B.

Section 4. Amendment of Resolution No. 33-09. The definition of the term "Tax Increment Revenues" set forth in Section 2 of Resolution No. 33-09 is hereby amended as follows, with additional text indicated by underline.

"Tax Increment Revenues" shall mean the amount of increment in the income, proceeds, revenues and other funds of the Issuer and all other taxing authorities, whose jurisdiction includes the Redevelopment Area, except the Pensacola Downtown Improvement Board, school districts and water management districts and other tax authorities enumerated in Section 163.387(1)(c), Florida Statutes, none of which other enumerated entities currently levy taxes within the Redevelopment Area, computed in

accordance with and required to be deposited in the Redevelopment Trust Fund by Section 163.387(1), Florida Statutes, including, without limitation, any payments received from or on behalf of the Master Developer or the Community Redevelopment Agency of the City, derived from amounts in the Redevelopment Trust Fund.

Section 5. Repealer.

This Resolution supersedes all prior actions of City Council inconsistent herewith. All resolutions or portions thereof in conflict with the provisions of this Resolution are hereby repealed to the extent of any such conflict; provided, however, that nothing herein shall effect any vested rights of the Holder or holders of the Parity Obligations.

Section 6. Effective Date.

This Resolution shall become effective on the fifth business day after adoption, unless otherwise provided pursuant to Section 4.03(d) of the Charter of the Issuer.

Adopted: _____

[SEAL]

Approved: _____
President of City Council

ATTEST:

City Clerk

APPENDIX A

CONSENT CERTIFICATE OF SMARTBANK CORPORATION

CONSENT CERTIFICATE OF SMARTBANK CORPORATION

The undersigned hereby certifies that he or she is authorized to execute and deliver this certificate on behalf of SmartBank Corporation (the "Registered Owner") as the sole holder of the Urban Core Redevelopment Revenue Bond, Series 2017 (the "Bond") issued by the City of Pensacola, Florida (the "Issuer") on November 15, 2017 pursuant to Resolution No. 33-09 adopted by the City Council of the Issuer on October 8, 2009 (the "Original Resolution") and Resolution No. 17-78 adopted by the City Council of the Issuer on November 9, 2017 (the "2017 Resolution," and together with the Original Resolution, the "Resolution"). Capitalized undefined terms used and not otherwise defined herein shall have the meanings ascribed in the Resolution.

The Bond is payable from and secured solely by the Pledged Revenues consisting primarily of the Tax Increment Revenues deposited to the Redevelopment Trust Fund and, to the extent Tax Increment Revenues are insufficient to pay the Bond Service Requirements, from certain Non-Ad Valorem Revenues budgeted and appropriated to cure such deficiencies.

The Issuer has represented to the Registered Owner that (i) the only taxing authorities which currently appropriate Tax Increment Revenues to the Redevelopment Trust Fund are the Issuer, Escambia County and the Pensacola Downtown Improvement Board (the "DIB"); and (ii) for the Issuer's Fiscal Year 2023, the DIB contributed Tax Increment Revenues in the amount of \$504,623, which represents approximately 5.54% of total increment receipts.

The Issuer is considering exempting the DIB from the obligation to contribute annual Tax Increment Revenues to the Redevelopment Trust Fund. The Issuer has determined that such exemption is authorized under the Act, and that the actions required to effectuate such exemption may include (i) amendment of City Ordinance No. 13-84 which established the Redevelopment Trust Fund into which the Tax Increment Revenues are deposited (the "Trust Fund Ordinance"), and (ii) amendment of the definition of "Tax Increment Revenues" set forth in the Resolution.

Section 16 of the Original Resolution provides that no material modification or amendment of the Original Resolution or of any resolution amendatory thereof or supplemental thereto, shall be made without the consent in writing of Owners of more than 50% in principal amount of each Series of the Bonds outstanding, and Section 11(F) of the 2017 Resolution provides that the Issuer will not, without the written consent of the Registered Owner of the Bond, enact any ordinance or adopt any resolution which modifies in any manner adverse to the Registered Owner the Tax Increment Revenues.

NOW THEREFORE, the undersigned, on behalf of the Registered Owner, does hereby consent to the Issuer's amendment of the Trust Fund Ordinance and the Resolution for purposes of exempting the DIB from the requirement to contribute annual Tax Increment Revenues to the Redevelopment Trust Fund.

The consent of the Registered Owner hereunder shall be limited to the express terms hereof. By granting this consent, the Registered Owner expresses no opinion as to the Issuer's authority to exempt the DIB from annual Tax Increment Revenue contribution or whether the consent of any other person or the satisfaction of any other conditions precedent is required in connection herewith, and otherwise waives no requirement of the Resolution or the Bond.

Dated this 30th day of AUGUST, 2024.

SMARTBANK CORPORATION

By: 

Name: Eric Nickelson

Title: VP

APPENDIX B

CONSENT CERTIFICATE OF PNC BANK, NATIONAL ASSOCIATION

CONSENT CERTIFICATE OF PNC BANK, NATIONAL ASSOCIATION

The undersigned hereby certifies that he or she is authorized to execute and deliver this certificate on behalf of PNC Bank, National Association (the "Registered Owner") as the sole holder of the Urban Core Redevelopment Refunding and Improvement Revenue Bond, Series 2019 (the "Bond") issued by the City of Pensacola, Florida (the "Issuer") on July 25, 2019 pursuant to Resolution No. 33-09 adopted by the City Council of the Issuer on October 8, 2009 (the "Original Resolution") and Resolution No. 2019-31 adopted by the City Council of the Issuer on July 18, 2019 (the "2019 Resolution," and together with the Original Resolution, the "Resolution"). Capitalized undefined terms used and not otherwise defined herein shall have the meanings ascribed in the Resolution.

The Bond is payable from and secured solely by the Pledged Revenues consisting primarily of the Tax Increment Revenues deposited to the Redevelopment Trust Fund and, to the extent Tax Increment Revenues are insufficient to pay the Bond Service Requirements, from certain Non-Ad Valorem Revenues budgeted and appropriated to cure such deficiencies.

The Issuer has represented to the Registered Owner that (i) the only taxing authorities which currently appropriate Tax Increment Revenues to the Redevelopment Trust Fund are the Issuer, Escambia County and the Pensacola Downtown Improvement Board (the "DIB"); and (ii) for the Issuer's Fiscal Year 2023, the DIB contributed Tax Increment Revenues in the amount of \$504,623, which represents approximately 5.54% of total increment receipts.

The Issuer is considering exempting the DIB from the obligation to contribute annual Tax Increment Revenues to the Redevelopment Trust Fund. The Issuer has determined that such exemption is authorized under the Act, and that the actions required to effectuate such exemption may include (i) amendment of City Ordinance No. 13-84 which established the Redevelopment Trust Fund into which the Tax Increment Revenues are deposited (the "Trust Fund Ordinance"), and (ii) amendment of the definition of "Tax Increment Revenues" set forth in the Resolution.

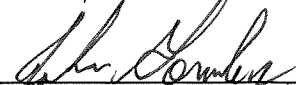
Section 16 of the Original Resolution provides that no material modification or amendment of the Original Resolution or of any resolution amendatory thereof or supplemental thereto, shall be made without the consent in writing of Owners of more than 50% in principal amount of each Series of the Bonds outstanding, and Section 11(F) of the 2019 Resolution provides that the Issuer will not, without the written consent of the Registered Owner of the Bond, enact any ordinance or adopt any resolution which modifies in any manner adverse to the Registered Owner the Tax Increment Revenues.

NOW THEREFORE, the undersigned, on behalf of the Registered Owner, does hereby consent to the Issuer's amendment of the Trust Fund Ordinance and the Resolution for purposes of exempting the DIB from the requirement to contribute annual Tax Increment Revenues to the Redevelopment Trust Fund.

The consent of the Registered Owner hereunder shall be limited to the express terms hereof. By granting this consent, the Registered Owner expresses no opinion as to the Issuer's authority to exempt the DIB from annual Tax Increment Revenue contribution or whether the consent of any other person or the satisfaction of any other conditions precedent is required in connection herewith, and otherwise waives no requirement of the Resolution or the Bond.

Dated this 3 day of September 2024.

PNC BANK, NATIONAL ASSOCIATION

By: 

Name: John Gortelen

Title: SENIOR VICE PRESIDENT



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-19

Agenda Conference

4/7/2025

RESOLUTION

SPONSOR: DC Reeves, Mayor

SUBJECT:

SUPPLEMENTAL BUDGET RESOLUTION NO. 2025-3 - DR. MARTIN LUTHER KING, JR./ALCANIZ STREET AND DAVIS HIGHWAY TWO-WAY CONVERSION PROJECT

RECOMMENDATION:

That City Council adopt Supplemental Budget Resolution No. 2025-3.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

This action will advance City of Pensacola Strategic Plan Goal #2: Safe Streets for All Mobilities.

The City of Pensacola desires to produce engineered construction plans for the conversion of the one-way street pair of MLK Drive / Alcaniz Street and Davis Street / Davis Highway (both SR 291) each to two-way roadway facilities from Gregory Street (US 98) to just north of Hart Drive. The total roadway length is 4.83 miles per FDOT's straight line diagram. The project primarily lies within the Eastside Neighborhood & CRA area of the City and was the focus of a 2020 Study conducted by the Emerald Coast Regional Council (ECRC) which found that the two-way conversion was feasible with respect to traffic. Small portions of the north end of the roadway pair are located outside the Pensacola city limits. However, the project is clearly supported by Escambia County and their ultimate execution of this Interlocal Agreement and subsequent contribution of funds. FDOT has near-future plans to begin design of the resurfacing and improvements of the one-way pair in their existing condition.

PRIOR ACTION:

February 13, 2025 - Council approved the Interlocal Agreement with Escambia County for the Dr. Martin Luther King, Jr./Alcaniz Street and Davis Highway Two-Way Conversion Project.

FUNDING:

Budget:	\$400,000	American Rescue Plan Funds
	\$200,000	Funding from LOST Paving Account - To be Reimbursed via ILA w/ Esc. County
	\$600,000	TOTAL
Actual:	\$592,608.00	Engineering Scope and Fee for Design Services w/ HDR Engineering, Inc.
	\$592,608.00	TOTAL

FINANCIAL IMPACT:

Adoption of the supplemental budget resolution will appropriate the funds from the Interlocal Agreement. A total appropriation of \$600,000.00 is available between the American Rescue Plan Funds and the LOST Paving Funds. As described above, this interlocal agreement will result in reimbursement of the \$200,000.00 amount via Escambia County's financial contribution.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No**STAFF CONTACT:**

Tim Kinsella, City Administrator
Amy Tootle, Director of Public Works and Engineering

ATTACHMENTS:

1. Supplemental Budget Resolution No. 2025-3
2. Supplemental Budget Explanation No. 2025-3
3. ILA City of Pensacola / Escambia County

PRESENTATION: No

**RESOLUTION
NO. 2025-3**

A RESOLUTION
TO BE ENTITLED:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE
FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA

SECTION 1. The following appropriations from funds on hand in the fund accounts stated below, not heretofore appropriated, and transfer from funds on hand in the various accounts and funds stated below, heretofore appropriated, be, and the same are hereby made, directed and approved to-wit:

LOCAL OPTION SALES TAX FUND

To:	Other Local Units	200,000
As Reads	Capital Outlay	5,664,397
Amended		
To Read:	Capital Outlay	5,864,397

SECTION 2. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 3. This resolution shall become effective on the fifth business day after adoption, unless otherwise provided pursuant to Section 4.03(d) of the City Charter of the City of Pensacola.

Adopted: _____

Approved: _____
President of City Council

Attest:

City Clerk

THE CITY OF PENSACOLA

JANUARY 2025 - SUPPLEMENTAL BUDGET RESOLUTION - INTERLOCAL AGRMT - ESCAMBIA CO - RES NO. 2025-3

FUND	AMOUNT	DESCRIPTION
LOCAL OPTION SALES TAX IV FUND		
Estimated Revenues		
Other Local Units	200,000	Increase estimated revenue - Escambia Co Interlocal Agreement
Total Revenues	200,000	
Appropriations		
Capital Outlay	200,000	Increase appropriation for Capital Outlay
Total Appropriations	200,000	

Interlocal Agreement

City of Pensacola,
Florida

Escambia County,
Florida

**Interlocal Agreement
Between The City of Pensacola, Florida and
Escambia County, Florida**

THIS INTERLOCAL AGREEMENT ("Agreement") is made by and between the City of Pensacola, Florida, a municipal corporation of the State of Florida (the "City"), with administrative offices at 222 W. Main Street, Pensacola, Florida 32502 and Escambia County, Florida, a political subdivision of the State of Florida, with administrative offices at 221 Palafox Place, Pensacola, Florida 32502 (the "County") (each referred to as a "party" or "parties").

RECITALS:

Whereas, segments of certain roadways in the City of Pensacola and Escambia County identified as SR 291, Doctor MLK Jr. Drive, Alcaniz Street & Davis Highway currently provide for 1-way, 2-lane travel (collectively, the "Roadways") and experience multiple traffic safety issues, which oftentimes lead to vehicular conflicts;

Whereas, over the previous 5 years approximately 440 vehicular crashes have occurred along the Roadways, which equates to approximately 88 crashes per year or 7 crashes per month;

Whereas, conversion of the Roadways to provide for 2-way, 2-lane travel and the installation of related traffic operational improvements, enhanced traffic control measures, traffic signalization upgrades, multi-modal improvements, and the like will result in safer corridors for all users (collectively, the "Conversion Project");

Whereas, the City and County have substantial experience and expertise in public infrastructure design, construction, and regulation in their respective jurisdictions, and desire to work together towards design and construction of the Conversion Project;

Whereas, the City and County anticipate such Conversion Project will further the public interest, assist in efforts to reduce traffic fatalities and severe injuries on roadways, and meet several City and County strategic, community redevelopment, and traffic safety plans; and

Whereas, this Agreement is entered into pursuant to and under the authority of Section 163.01, Florida Statutes (The Florida Interlocal Cooperation Act) which permits the parties to enter into interlocal agreements and thereby cooperatively utilize their respective powers and resources in the most efficient manner possible.

NOW THEREFORE, in consideration of the mutual benefits and obligations herein set forth and for other good and valuable consideration receipt of which is hereby acknowledged, the City and County agree as follows:

1. **Recitals.** The recitals above are declared to be true and correct and are hereby incorporated into this Agreement.

2. **Funds.** Within 30 days from Effective Date of this Agreement, the County shall deliver payment to the City in the amount of Two Hundred Thousand and 00/100 Dollars (\$200,000.00.), which amount shall be used by the City solely for costs incurred by the City related to the design of the Conversion Project, including without limitation engineering and design costs, legal expenses, and permitting fees (collectively, the "Design Costs"). The current estimate of those Design Costs is included in Appendix A attached hereto totaling \$592,608.00. The remaining balance of the Design Costs totaling \$392,608.00 will be paid for by the City. Within 60 days following completion of the Conversion Project, the City will return to the County any amount by which the actual Design Costs were less than \$200,000.00.

3. **Schedule.** The City will execute the planning, design, review, and permitting (aka design phase) of the Conversion Project as expeditiously as reasonably practicable, with the City's goal to enter into a contract for design of the Conversion Project within 60 calendar days from the Effective Date.

4. **City Responsibilities.** The City will manage the design phase of the Conversion Project. The City will seek County input at the kickoff of the Conversion Project and comments at each milestone submittal throughout the design phase of the Conversion Project. The City will provide a construction cost estimate at each milestone submittal as well as respond to any related County comments after each milestone design review. If input and comments are not received by the County, the City reserves the right to continue with design. The City will provide engineering professional support as necessary and sufficient to design all portions of the Conversion Project.

5. **County Responsibilities.** The County has 14 calendar days after receipt of design plans at each milestone submittal, to provide the City with its comments as to such design plans. After 60% plans, significant modifications to the design by the County, which result in additional design fees, will be at the expense of the County.

6. **Records.** The City will maintain records relating to design phase services and activities in accordance with its normal practice and will maintain documentation of fees or other compensation for services or expenses paid hereunder in detail sufficient for proper pre- and post-audit. The City and County are both subject to the provisions of Florida's Public Records Law, Chapter 119, Florida Statutes, and shall allow public access to all documents, papers, letters, or other material subject to the provisions thereof and made or received in conjunction with this Agreement, except as exempted by law, including without limitation the exemptions in section 1004.28, Florida Statutes. Refusal by either party to allow lawful public records access shall be grounds for unilateral cancellation of this Agreement by the other party.

7. **Amendments.** This Agreement may be amended by the mutual written agreement of the parties at any time and from time to time, which amendments shall become effective upon filing thereof in the public records pursuant to section 163.01(11), Florida Statutes.

8. **Assignment.** No party to this Agreement may, directly or indirectly, assign or transfer any or all their duties, rights, responsibilities, or obligations under this Agreement without the express prior written approval of the other party to this Agreement.

9. **Severability.** The provisions of this Agreement are severable, and if any of the provisions or any powers granted by this Agreement shall be held unconstitutional, invalid, or void by any court of competent jurisdiction, the remaining provisions of this Agreement shall not be affected or impaired.

10. **Controlling Law; Venue.** Any action arising from, related to, or seeking to enforce any provision of this Agreement shall be governed by the laws of the State of Florida. The venue shall be the state courts of Escambia County, Florida.

11. **Third Party Beneficiaries.** Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any third-party person, firm, or corporation, any right, remedy, or claim, legal or equitable.

12. **Not Construed Against Drafter.** No party shall be deemed to be the drafter of this Agreement, and no provision hereof shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

13. **Notices.** Any notice, demand, direction, request, or other instrument authorized or required by this Agreement shall be deemed sufficiently given when sent by registered mail, return receipt requested, or by personal hand delivery:

To the County:

Wesley Moreno
County Administrator
Escambia County
221 Palafox Place
Pensacola, FL 32502

To the City:

Tim Kinsella
City Administrator
City of Pensacola
222 W. Main Street
Pensacola, FL 32502

The addresses to which any notice, demand, or other instrument authorized to be given or filed may be changed from time to time by a written notice to that effect delivered to all the parties, which change shall be effective immediately or such other time as provided in the notice.

Until notice of a change of address is received, a party may rely upon the last address received. Notice shall be deemed given, if notice is by mail on the date mailed to the address set forth above.

14. **Effective Date.** This Agreement shall become effective immediately upon filing with the Clerk of the Circuit Court of Escambia County, Florida, as provided in Section 163.01(11), Florida Statutes. The City shall be responsible for its filing.

15. **Term.** This Agreement will remain in full force and effect from the Effective Date until completion of the construction and funding obligations herein or such time as it is terminated by either party with or without cause upon ten (10) days written notice to the other party hereto.

[A separate signature page follows.]

CITY OF PENSACOLA, FLORIDA

Sign: [Signature]
Print: T.F. KINGSBUT
Title: CITY ADMINISTRATOR
Date: 2/27/25

ATTEST:
[Signature]
City Clerk (seal)
Legal in form and execution:
[Signature]
City Attorney

Date BCC Approved
3/6/2025

THE BOARD OF COUNTY COMMISSIONERS
SEAL
ATTEST: PAM CHILDERS
CLERK OF THE CIRCUIT COURT
BY: [Signature]
DEPUTY CLERK
ESCAMBIA CO., FL

ESCAMBIA COUNTY, FLORIDA
Sign: [Signature]
Print: Michael S. Kohler
Title: Chairman
Date: 3/6/2025

This document approved as to form
and legal sufficiency.
By: [Signature]
Title: Asst. County Attorney
Date: March 3, 2025

PAM CHILDERS
CLERK/COMPTROLLER
FILED
2025 MAR 11 A 12:27
ESCAMBIA COUNTY, FL
Interlocal Agreement signature page



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-400

Agenda Conference

4/7/2025

RESOLUTION

SPONSOR: DC Reeves, Mayor

SUBJECT:

SUPPLEMENTAL BUDGET RESOLUTION NO. 2025-19 - LAW ENFORCEMENT TRUST FUND (LETF) EXPENDITURE FOR A BEARCAT VEHICLE

RECOMMENDATION:

That City Council adopt Supplemental Budget Resolution No. 2025-19.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

The Pensacola Police Department is attempting to convert their primary weapons from a 40 caliber weapon to a 9mm weapon. The estimated total cost for the purchase of the new 9mm's plus the accompanying ammunition is \$316,000. Resolution #2025-14 appropriated \$216,000 in the General Fund for this purchase leaving \$100,000 needed to complete this conversion.

The City of Pensacola purchased a Bearcat Assault Vehicle (Bearcat) for use by the Pensacola Police Department SWAT team. The original budget for this purchase was established in the General Fund for \$300,000. The intent of this supplemental budget amendment resolution will be to recognize Law Enforcement Trust fund monies and to appropriate \$100,000 for the Bearcat purchase. This will change the funding for the Bearcat from \$300,000 in the General Fund to \$200,000 in the General Fund and \$100,000 in the Law Enforcement Trust Fund producing the net effect of freeing up \$100,000 in the General Fund. The funding that has been freed up in the General Fund will be used to increase the budget for the purchase of the new 9mm weapons by the \$100,000 needed to complete the project.

PRIOR ACTION:

March 27, 2025 - City Council approved Supplemental Budget Resolution 2025-14 appropriating \$216,000 in the General Fund for the weapon conversion.

FUNDING:

Budget:	\$100,000	Law Enforcement Trust Fund
Actual:	\$100,000	Bearcat Assault Vehicle
	\$100,000	TOTAL

FINANCIAL IMPACT:

\$100,000 of the funding previously approved for the Bearcat will be moved from the General Fund to the Law Enforcement Trust Fund. It will not increase or decrease the total Bearcat budget. The resulting monies freed up in the General Fund will be moved to the weapon conversion project increasing the total budget for this project from \$216,000 to \$316,000.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No**STAFF CONTACT:**

Tim Kinsella, City Administrator
Amy Lovoy, Finance Director
Eric Randall, Chief of Police

ATTACHMENTS:

1. Supplemental Budget Resolution No. 2025-19
2. Supplemental Budget Explanation No. 2025-19

PRESENTATION: No

**RESOLUTION
NO. 2025-19**

A RESOLUTION
TO BE ENTITLED:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR
THE FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA

SECTION 1. The following appropriations from funds on hand in the fund accounts stated below, not heretofore appropriated, and transfer from funds on hand in the various accounts and funds stated below, heretofore appropriated, be, and the same are hereby made, directed and approved to-wit:

A. LAW ENFORCEMENT TRUST FUND

	Fund Balance	100,000
As Reads:	Capital Outlay	184,309
Amended		
To Read:	Capital Outlay	284,309

SECTION 2. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 3. This resolution shall become effective on the fifth business day after adoption, unless otherwise provided pursuant to Section 4.03(d) of the City Charter of the City of Pensacola.

Adopted: _____

Approved: _____
President of City Council

Attest:

City Clerk

THE CITY OF PENSACOLA
APRIL 2025- SUPPLEMENTAL BUDGET RESOLUTION - LETF FUNDS - NO. 2025-19

FUND	AMOUNT	DESCRIPTION
LAW ENFORCEMENT TRUST FUND		
Fund Balance	<u>100,000</u>	Increase appropriated fund balance
Appropriations		
Capital Outlay	<u>100,000</u>	Increase appropriation for Capital Outlay
Total Appropriations	<u>100,000</u>	



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-324

Agenda Conference

4/7/2025

LEGISLATIVE ACTION ITEM

SPONSOR: DC Reeves, Mayor

SUBJECT:

AMENDMENT TO LEASE AGREEMENT WITH AMERICAN MAGIC FOR PREPAID RENTAL TERMS

RECOMMENDATION:

That City Council approve the amendment to the existing lease agreement between the City of Pensacola and American Magic to adjust the financial terms by prepaying a portion of the lease. Further, that City Council authorize the Mayor to take those actions necessary to finalize, execute, and administer this lease amendment, consistent with the terms outlined in the amendment and the Mayor's Executive Powers as granted in the City Charter.

HEARING REQUIRED: No Hearing Required

SUMMARY:

This action will advance City of Pensacola Strategic Plan Goal #7: Thriving Innovation & Businesses.

The proposed lease agreement supports the City's broader objectives by strengthening maritime and economic development at the Port of Pensacola, while also ensuring long-term financial stability through American Magic's pre-paid lease commitment. Additionally, by securing a high-profile sailing operation at the Port, the agreement enhances Pensacola's position as a hub for the marine industry and competitive sailing, contributing to both business growth and tourism-driven economic impact.

The American Magic sailing team has proposed an amendment to their existing lease agreement with the City of Pensacola, modifying the financial structure to prepay rental obligations for multiple years. This adjustment ensures financial stability for both American Magic and the City while reinforcing the team's long-term commitment to the Port of Pensacola.

Under the revised terms, American Magic will provide a total pre-payment of \$3,082,286 USD, allocated as follows:

- Years 1 - 7 Pre-Payment: \$2,038,400
- Years 8 (Partial) Pre-Payment: \$170,286
- Year 11 - 13 Pre-Payment: \$873,600

Additionally, if the dock is not completed in time for American Magic's sailing operations for AC38, the team will be allowed to establish a temporary base at the Port without incurring the outdoor rental rate.

As part of this amendment, American Magic is also requesting the removal of Section 6.08 C from the lease, citing their financial commitment for the first eight years as sufficient security for the agreement.

This lease amendment continues to support the City's broader objectives of fostering economic growth, maritime industry expansion, and tourism-related development at the Port of Pensacola.

PRIOR ACTION:

June 15, 2023 – Council acceptance of the Governor's Job Growth Grant Fund and supplemental budget resolution.

September 14, 2023 – Council acceptance of the Triumph Gulf Coast Grant and supplemental budget resolution.

November 9, 2023 – Council approval of A&E contract with Muller and Muller, LTD for Phase I of the facility design and engineering.

January 18, 2024 – Council approval of A&E contract amendment with Muller and Muller, LTD for design and engineering of the wet slip.

February 22, 2024 – Council approval of the initial lease agreement with American Magic.

FUNDING:

N/A

FINANCIAL IMPACT:

The City will receive \$3,082,286 in prepaid rent, which will help support the completion of Warehouse #10 and ensure upfront financial stability for the lease term. American Magic will also continue to cover its operational costs at the site.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No**STAFF CONTACT:**

Tim Kinsella, City Administrator

Amy Miller, Deputy City Administrator

Thomas Coggin, Interim Port Director

ATTACHMENTS:

1. American Magic Lease
2. American Magic Lease amendment

PRESENTATION: No

*REAL PROPERTY LEASE
AND DEVELOPMENT
AGREEMENT*

*AT THE PORT OF
PENSACOLA*

BETWEEN

BELLA MENTE QUANTUM RACING ASSOCIATION

AND

CITY OF PENSACOLA

Effective Date: MARCH 15, 2024

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**PORT OF PENSACOLA
REAL PROPERTY LEASE
AND DEVELOPMENT
AGREEMENT**

THIS REAL PROPERTY LEASE AND DEVELOPMENT AGREEMENT (this “Lease”) is hereby made and entered into as of the Effective Date (hereinafter defined), by and between **BELLA MENTE QUANTUM RACING ASSOCIATION**, a Delaware nonprofit corporation qualified to do business in Florida as Bella Mente Quantum Racing Association Corp. (the “Tenant”), and **CITY OF PENSACOLA**, a Florida municipal corporation (“the “City”), in its capacity as owner and operator of PORT OF PENSACOLA (the “Port”). The City and the Tenant may, from time to time, be referred to in this Lease individually as “a “Party” and collectively as “the “Parties.”

RECITALS

WHEREAS, the City is the owner and operator of the Port (as hereinafter defined); and

WHEREAS, the Tenant is a 501(c)(3) nonprofit corporation whose primary business activity is the development and operation of sail racing teams that compete in the America’s Cup and other sail races, as well as the design and manufacture of sail racing boats, including but not limited to the sail racing boat known as Patriot and its successor boats and prototypes and models thereof, for both training and competition;

WHEREAS, the Tenant desires to re-locate its headquarters and operations to Pensacola, Florida, as hereinafter provided;

WHEREAS, the City and the Tenant desire for the City to design, renovate, and finish out partially-completed Warehouse 10 at the Port of Pensacola (to include a 50’ warehouse extension) and to design and construct a dock and boat ramp at the Port of Pensacola;

WHEREAS, it is in the best interest of the community for the City to encourage and support local economic development for the City of Pensacola Port of Pensacola, improve and promote the quality of life for all citizens and visitors of Pensacola by providing a wide range of recreational, athletic, social, and educational opportunities, and to efficiently operate the Leased Premises; and

WHEREAS, the City, as lessor, desires to lease to the Tenant, as lessee, and the Tenant desires to lease from the City, the Leased Premises for the use, upon the terms and subject to the conditions hereinafter set forth; and

NOW, THEREFORE, in consideration of the promises, covenants, terms, and conditions herein set forth, the Parties hereby agree as follows:

ARTICLE 1. DEFINITIONS

Section 1.01 DEFINITIONS

The following words and phrases, wherever used in this Lease, shall, for purposes of this Lease, have the following meanings:

“Additional Rent” has the meaning set forth in Section 6.04 of this Lease.

“Affiliate” means any corporation or other entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Tenant.

“Base Rent” means the annual base rent for the Leased Premises as specified or determined in Article 6 of this Lease.

“Capital Improvements” means the addition of a permanent structural change or the restoration of some aspect of the Leased Premises that will (i) materially enhance the Leased Premises’ overall value, (ii) have a useful life of at least five (5) years or prolong the useful life of then-existing capital improvements on the Leased Premises by at least five (5) years, and (iii) the cost of which will be classified as a capital expense under generally accepted accounting principles consistently applied. “Capital Improvements” specifically excludes any and all tenant-owned personal property, equipment and trade fixtures.

“CCEI” means the Consultant Construction Engineering Inspector required by the Florida Department of Commerce grant identified in Exhibit “C” and retained by the City, which CCEI shall have all responsibilities required by applicable federal, state and local statutes, rules and regulations, including any other applicable standards and specifications, and shall provide the certification that all design and construction for the Project meets the minimum construction standards established by the City..

“City” means the City of Pensacola, a Florida municipal corporation, and any successor to the City in ownership of the Port.

“Commencement Date” means the date this Lease is fully executed by all Parties and for purposes of this Lease is also the Effective Date. The Parties agree that time is of the essence, and each agrees to act with diligence and all due haste to expedite its portion of the execution process.

“Common Port Facilities” means all necessary cargo area appurtenances, including, but not limited to, laydown areas, berth aprons, and other common facilities and infrastructure appurtenant to the Port.

“Construction Contract” means the construction contract entered into between the City and the CMAR for the construction of the Project.

“Construction Manager at Risk” or “CMAR” means the construction manager at risk selected by the City, pursuant to a competitive process as required by applicable law, to construct the Project.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities or by contract or otherwise.

“Date of Beneficial Occupancy” means the date that the Program Manager certifies that the Facilities have been substantially completed in substantial compliance with the Final Project Plans (as defined in Article 4 below), a Certificate of Occupancy has been issued for the Facilities, and Tenant may use and occupy the Leased Premises for the permitted use described in Section 5.01.

“Design Professionals” means Muller & Muller, Ltd., being the architect and engineer selected by the City, pursuant to a competitive process as required by applicable law, to design the Project and to furnish other professional design services in connection with the Project.

“Effective Date” means the date upon which this Lease is executed by the last Party to execute this Lease, as shown by the respective dates set forth after the places provided herein below for the Parties’ execution of this Lease and is the same as the Commencement Date.

“Environmental Laws” means, collectively, all federal, state, water management district, and local environmental, land use, safety, or health laws, rules, regulations, ordinances, and common law, including, but not limited to, the Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 et seq.); the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. § 9601 et seq.); the Hazardous Materials Transportation Act (49 U.S.C. § 5101 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.); the Toxic Substances Control Act of 1976 (15 U.S.C. § 2601 et seq.); the Clean Air Act (42 U.S.C. § 7401 et seq.) (“CAA”); the Safe Drinking Water Act (42 U.S.C. §§ 300f-300j), the Federal Water Pollution Control Act (commonly known as the Clean Water Act) (33 U.S.C. §§ 1251-1387), and Sections 253, 373, 376 and 403, Florida Statutes, as any of the foregoing may hereafter be amended, any rule or regulation pursuant thereto, and any other present or future law, ordinance, rule, regulation, code, permit or permit condition, order, notice of violation, decree, consent agreement, or directive addressing an environmental, safety, or health issue of or by the federal government, or of or by any state or other political subdivision thereof, or any agency, court, or body of the federal government or any state or other political subdivision thereof, exercising executive, legislative, judicial, regulatory, or administrative functions. The term “Environmental Laws” also shall mean and include the Port of Pensacola’s Storm Water Pollution Prevention Plan (“SWPPP”) and all future amendments thereto.

“Event of Default” shall have the meaning assigned in Article 18 below.

“Exclusive Use Space” means the spaces and areas within the Leased Premises for the use and occupancy of the Tenant to the exclusion of all others. The current Exclusive Use Space is existing Warehouse #10 itself and the twenty (20) exclusive use parking spaces to be designated by the City pursuant to Section 6.03, but does not include any outdoor space on the exterior of Warehouse #10 other than such 20 exclusive parking spaces; provided, however, that in the event that an extension to Warehouse #10 up to fifty (50) feet in length is added to Warehouse #10 pursuant to Article 4, then such extension up to fifty (50) feet in length shall automatically be added to and included in the Land and the Leased Premises as Exclusive Use Space without modification of the Base Rent or any other terms of this Lease. Even though the preceding sentence is self-operative, in such event, for the avoidance of doubt, the Parties shall enter into an appropriate written amendment to this Lease.

“Facilities” means all improvements now or hereafter existing on the Land during the Lease Term, which may include without limitation (i) the presently existing partially finished steel-framed and sided building known as Warehouse #10 at the Port, together with all future modifications, additions, and accessions to and replacements of Warehouse #10, including without limitation those modifications, additions, and accessions that are made by the City pursuant to this Lease, (ii) the 50-foot extension to Warehouse #10 and the other improvements to Warehouse #10 made by the City and/or the Tenant pursuant to this Lease, and (iii) the dock, boat ramp and appurtenant improvements made by the City pursuant to this Lease.

“Final Project Plans” means the 100% complete, issued for construction plans and specifications for the Project developed in accordance with Article 4 below.

“Final Project Schedule” means the final schedule for the design and construction of the Project developed in accordance with Article 4 below.

“Guaranteed Maximum Price” means the maximum all-inclusive price for which the CMAR agrees to construct the Facilities.

“Hazardous Substances” means all hazardous, toxic, or harmful substances, wastes, materials, pollutants, and contaminants (including, without limitation, asbestos, polychlorinated biphenyls, petroleum products, flammable explosives, radioactive materials, lead-based paint (to-wit: paint containing more than 0.5% lead by dry weight), infectious substances, and raw materials which include hazardous constituents), and all other substances and materials that are included under or regulated by Environmental Laws.

“Land” means the sum of the land for the Exclusive Use Space and the land for the Preferential Use Space. Exhibit “A” hereto depicts the current Land, subject to expansion as provided in “Exclusive Use Space” and “Preferential Use Space” as defined in this Section 1.01.

“Leased Premises” means the Land and all improvements now or hereafter existing on the Land, including without limitation the Facilities.

“Lease Term” shall have the meaning assigned in Section 3.01 below.

“Lease Year” means each period of twelve consecutive calendar months that begins on an anniversary of the Rent Commencement Date of this Lease or, if the Rent Commencement Date is not the first day of a month, each period of twelve consecutive calendar months that begins on the first day of the next month after each such anniversary of the Rent Commencement Date of this Lease; provided, however, that the first Lease Year shall commence on the Rent Commencement Date and continue to, but not including, the first day of the next Lease Year

“New Job” shall have the meaning of a full-time equivalent position paid through the Tenant’s or its related parties’ Florida-based entities.

“120 New Jobs” shall have the meaning of 120 full-time equivalent positions paid through the Tenant’s or its related parties’ Florida-based entities.

“Ordinary Wear and Tear” means normal deterioration of an improvement to real property that occurs solely from the reasonable and intended use of the improvement over time despite the timely and proper performance of reasonable routine maintenance and preventive maintenance.

“Preferential Use Space” means that portion of the Leased Premises being for the Tenant’s non-exclusive use in common with other users, provided that the Tenant’s use thereof shall have preference over all other users, subject to the provisions of this Lease. The Preferential Use Space shall be the land for Phase 2 of the Project (to-wit: the dock, boat ramp, and/or wet slip, and appurtenant improvements), as ultimately designed and constructed pursuant to Article 4. Upon completion of construction of Phase 2, such space shall automatically be added to and included in the Land and the Leased Premises as Preferential Use Space without modification of the Base Rent or any other terms of this Lease. Even though the preceding sentence is self-operative, upon completion of construction of Phase 2, for the avoidance of doubt, the Parties shall enter into an appropriate written amendment to this Lease.

“Port” means the Port of Pensacola located in Pensacola, Florida, as it now exists and as it may exist in the future.

“Port Director” means the person who from time to time holds the position of “Port Director” or “Interim Port Director” of the Port. Said term shall also include any person expressly designated by the City to exercise functions with respect to the rights and obligations of the Port enterprise.

“Port Master Plan” means the assembly of appropriate documents and drawings addressing development of the Port from physical, economic, social, and political jurisdictional perspectives as designated from time to time by the City and the Port Director as the Port Master Plan. The Port Master Plan includes, without limitation, forecasts of cargo & maritime business activity, a Port land use plan, 2019 Port Vision Plan, 2022 Vision Plan Update, (or any successor plan), a Port layout plan set, a Port access and parking plan, port storm water master plan, a capital improvement plan, and a budget and/or financial plan.

“Program Manager” means Erica Grancagnolo, Economic Development Director of the City, or such other person or program management firm designated by the City, who shall act as the City’s representative with responsibility for Project delivery.

“Project” means the entire project to be constructed on the Land and upon certain other areas of the Port pursuant to plans and specifications approved by both the City and the Tenant in accordance with Article 4 below, including without limitation (i) the design and construction of modifications, additions, and accessions to, and finishing and upfitting of, Warehouse #10, (ii) the design and construction of a 50-foot extension to Warehouse #10, and (iii) the design and construction of a boat dock, boat ramp or slip, and appurtenant improvements, all as more particularly described in Article 4.

“Project Cost” means the actual total, all-inclusive cost of construction of the Project, including without limitation permitting fees, professional fees, appropriate contingencies, and hard and soft costs of construction.

“Rent” means, collectively, the Base Rent and the Additional Rent.

“Rent Commencement Date” means the Date of Beneficial Occupancy.

“Rules and Regulations” means those ordinances, rules and regulations promulgated from time to time by the City or the Port Director governing conduct on or operations at the Port or the use of any of the land and/or facilities at the Port.

“Subsidiary” means any corporation or other entity more than fifty percent (50%) of whose outstanding stock (or other form of equity ownership) is, at the relevant time, owned by the Tenant or by another Subsidiary of the Tenant.

“Tariff” means Port of Pensacola Terminal Tariff No. 5A, as amended and revised from time-to- time, or any successor thereto.

“Tenant” means the lessee under this Lease as identified in the first paragraph of this Lease, and any assignee of this Lease pursuant to an assignment permitted by this Lease.

“Value Engineering” means an organized effort directed at analyzing the function of facilities for the purpose of achieving the required function at the lowest cost consistent with requirements for performance, reliability, quality, and maintainability.

“Warehouse #10” means the presently existing partially finished steel-framed and sided building known as Warehouse #10 at the Port, together with all future modifications, additions, and accessions to and replacements of Warehouse #10, including without limitation those modifications, additions, and accessions that are made by the City pursuant to this Lease, which include, without limitation, an extension of up to fifty (50) feet if constructed pursuant to Article 4.

Section 1.02 **CROSS-REFERENCES**

All references in this Lease to articles, sections, and exhibits pertain to articles, sections, and exhibits of this Lease unless otherwise specified.

END OF ARTICLE

ARTICLE 2. LEASED PREMISES

Section 2.01 LEASED PREMISES

For the Rent, upon the terms, and subject to the conditions set forth in this Lease, the City hereby leases and demises the Leased Premises to the Tenant, and the Tenant hereby leases the Leased Premises from the City, subject, however, to all liens, easements, restrictions, and other claims and encumbrances of record, provided that such matters do not prevent or materially interfere with the Tenant's conducting its business on the Leased Premises as permitted by Section 4.01 below without additional cost to the Tenant. During the Term of this Lease, the Tenant shall have and is hereby granted the exclusive use and possession of the Exclusive Use Space during the Lease Term. During the Term of this Lease, the Tenant shall have and is hereby granted the use, in common with other users, of the Preferential Use Space during the Lease Term, provided that the Tenant's use of the Preferential Use Space shall have preference over all other uses, and provided, further, that both the City and the Tenant must consent to the use of the Preferential Use Space by other users, which consent by the Tenant shall not be unreasonably withheld, conditioned, or delayed if such use by others does not interfere with the Tenant's operations on the Leased Premises or the Tenant's use of the Preferential Use Space.

Section 2.02 NON-EXCLUSIVE ACCESS AND PARKING AREA

During the Term of this Lease, the Tenant shall have access to the Leased Premises on, over, and across the drives and roads in the Port as they now exist and as they may exist in the future; provided that the City reserves the right in its sole discretion to close and/or relocate such drives and roads so long as the Tenant at all times during the Lease Term has access to the Leased Premises sufficient for the Tenant's operations on the Leased Premises. Further, the Tenant shall be entitled to non-exclusive use of any and all designated parking areas located within the Secured, Restricted Port Area ("Port Restricted Area") as currently situated and designated or as may be situated and designated in the future in the Port's sole discretion and any and all overflow parking lots as currently situated and designated or as may be situated and designated in the future all in the Port's sole discretion, at no additional charge to the Tenant. Such areas are made available to all port tenants and users on a first-come-first-served basis. In using such areas and the roads and drives in the Port, the Tenant and its employees, representatives, agents, contractors, service providers, customers, guests, and invitees shall abide by all applicable Rules and Regulations of the Port of Pensacola Seaport Security Plan, including, but not limited to, the requirement that all personal vehicles entering the Port Restricted Area be registered with the Port's Facilities Security Officer and that all entrants into the Port Restricted Area either possess a current valid Transportation Worker Identification Credential (TWIC) or be properly escorted by a Port representative at all times. In no event shall the Tenant permit parking on the Leased Premises by the general public or by anyone not related to the conduct of the Tenant's business on the Leased Premises.

Tenant may not undertake any construction or improvements on the parking areas without the consent of the City in its sole and absolute discretion. The City reserves the right to replace this parking with like kind and quality or better ("Replacement Parking Facilities") at any time during the term of this Lease. Such Replacement Parking Facilities shall be available for use by the Tenant in accordance with the terms of this Section 2.02 and any other applicable provisions of this Lease.

The Tenant shall provide the City with notice of its parking uses, needs, and expectations not less frequently than annually. The Parties agree to work together collaboratively to meet their respective goals of (1) maintaining adequate parking for Tenants customers, employees, sub-tenants, guests, and invitees, and (2) producing revenue for the City pursuant to its parking plan.

Section 2.03 EXCLUSIVE PARKING

No later than the Date of Beneficial Occupancy, the City shall provide to Tenant, for Tenant's exclusive use during the Lease Term, twenty (20) standard size, paved or unpaved, automobile parking spaces within the Port as determined by the City after consultation with Tenant.

END OF ARTICLE

ARTICLE 3. TERM

Section 3.01 INITIAL TERM

This Lease shall be effective on the Commencement Date. The initial term of this Lease shall be for a period of ten (10) Lease Years commencing on the Rent Commencement Date (the “Initial Lease Term”).

Section 3.02 RENEWAL TERMS

The Tenant shall have one option (“Extension Option”) to extend the Lease Term for an additional ten (10) years (“Extension Term”), subject to the provisions that follow in this Section 3.02. Tenant may exercise the Extension Option if and only if (a) on both (i) the date the Extension Notice (hereafter defined) is given and (ii) the last day of the Initial Lease Term there exists no Event of Default nor any event or circumstance which with the lapse of time or the City’s giving of notice to the Tenant, or both, would become an Event of Default and (b) not less than one hundred eighty (180) days prior to the last day of the Initial Lease Term Tenant delivers to the Port Director written notice that the Tenant thereby exercises the Extension Option (the “Extension Notice”). The Extension Term resulting from the Tenant’s exercise of the Extension Option in compliance with the terms and conditions of this Section 3.02 shall be upon the terms and conditions set forth in this Lease but excluding the terms of this Section 3.02. The Initial Term and the Extension Term, if any, resulting from the Tenant’s exercise of the Extension Option in compliance with the terms and conditions of this Section 3.02, are hereinafter referred to collectively as the “Lease Term”.

Section 3.03 TENANT’S RIGHTS UPON EXPIRATION OR EARLIER TERMINATION OF LEASE

Upon expiration of the Lease Term or earlier termination of this Lease, all of the Tenant’s rights, authority, and privileges to possess or use the Leased Premises and the services, facilities, and property of the Port as granted herein shall automatically cease without notice to the Tenant.

Section 3.04 SURRENDER OF LEASED PREMISES UPON EXPIRATION OR EARLIER TERMINATION OF LEASE

Upon the expiration of the Lease Term or the earlier termination of this Lease, the Tenant shall surrender the Leased Premises to the City in the same condition as on the Date of Beneficial Occupancy, except for Ordinary Wear and Tear, except for loss or damage caused by casualty which Tenant is not required by other provisions of this Lease to repair or restore, and except for loss or damage caused by a condemnation which Tenant is not required by other provisions of this Lease to repair or restore.

All equipment, trade fixtures, and other personal property installed or placed by the Tenant in the Leased Premises that is not paid for by the City or by grant funds obtained by the City shall remain the property of the Tenant unless otherwise provided in subsequent written agreements between the Tenant and the City. The Tenant shall have the right at any time during the Lease Term to remove any and all of said property from the Leased Premises. The Tenant agrees to repair or pay for all damages, if any, resulting from such removal. All City property damaged by or as a result of the removal of the Tenant's property by the Tenant shall be promptly restored at the Tenant's expense to substantially the same condition as, or better condition than, it was prior to such damage.

Notwithstanding any contrary provision of this Lease, the City shall automatically be and become the sole owner of any and all property not removed by the Tenant within 30 days after the expiration or earlier termination of this Lease. The City reserves the right to remove, retain, and/or dispose of any or all of such property not so removed by the Tenant, without any liability or obligation to the Tenant, and if such removal is accomplished by the City within the 60-day period following such 30-day period, such removal by the City shall be at the Tenant's expense, and the Tenant shall reimburse the City for such expenses promptly upon demand. In any event, Tenant shall be obligated to pay Base Rent, payable on the first day of each month, following such 30-day period until all of Tenant's property is removed from the Leased Premises.

The provisions of this Section 3.04 shall survive the expiration or earlier termination of this Lease and shall be fully enforceable by the City against the Tenant notwithstanding any expiration or termination of this Lease.

Section 3.05 EARLY TERMINATION BY TENANT.

Notwithstanding anything contained herein to the contrary, Tenant may terminate this Lease by giving the City not less than ninety (90) days' written notice of termination to City in the event that the Date of Beneficial Occupancy for Phase 1 does not occur on or before December 31, 2025, as extended day-for-day due to delays caused by Force Majeure Events. Further, in the event that Phase 2 has not been substantially completed on or before December 31, 2025, the City, at no charge to the Tenant other than the Base Rent, shall provide a berth at the Port reasonably acceptable to the Tenant and/or another accommodation reasonably acceptable to the Tenant for access to Pensacola Bay, for the Tenant's non-exclusive use in common with other users of the Port.

END OF ARTICLE

ARTICLE 4. PROJECT DEVELOPMENT AND CONSTRUCTION

Section 4.01 DESIGN

The City has entered into a contract with the Design Professionals to design the Project and to perform other design professional services related to the Project ("Design Professionals Agreement"). The City also intends to select, and enter into a contract with, the CCEI. Notwithstanding any conflicting or contrary provision in this Lease, the Parties agree that at all times during the design process the estimated Project Cost, as determined by the Design Professionals from time to time, must be equal to or less than the Available Funds (as defined in Section 4.02 below), and the Parties shall from time to time in good faith engage in Value Engineering when necessary to align the Project Cost with the Available Funds. If, despite good faith efforts, the City and Tenant are unable to reach agreement on the resolution of Value Engineering to align the Project Cost with the Available Funds, either the City or the Tenant may terminate this Lease by written notice to the other Party.

The Tenant and/or the Design Professionals have developed certain conceptual designs and layouts for the completion and upfitting of Warehouse 10 (collectively, the "Preliminary Project Plans"). Such Preliminary Project Plans are attached as, or identified in, composite Exhibit "B" which is hereby incorporated herein by reference. Such Preliminary Project Plans form the basis of the Parties' understanding of the scope of the Project with respect to Warehouse #10; provided that the Parties understand and agree that the Preliminary Project Plans may change significantly during the design process. The Preliminary Project Schedule as agreed to between the Parties is attached hereto as Exhibit "D". The Parties shall adhere to the Preliminary Project Schedule as closely as feasible as the Final Project Schedule is developed by the Parties in collaboration with each other, the Design Professionals, the Program Manager, and the CMAR.

The Parties agree that the Project shall be constructed in two phases and that the following describes the general scope of work for the Project:

Phase 1, Warehouse and 50-foot addition: Complete the partially constructed Warehouse 10 at the Port of Pensacola, to include a 50-foot addition. Transform Warehouse #10 into a High-Performance Maritime Center of Excellence.

The finish-out of Warehouse #10 to include work centers, offices, large manufacturing areas, restrooms/locker rooms, cranes (to be determined what type i.e., gantry/overhead), a kitchen and dining facility, simulator/IT rooms, and other spaces specific to advanced sailing and maritime activities. A mezzanine for non-manufacturing functions will also be incorporated into the design.

Phase 2, Dock and Boat Ramp or Wet Slip: A dock and boat ramp or wet slip to support various watercraft (powered and non-powered).

The Parties will develop the plans and specifications for the Project in collaboration with each other, the Design Professionals, the CMAR, and the Program Manager. The Design Professionals, the CMAR, and the City shall meet with the Tenant at appropriate stages of development of the design documents to discuss progress, content, format, options for architectural, structural, mechanical, electrical, and finish systems, and other options consistent with the Tenant's requirements for the

Project. The Design Professionals, in collaboration with the Tenant, the City, the CMAR and the Program Manager, shall prepare the Final Project Plans and the Final Project Schedule. Each Party shall at all times act in good faith and in a commercially reasonable manner in exercising such Party's rights under this Article 4. If, despite good faith efforts, the City and Tenant are unable to reach agreement on the plans and specifications for the Project, either the City or the Tenant may terminate this Lease by written notice to the other Party.

The Tenant's review and approval of the design documents, including the Final Project Plans, shall not relieve the Design Professionals of responsibility for full compliance of same with applicable laws, regulations, and codes.

The City agrees that the design and construction of the Project will be in accordance with all applicable laws, building codes, ordinances, regulations, and orders of any public authority or private party having jurisdiction of the design and/or construction of the Project. The Construction Contract shall contractually obligate the CMAR to cause the Project to be constructed in a good and workmanlike manner, with high quality new materials and free from defective materials, and in substantial compliance with the design documents prepared pursuant to the Design Professionals Agreement and approved by Tenant. The Construction Contract shall require the Project to be performed and constructed by appropriately licensed contractors pursuant to valid building permits. The Construction Contract shall contain other commercially appropriate protections for the City and the Tenant (e.g. shall require CMAR to promptly complete all punch list items, obtain a final certificate of occupancy for the Project, and provide to Tenant all manuals, as-built plans and specifications, etc.). The City shall provide to the Tenant a copy of the proposed Construction Contract no later than March 1, 2024, and shall give due consideration to any comments and requests by the Tenant; provided that the Tenant understands and agrees that material changes to such proposed Construction Contract may be made during the course of the City's negotiations with the CMAR.

Section 4.02 CONSTRUCTION

Subject to the terms and conditions of this Lease, the City shall cause the Project to be constructed pursuant to the Construction Contract, the Final Project Plans, and the Final Project Schedule, provided that the Project Cost does not exceed the Available Funds. The Parties acknowledge and agree that the total funds available to pay the Project Cost for Phase 1 is Eleven Million Five Hundred Eighty-Eight Thousand One Hundred Twenty and 00/100 Dollars (\$11,588,120.00) and for Phase 2 is Three Million Five Hundred Thousand and 00/100 Dollars (\$3,500,000.00) (in each case, the "Available Funds") and that in no event may or shall the Project Cost for Phase 1 or Phase 2 exceed the Available Funds for such Phase. For the avoidance of doubt, the Parties understand that the funding source for Phase 2 requires that its funds be used only for Phase 2, not for Phase 1. The Parties further acknowledge and agree that there is no express or implied obligation for the City to provide any additional funding for the Project in the event that the Project Cost exceeds the Available Funds for any reason.

The City shall select the CMAR pursuant to a competitive process that complies with applicable federal, state, and local statutes, rules, regulations, and ordinances and the requirements of each entity or agency that provides funding for the Project. The City shall endeavour to enter into a Construction Contract with the contractor CMAR selected by the selection committee and approved by the Mayor and the City Council of the City of Pensacola, provided that the Guaranteed Maximum Price or Stipulated Sum in the Construction Contract does not cause the Project Cost to exceed the Available Funds. ~~If necessary, the Parties shall in good faith engage in Value Engineering to attempt to cause~~

City of Pensacola

Bella Mente Quantum Racing Association

the Guaranteed Maximum Price to be within the budget for each of Phase 1 and Phase 2. In the event that the Guaranteed Maximum Price or Stipulated Sum proposed by the CMAR selected by the selection committee, despite such good faith Value Engineering, would cause the Project Cost to exceed the Available Funds, then this Lease shall automatically terminate unless within thirty (30) days after its receipt of written notice from the City of the Guaranteed Maximum Price or Stipulated Sum proposed by the CMAR selected by the selection committee, the Tenant notifies the City in writing that it desires to continue with the Lease and construction of the Project at the Guaranteed Maximum Price or Stipulated Sum proposed by such CMAR and, within such thirty-day period, pays into an escrow account created pursuant to an escrow agreement satisfactory to both Parties the amount by which such Guaranteed Maximum Price or Stipulated Sum causes the Project Cost to exceed the Available Funds.

If the Tenant elects to move forward with construction of the Project in accordance with the preceding paragraph, then this Lease shall continue in full force and effect in accordance with its terms, and the City, in reliance upon the Tenant's election, shall enter into a Construction Contract with the contractor selected by the selection committee and approved by the Mayor and the City Council of the City of Pensacola and will proceed with construction of the Project pursuant to the Construction Contract and this Lease.

Section 4.03 ASSIGNMENT OF GUARANTEES AND WARRANTIES

On the Date of Beneficial Occupancy, the City shall assign to Tenant all guarantees and warranties provided to the City related to the Project.

Notwithstanding any contrary provision in this Agreement, it is expressly understood and agreed that the City makes, and shall make, no warranties, express or implied, to the Tenant with respect to the design or construction of the Facilities, any and all such warranties being hereby expressly disclaimed.

END OF ARTICLE

ARTICLE 5. USE OF LEASED PREMISES

Section 5.01 PERMITTED USE OF LEASED PREMISES

Continuously during the Lease Term, the Tenant may use the Leased Premises solely for the Tenant's headquarters and the development and operation of sail racing teams that compete in the America's Cup and other sail races, as well as the design and manufacture of sail racing and other boats and boat products and services, other products and services that use the Tenant's capabilities, boat storage, boat maintenance and repair, office and training uses, competition preparation, periodic team-related public and private dining and events (but not for a restaurant, bar, or other full-time food or beverage service), and other related uses, including but not limited to, operations of the sail racing team for the boat known as Patriot and its successors, and prototypes and models thereof, for both training and competition.

Section 5.02 TENANT HEADQUARTERS AND OPERATIONS

Subject to the provisions of this Section 5.02, on or before the date that is thirty (30) days after the Date of Beneficial Occupancy, the Tenant shall relocate the Tenant's headquarters and operations for the uses permitted by Section 5.01 to the Leased Premises and shall thereafter maintain such headquarters and operations at the Leased Premises during the Lease Term. Without limiting the generality of the foregoing, all payroll for Tenant shall be conducted in and from the Tenant's headquarters located on the Leased Premises. Further, at no time during the Lease Term may or shall Tenant have or maintain a permanent facility or operation serving substantially the same purpose as the Leased Premises that is located within the United States of America and has more on-site employees than the Leased Premises except during sail racing competitions located in the United States of America. In the event that the requirements and conditions of the preceding sentence are violated, annual Base Rent, as designated in Section 6.01, shall automatically increase to Four Hundred Fifty Thousand and 00/100 Dollars (\$450,000.00) per annum commencing on the date that the violation first occurs and shall continue at that amount during the remainder of the Lease Term; provided, however, that if the violation first occurs during the Initial Lease Term, then for ninety (90) days Tenant and the City shall attempt in good faith to negotiate and agree upon an alternative cure for such violation. In addition, the Tenant shall make capital investments and provide documentation of expenditures related to the Project and acceptable to Triumph Gulf Coast in the amount of not less than \$32 million in accordance with the terms and conditions of the Triumph Gulf Coast grant agreement and in the amount of not less than \$2 million in accordance with the terms and conditions of the Florida Department of Commerce grant agreement, each of which is identified in Exhibit "C" hereto. The Tenant acknowledges and agrees that it has received and reviewed copies of the Triumph Gulf Coast grant agreement and the Florida Department of Commerce grant agreement.

Section 5.03 ADDITIONAL RESTRICTIONS

Notwithstanding any contrary provision in this Lease, the Tenant shall not, and the Tenant shall not suffer or permit any of its agents, employees, directors, officers, contractors, customers, guests, invitees, licensees, or representatives to:

- (a) Do, suffer, or permit anything that may interfere with the effectiveness or accessibility of any drainage or sewage system, electrical system, air conditioning system, fire protection

system, sprinkler system, alarm system, fire hydrants and hoses, if any, at any time installed or located on or within the premises of the Port; or

(b) Do, suffer, or permit anything that may invalidate or conflict with any fire or other property insurance policies covering the Port or any part thereof or the Leased Premises; or

(c) Keep or store or suffer or permit to be kept or stored, at any time, flammable, or combustible liquids except in accordance with applicable federal, State, and City laws and ordinances, including the Uniform Fire Code and the Uniform Building Code (it being understood and agreed that for purposes of this Lease, flammable or combustible liquids shall have the same definitions as set forth in the Uniform Fire Code, as that Code may be amended from time to time); or

(d) Engage in any business or activity not specifically permitted by Section 5.01 above.

END OF ARTICLE

ARTICLE 6. BASE RENT, ADDITIONAL RENT, SALES TAX, AND OTHER CONSIDERATION

In consideration for the Tenant's use of the Leased Premises, the rights and privileges granted to the Tenant hereunder and for the undertakings of City hereunder, commencing on the Rent Commencement Date the Tenant agrees to pay the City, without invoicing, notice, demand, deduction or set-off except as specifically provided herein, the Base Rent, fees, other charges, and sales and use tax as set forth in this Lease, as from time to time recalculated according to the procedures described herein below.

Section 6.01 BASE RENT

During the Lease Term (i.e., both the Initial Lease Term and the Extension Term, if timely exercised), commencing on the Rent Commencement Date, Tenant shall pay to the City annual Base Rent in the amount of Two Hundred Ninety-One Thousand Two Hundred and 00/100 Dollars (\$291,200.00) per year, payable in monthly installments as provided in Section 6.02 below and subject to adjustment as provided in Section 5.02 above. For the avoidance of doubt, Base Rent of \$291,200 per annum is rent only for the Leased Premises as defined in Section 1.01. Any addition to the Leased Premises or to the rights granted to the Tenant under this Lease, whether by amendment to this Lease, pursuant to a STOA, or otherwise, will be upon mutually agreed terms and conditions, for an annual base rent of \$0.35 per square foot of any space in excess of the Leased Premises.

Section 6.02 MONTHLY BASE RENT PAYMENT

The annual Base Rent shall be paid by the Tenant to the City without invoicing, notice, demand, deduction, or set-off (except as specifically provided herein), in twelve equal monthly installments of Twenty-Four Thousand Two Hundred Sixty-Six and 67/100 Dollars (\$24,266.67) each and shall be payable in advance on the Rent Commencement Date and on the first day of each and every calendar month during the Lease Term. Should the Rent Commencement Date be any date other than the first (1st) day of a calendar month, the Base Rent payable for such partial initial month shall be one-twelfth (1/12) of the annual Base Rent payable during the Initial Lease Term multiplied by a fraction the numerator of which is the number of days remaining in such month from and including the Rent Commencement Date to and including the last day of such month and the denominator of which is the number of days in such month. There shall be no prohibition or penalty for prepayment of Base Rent or other fees.

Section 6.03 SALES TAX

The Tenant shall pay to City all sales and use taxes imposed by Florida Statutes Section 212.031 and any future amendments thereto, or other applicable Florida law in effect from time to time (collectively, the "Sales Tax"), on the Base Rent due under this Lease and on any other payments required by this Lease to be made by the Tenant to or for the benefit of the City which are taxable under applicable Florida law. Such sales or use tax shall be due and payable concurrently with the payment of the Base Rent, or other payment with respect to which such tax is required to be paid.

Section 6.04 ADDITIONAL RENT

All fees and charges payable by the Tenant under this Lease, other than Base Rent, shall be deemed to be Additional Rent. Unless otherwise provided in this Lease, Additional Rent shall be due and

payable monthly in advance, without invoicing, notice, demand, deduction, or set-off (except as specifically provided herein), on the same dates as Base Rent is due and payable under Section 6.02

Section 6.05 MODE OF PAYMENT

The payment of all Rent that becomes due and payable by the Tenant under this Lease shall be paid to the City of Pensacola without the City invoicing the Tenant. Payments shall be mailed or delivered to City of Pensacola Treasury Department, PO Box 12910, Pensacola, Florida 32521-0044, or to such other payment address as the City notifies the Tenant in writing. The City reserves the right to require that payment be made by wire transfer.

Section 6.06 LATE FEE AND INTEREST

If Rent or any other fee, charge, or payment due and payable under this Lease by the Tenant to the City is not paid within ten (10) calendar days after such Rent or other fee, charge, or payment became due, liquidated damages equal to five percent (5%) of the amount due shall be due and payable to the City. The Parties agree that such liquidated damages are intended by the Parties to be liquidated damages and not a penalty or forfeiture, and the Parties further agree that the actual damages that would be incurred by the City in the event of a late payment would be impossible to ascertain. Further, any Rent, or other fee, charge, or payment due and payable under this Lease by the Tenant to the City that is not paid within thirty (30) calendar days after its date due shall bear interest at eighteen percent (18%) per annum or the highest rate allowed by law, whichever is less, from the date due until the date paid in full.

Section 6.07 PORT TARIFF

To the extent the Port Tariff does not conflict with the spirit or letter of the terms of this Lease said Port Tariff is incorporated herein by reference to be applicable if, as, and when appropriate.

Section 6.08 Other Consideration AND REMEDIES

- (a) If the Tenant or an Affiliate of Tenant wins an America's Cup during the Lease Term, the Tenant shall thereafter host one (1) preliminary regatta in the America's Cup in Pensacola within three years (3) of Tenant's win so long as the City of Pensacola is prepared to host a preliminary regatta and commits to covering costs normally provided by host cities, including for example providing space at the Port required by competitors, security (both on land and in the water), required on-water infrastructure, and required people management. In the event that the requirements and conditions of the preceding sentence are violated, annual Base Rent shall automatically increase to Four Hundred Fifty Thousand and 00/100 Dollars (\$450,000.00) per annum commencing on the date that the violation first occurs and shall continue at that amount during the remainder of the Lease Term. If the City of Pensacola is selected to host an America's Cup, then the requirement to host a preliminary regatta in Pensacola during that Cup cycle is eliminated.
- (b) During the Lease Term, at least one day each Lease Year Tenant shall hold a "Pensacola/American Magic Open House" at Tenant's facility on the Leased Premises which shall be open to the public at no charge. In the event that the requirements and conditions of the preceding sentence are violated, annual Base Rent shall automatically increase to Four Hundred Fifty Thousand and 00/100 Dollars (\$450,000.00) per annum commencing on the date that the violation first occurs and shall continue at that amount during the remainder of the Lease Term.

- (c) During the Lease Term, Tenant shall use its best efforts to host at least two (2) international sailing events or regattas each Lease Year in Pensacola Bay and/or the Gulf of Mexico near Pensacola.
- (d) The Tenant, or its Affiliates and partners, shall create 120 New Jobs, on or before the earlier of (i) three (3) years after the Date of Beneficial Occupancy or (ii) December 31, 2029, and thereafter maintain for four (4) consecutive years the 120 New Jobs. In the event that prior to the end of the first four (4) Lease Years, the Tenant, or its Affiliates, and/or its partners (i) have not created and maintained for four (4) years such 120 New Jobs and (ii) has substantially vacated the Leased Premises, then within thirty (30) days after the Tenant substantially vacates the Leased Premises, the Tenant shall pay to the City the sum of Three Million and 00/100 Dollars (\$3,000,000.00) as liquidated damages (and not as a penalty or forfeiture) as the City's sole and exclusive remedy for the Tenant's failure to create such 120 New Jobs, the Parties hereby agreeing that under such circumstances the actual damages suffered or incurred by the City will be impossible to ascertain. However, in the event that after the end of the first four (4) Lease Years, the Tenant (i) has not created and maintained for four (4) years such 120 New Jobs and (ii) is substantially operating in the Leased Premises, then the \$3,000,000.00 liquidated damages will not apply. In this case, the Tenant shall still have the opportunity to create and maintain for four (4) years such 120 New Jobs. If the Tenant then fails to create and maintain for four (4) years such 120 New Jobs, then within thirty days after the end of such second 4-year period the Tenant shall pay to the City the sum of One Million Five Hundred Thousand and 00/100 Dollars (\$1,500,000.00) as liquidated damages (and not as a penalty or forfeiture) as the City's sole and exclusive remedy for the Tenant's failure to create such 120 New Jobs, the Parties hereby agreeing that under such circumstances the actual damages suffered or incurred by the City will be impossible to ascertain. For the avoidance of doubt, no such liquidated damages shall be payable by the Tenant once the Tenant has created and maintained for four (4) years such 120 New Jobs. Also, for the avoidance of doubt, the periods of time that the American Magic team is competing away from Pensacola shall count for purposes of the four-year New Jobs maintenance period so long as the New Jobs for such team members were timely created pursuant to this paragraph. The provisions of this paragraph shall survive the expiration or termination of this Lease.

- (e) At no cost to the City, the City shall be deemed to be a VIK sponsor, with all of the benefits and privileges appurtenant thereto, at the following levels each Lease Year:

Lease Year 1	300,000	Lease Year 11	550,000
Lease Year 2	325,000	Lease Year 12	575,000
Lease Year 3	350,000	Lease Year 13	600,000
Lease Year 4	375,000	Lease Year 14	625,000
Lease Year 5	400,000	Lease Year 15	650,000
Lease Year 6	425,000	Lease Year 16	675,000
Lease Year 7	450,000	Lease Year 17	700,000
Lease Year 8	475,000	Lease Year 18	725,000
Lease Year 9	500,000	Lease Year 19	750,000
Lease Year 10	525,000	Lease Year 20	775,000

In the event that the requirements and conditions of the preceding sentence are violated, annual Base Rent shall automatically increase to Four Hundred Fifty Thousand and 00/100 Dollars (\$450,000.00) per annum commencing on the date that the violation first occurs and shall continue at that amount during the remainder of the Lease Term. The Tenant expressly agrees that the City shall be deemed to be a VIK sponsor, with all of the benefits and privileges appurtenant thereto, as provided above, regardless of any increase in the Base Rent pursuant to this paragraph (e) and regardless of the expiration or earlier termination of this Lease, it being expressly agreed that the provisions of this paragraph shall survive the expiration or earlier termination of this Lease.

For the avoidance of doubt, the Parties acknowledge and agree that whenever in this Lease the Base Rent increases from \$291,200 per year to \$450,000 per year, such increase constitutes liquidated damages, not a penalty or forfeiture, for the Lease violation by the Tenant that results in such increase, the Parties hereby agreeing that the actual damages suffered or incurred by the City in the event of any such Lease violation will be impossible to ascertain.

END OF ARTICLE

ARTICLE 7. PERFORMANCE GUARANTEE

Within five (5) days of the Date of Beneficial Occupancy, Tenant shall deliver to City an amount equal to the initial annual Base Rent (the "Security Deposit") as security for Tenant's full and faithful performance of this Lease including the payment of Rent. City may apply the Security Deposit to the extent required to cure any default by Tenant. If City so applies the Security Deposit, Tenant shall deliver to City the amount necessary to replenish the Security Deposit to its original sum within five (5) days after notification from City of the amount due. City shall return the unapplied amount of the Security Deposit to Tenant within thirty (30) days after the expiration or earlier termination of this Lease.

END OF ARTICLE

ARTICLE 8. INSURANCE AND INDEMNIFICATION

Section 8.01 **REQUIRED INSURANCE**

Prior to taking possession of any part of the Leased Premises, the Tenant shall procure and thereafter maintain at all times during the Lease Term insurance of the different types and to the limits specified herein.

As used in this Article, “the City” is defined to mean the City of Pensacola itself, all subsidiaries and affiliates, and all elected and appointed officials, employees, volunteers, representatives, and agents.

The Tenant and the City understand and agree that the minimum limits of insurance herein required may become inadequate during the term of this Lease. The Tenant agrees that it will increase such minimum limits to the levels reasonably required by the City from time to time, within ninety (90) days following the receipt of written notice from the Port Director.

All insurance required hereunder shall be procured from an insurer whose business reputation, financial stability, and claims payment reputation are satisfactory to the City in its sole discretion, for the City's protection only. The amounts, forms, and types of insurance required to be provided and maintained by the Tenant shall conform to the following minimum requirements:

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Insurance Requirements			
Type	Party	Amount	
1 Worker's Compensation and Employer's Liability	Tenant	The Tenant shall purchase and maintain Worker's Compensation Insurance Coverage for all Workers' Compensation obligations required by law. Additionally, the policy, or separately obtained policy, must include Employers Liability Coverage of at least \$100,000 each person – accident, \$100,000 each person – disease, \$500,000 aggregate – disease.	
2 Broad Form Commercial General Liability Policy to include coverage for the following: (a) Premises Operations (b) Independent Contractors (c) Products/Completed Operations (d) Personal Injury (e) Contractual Liability (f) Damage to Leased Premises	Tenant	The coverage shall be written on occurrence-type basis (if available, otherwise, claims made). Minimum limits of \$1,000,000 per occurrence and in the aggregate must be provided. Fire Legal Liability must be provided with minimum limits of \$1,000,000 per occurrence	
3 Umbrella Coverage written on an occurrence basis that is no more restrictive than the underlying insurance policy coverages.	Tenant	\$10,000,000	
4 Property Insurance including flood insurance for physical damage to the property of the Tenant, including Tenant improvements and betterments to the Leased Premises	Tenant	Coverage for full replacement value.	
5 Property Insurance for physical damage to the Facilities and all other improvements and betterments to the Leased Premises, resulting from fire, theft, vandalism, flood, named windstorm, wind, and other risks commonly insured against for similar Port improvements	Tenant or Landlord (see Section 8.10)	Coverage for full replacement value.	
6 Liquor Liability. If alcoholic beverages are furnished, sold, or consumed on the Leased Premises, Tenant shall maintain or cause its vendor(s) to maintain Liquor Liability insurance including coverage for bodily injury and property damage arising out of the furnishing of alcoholic beverages.	Tenant	Minimum limits for this coverage are \$1,000,000 each common cause and in the aggregate. The Port and the City of Pensacola shall be listed as an Additional Insured, whether the policies are maintained by Tenant or its vendors. When alcoholic beverages are to be furnished, sold or consumed at the Premises, the licensee/operator/business owner shall not furnish, or sell to or permit its employees, servants, subcontractors, or agents to furnish or sell alcoholic beverages to, or to	

			allow such alcoholic beverages to be consumed by any person who is not of lawful drinking age and shall take reasonable actions necessary to avoid serving any person habitually addicted to the use of any or all alcoholic beverages, or any person who is, or who would reasonably be expected to be intoxicated.
7	Motor Vehicle Liability (any motor vehicle)	Tenant	Automobile Liability. Business Automobile Policy must be provided, if applicable, including bodily injury and property damage arising out of operation, maintenance, or use of owned, non-owned, and hired automobiles. Minimum primary combined single limit of \$1,000,000 which together with umbrella coverage will provide combined single limit of not less than \$5,000,000.
8	Marine Vessel Protection and Indemnity	Tenant	Minimum combined single limit of \$1,000,000 in excess of umbrella coverage.
9	Sexual Abuse and Molestation	Tenant	If the Tenant sponsors any event whose participants are minors, the Tenant shall procure a Sexual Abuse and Molestation policy with minimum limits of \$1,000,000 which policy shall name the City as an additional insured.

Section 8.02 POLICY ENDORSEMENTS; COPIES OF POLICIES; CERTIFICATES OF INSURANCE; DEDUCTIBLES

All insurance policies required by this Lease to be furnished by the Tenant shall be endorsed to provide that the insurance carrier shall give the City written notice at least thirty (30) days in advance of any cancellation, nonrenewal, adverse change, or restriction in coverage.

Each policy of property insurance required by this Lease to be furnished by the Tenant shall be endorsed to name the City as a Loss Payee, as its interest may appear, and each policy of liability insurance shall be endorsed to name the City as an Additional Insured.

Prior to the date that Tenant takes possession of any part of the Leased Premises, and thereafter within five days after the City's written requests from time to time, but no more than once annually, the Tenant shall furnish true and complete copies of all of the Tenant's insurance policies, forms, endorsements, jackets, and other items forming a part of, or relating to, all policies of insurance carried or required by this Lease to be carried by the Tenant with respect to the Leased Premises.

Prior to the date that Tenant takes possession of any part of the Leased Premises, and thereafter within five (5) days after the City's written requests from time to time, but no more than once annually, the Tenant shall provide to the City Certificates of Insurance evidencing all insurance carried or required by this Lease to be carried by the Tenant with respect to the Leased Premises. Each Certificate of Insurance shall provide that the insurance carrier shall give the City written notice least thirty (30)

days in advance of any cancellation, nonrenewal, adverse change, or restriction in coverage. The City shall be named on each Certificate of property insurance as an Additional Insured and Loss Payee, as its interest may appear, and on each Certificate of liability insurance as an Additional Insured. In addition, this Lease and the Leased Premises shall be separately listed on each Certificate. Certificates of property insurance shall be provided on the "Certificate of Insurance" form equal to, as determined by the City, the most current ACORD 28 form. Certificates of liability insurance shall be provided on the "Certificate of Insurance" form equal to, as determined by the City, the most current ACORD 25 form. Any wording on a Certificate that would make notification to the City of cancellation, nonrenewal, adverse change, or restriction in coverage an option shall be deleted or crossed out and initialed by the insurance carrier or the insurance carrier's authorized agent or employee. The name and address of the City on each policy and certificate of insurance required by this Lease shall be City of Pensacola, Department of Risk Management, Post Office Box 12910, Pensacola, Florida 32521. In addition, a copy of each Certificate of Insurance shall be sent to Port of Pensacola, Attn: Port Director, PO Box 889, Pensacola, Florida 32591.

The Tenant shall immediately replace any cancelled, adversely changed, restricted, or non-renewed policies with new policies acceptable to the City and shall provide to the City copies of all such new policies, as well as Certificates of Insurance regarding the new policies, prior to the effective date of such cancellation, nonrenewal, adverse change, or restriction.

All deductibles shall be subject to the prior written approval of the City, such approval not to be unreasonably withheld, conditioned, or delayed.

Section 8.03 INSURANCE OF THE TENANT PRIMARY

The insurance coverage required of the Tenant shall be considered primary, and all other insurance shall be considered as excess, over and above the Tenant's required coverage. Notwithstanding the primary coverage responsibility of the Tenant, the Tenant shall protect the indirect and direct interests of the City by at all times promptly complying with all terms and conditions of its insurance policies, including without limitation timely and complete notification of claims. All written notices of property claims made to carriers that relate to the damage, impairment, or condition of the Leased Premises shall be copied to the City's Department of Risk Management at the following address: City of Pensacola, Department of Risk Management, Post Office Box 12910, Pensacola, Florida 32521. An additional copy shall be sent to Port of Pensacola, Attn: Port Director, Post Office Box 889, Pensacola, Florida 32591.

Section 8.04 LOSS CONTROL, SAFETY, AND SECURITY

The Tenant shall retain control over its employees, agents, servants, contractors, customers, guests, and invitees, as well as its and their activities on and about the Leased Premises and the manner in which such activities shall be undertaken; to that end, the Tenant shall not be deemed to be an agent of the City. Precaution shall be exercised by the Tenant at all times regarding the protection of all persons, including employees, and property. The Tenant shall make special effort to detect hazards and shall take prompt action where loss control/safety measures should reasonably be expected. The Tenant and its employees, agents, servants, contractors, customers, guests, and invitees, shall at all times comply with all federal and State laws with respect to Seaport Security, including but not limited to, the Port of Pensacola Seaport Security Plan, current edition as amended from time to time, and any successor thereto, as and when applicable to the Tenant's operations upon the Leased Premises and its use of Port facilities.

Section 8.05 ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers that have a current A.M. Best rating of no less than A- and minimum financial size of VII.

Section 8.06 HOLD HARMLESS

The Tenant, for itself and its successors and assigns, shall, and does hereby, covenant and agree to, **FULLY AND FOREVER RELEASE, INDEMNIFY, DEFEND, and HOLD HARMLESS** the City and its subsidiaries and affiliates, elected and appointed officials, employees, officers, directors, volunteers, agents, and representatives, individually and collectively, from and against any and all

costs, claims, liens, damages, losses, expenses, fees, fines, penalties, arbitration awards, regulatory actions, administrative actions, proceedings, actions, demands, causes of action, liabilities, and suits of any kind and nature, including, but not limited to, personal or bodily injury, death, environmental remediation and damage, and property damage, made upon or suffered or incurred by the City directly or indirectly arising out of or resulting from any breach or default by the Tenant under this Lease, or the activities, acts, or omissions of the Tenant, its successors or assigns under this Lease or at or within the Leased Premises or other areas of the Port, including, but not limited to, any acts or omissions of the Tenant, its successors or assigns, including any of its or their respective agents, officers, directors, representatives, employees, consultants, contractors or subcontractors, and their respective officers, agents, employees, directors, and representatives. The indemnity provided for in this Section shall not apply to any liability resulting from negligence of the City, its agents, officers, contractors, or employees.

The Tenant shall fully and forever release, hold harmless, defend, and indemnify the City from all such costs, including, but not limited to, expert fees even though a jury may find the Tenant and the City jointly liable. But in the event the City is held liable for a claim, then in that event each of the Parties bears their own costs, legal fees, and expert fees for their liability. The City shall, upon notice thereof, transmit to the Tenant every demand, notice, summons, or other process received in any claim or legal proceeding contemplated herein.

Section 8.07 NON-LIABILITY OF THE CITY

The City shall not, in any event, be liable to the Tenant or to any other person or entity for any acts or omissions of the Tenant, its successors, assigns, or sublessees or for any condition resulting from the operations or activities of the Tenant or any such person or entity.

The City shall not be liable for the Tenant's failure to perform any of the Tenant's obligations under this Lease or for any delay in the performance thereof, nor shall any such delay or failure be deemed a default by the City.

Section 8.08 PAYMENT ON BEHALF OF THE CITY

The Tenant agrees to pay on behalf of the City and to provide a legal defense for the City, both of which will be done only if and when requested by the City, for all claims and other actions and items described in Section 8.06, "Hold Harmless," with respect to which Tenant is obligated to indemnify the City. Such payment on behalf of the City shall be in addition to any and all other legal remedies available to the City and shall not be considered to be the City's exclusive remedy.

Section 8.09 NO WAIVER OF SOVEREIGN IMMUNITY

Nothing in this Article or elsewhere in this Lease shall be deemed a change or modification in any manner whatsoever of the method, conditions, limitations, or restrictions of preserving, asserting, or enforcing any claim or legal liability against the City. Nothing in this Article or elsewhere in this Lease shall in any way be construed as a waiver, in whole or in part, of the City's sovereign immunity under the Constitution, statutes and case law of the State of Florida.

Section 8.10 PROPERTY INSURANCE

The Tenant may elect either (i) to provide its own property insurance or (ii) for the City to provide property insurance. The Tenant shall deliver to the City written notice of such election no later than thirty (30) days prior to the estimated Date of Beneficial Occupancy and thirty (30) days prior to each insurance renewal date. If Tenant elects to provide its own property insurance, the insurance carrier and the deductible amounts shall be subject to the City's prior written approval, such approval not to be unreasonably withheld, conditioned, or delayed. If the Tenant elects for the City to provide property insurance, the Tenant shall pay when due the premium(s) therefor and shall be solely responsible for, and shall indemnify and hold the City harmless for, all deductibles. Not less than ninety (90) days prior to the estimated Date of Beneficial Occupancy and, if requested by the Tenant, not less than thirty (30) days prior to any insurance renewal date, the City shall deliver to the Tenant, in writing, the best information then available that the Tenant shall reasonably request in writing in order to evaluate the Tenant's options under this Section 8.10, which information shall include, at a minimum, the coverages and endorsements that the City would provide if elected by the Tenant and the premiums and deductibles for such coverages and endorsements. The Tenant's election under this Section 8.10 shall be memorialized in an amendment to this Lease executed by both Parties prior to the Date of Beneficial Occupancy or prior to the insurance renewal date, as the case may be. The City and the Tenant agree to negotiate in good faith insurance requirements from time to time should future market conditions change.

END OF ARTICLE

ARTICLE 9. COMMON PORT FACILITIES; INSPECTION OF FACILITIES

Section 9.01 USE OF COMMON FACILITIES

The City hereby grants to the Tenant, and to the Tenant's agents, employees, customers, guests, and invitees, the following general, nonexclusive privileges, uses, and rights, subject to the Rules and Regulations, the payment of all applicable fees and charges, and the terms, conditions, and covenants of this Lease:

(a) The general use by the Tenant of all Common Port Facilities outside the Port's security perimeter as defined in the Department of Homeland Security-approved Port of Pensacola security plan.

(b) The right of ingress to and egress from the Leased Premises over and across public roadways and public parking serving the Port for the Tenant, its agents, employees, customers, guests, invitees, suppliers of services, furnishers of materials, and permitted sublessees/sublicensees.

The privileges, uses, and rights granted or permitted under this Article shall be exercisable only if and to the extent necessary in connection with the Tenant's business on the Leased Premises permitted under Article 4 above.

Notwithstanding the foregoing or any other provision of this Lease, the Tenant may not moor vessels to any of the port's public docks without first filing and receiving approval from the Port of a Vessel Berth Application.

Section 9.02 COMPLIANCE

The rights and privileges granted pursuant to Section 9.01 above shall be exercised subject to and in accordance with all laws (including without limitation all Environmental Laws), ordinances, Rules and Regulations, and Port policies of the United States, the State of Florida, Escambia County, the City of Pensacola and the Port, including without limitation the rules and regulations promulgated with reference to navigation, security, and all applicable charter provisions, rules, regulations, and ordinances of the City, now in force or hereafter prescribed or promulgated by charter authority or by law.

Section 9.03 INSPECTION OF FACILITIES AND CAPITAL IMPROVEMENTS

The City reserves the right to enter the Leased Premises during normal business hours with three (3) business days prior notice to the Tenant, unless in the event of an emergency in which event no prior notice is required, for the purpose of inspecting same or verifying that Environmental Laws, fire regulations, safety regulations, and other applicable laws, rules and regulations, as well as the provisions contained in this Lease, are being adhered to by the Tenant. During its presence in the Leased Premises, the City shall make reasonable efforts to avoid undue interference with the Tenant's operations.

END OF ARTICLE

ARTICLE 10. ACCEPTANCE AND CONDITION OF LEASED PREMISES

SUBJECT TO TENANT'S RIGHTS UNDER THE DESIGN PROFESSIONALS AGREEMENT AND THE CONSTRUCTION CONTRACT AND ALL WARRANTIES ASSIGNED TO TENANT HEREUNDER, AND EXCEPT AS SPECIFICALLY PROVIDED HEREIN, TENANT HEREBY ACCEPTS THE LEASED PREMISES "AS IS, WHERE IS, AND WITH ALL FAULTS" ON THE EFFECTIVE DATE.

PRIOR TO THE DATE OF BENEFICIAL OCCUPANCY, THE CITY SHALL CAUSE TO BE REMOVED ALL PROPERTY, TRASH, REFUSE, OR REMNANTS OF ACTIVITIES THAT OCCURRED ON THE LEASED PREMISES PRIOR TO THE DATE OF BENEFICIAL OCCUPANCY, INCLUDING ACTIVITIES SUCH AS SANDBLASTING AND STORAGE. EXCEPT AS SPECIFICALLY PROVIDED HEREIN, THE TENANT SHALL BE DEEMED TO HAVE ACCEPTED THE LEASED PREMISES AND ALL IMPROVEMENTS "AS IS, WHERE IS, AND WITH ALL FAULTS" ON THE DATE OF BENEFICIAL OCCUPANCY.

EXCEPT AS SPECIFICALLY PROVIDED IN THIS LEASE, THE CITY MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE CONDITION OF THE LEASED PREMISES AND NO PROMISES TO IMPROVE THE SAME EXCEPT AS EXPRESSLY SET FORTH IN THIS LEASE. ANY SUCH REPRESENTATIONS OR PROMISES PREVIOUSLY MADE, IF ANY, SHALL NOT BE BINDING UPON THE CITY UNLESS EXPRESSLY INCLUDED IN THIS LEASE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL IMPLIED WARRANTIES OF ANY NATURE WHATSOEVER, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF TENANTABILITY, HABITABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE, ARE HEREBY EXPRESSLY DISCLAIMED BY THE CITY.

END OF ARTICLE

ARTICLE 11. CONSTRUCTION BY THE TENANT

Section 11.01 GENERAL REQUIREMENTS

The Tenant shall not construct, alter, remodel, renovate, remove, or demolish improvements on the Leased Premises without the prior written approval of the City, which approval shall not be unreasonably withheld, conditioned, or delayed; minor non-structural modifications by the Tenant that are in due course of its operations within the Lease Premises, excepted (for which no consent shall be required). The Tenant shall further have the right to install and or construct any free-standing improvements within the Leased Premises it wishes provided same are properly permitted.

In the event that the Tenant desires to construct, alter, remodel, renovate, remove, or demolish any improvements on the Leased Premises, it shall submit to the Port Director plans and specifications and a construction time schedule for such work prepared by Florida-registered architects and engineers, such other information and documents as may be required by the Port Director, all of which shall be in sufficient detail for the Port Director, to determine, whether or not the proposed work is consistent with the Tenant's use of the premises as defined in Section 4.01. But in any event, the approval of proposed construction, remodel, renovation, removal, or any other improvements for the Tenant's business shall not be unreasonably withheld, conditioned or delayed, provided the proposed work is deemed to be consistent with Section 5.01 of this Lease. Upon pre-approval of reasonable estimated expenses as further described below, the Tenant will reimburse the City upon demand for the reasonable, out-of-pocket expenses incurred by the City to review and act upon the Tenant's request, which expenses may include without limitation the fees and expenses of architects, engineers, attorneys, and other professionals. Prior to engaging professionals or incurring other expenses, the City shall provide an estimate of those costs to the Tenant, and should the Tenant wish to continue its request, then the Tenant must approve of the expenses estimated to be incurred prior to incurring any responsibility for City's costs. The Port Director, acting on behalf of the City, shall have a total of thirty (30) days to provide written approval or disapproval of such work.

The Tenant shall not commence any such work unless and until the City, through the Port Director, has given its written approval of such work, and the Tenant has provided to the Port Director any payments, bonds and/or securities as required herein below.

Tenant shall be solely responsible for payment of all hard and soft costs of such work, including but not limited to modifications to the security perimeter as part of Tenant's Capital Improvements, which must be in compliance with all state and federal laws and regulations, and, prior to commencement of any work on the Leased Premises, Tenant shall provide the City with reasonably satisfactory evidence of Tenant's ability to pay the costs of such work as and when due. Further, Tenant shall be solely responsible for payment of all hard and soft costs of such work as may be required from time to time to remain in compliance with all applicable state and federal laws and regulations.

Further, prior to the commencement of any such work, the Tenant shall procure and provide to the Port Director any and all additional approvals of such work and/or the plans and specifications for such work required by any federal, state, water management district, county, or municipal government, or authority, agency, officer, department, or subdivision thereof, having jurisdiction with respect to such work, and shall obtain and provide to the Port Director any and all requisite

development, building and construction licenses, orders, permits, and approvals.

The Tenant shall be solely responsible for obtaining and paying the costs of obtaining all required licenses, orders, permits, and approvals for such work.

The Tenant shall not entered into any contract for the performance of any portion of the work unless and until the City shall have given its written approval of the proposed contractor and the proposed contract, which approval shall not be unreasonably withheld, conditioned, or delayed; provided that each contract for any portion of the work shall conform to the requirement of this Article 11 and shall include, without limitation, a requirement for the contractor to provide builder's risk insurance reasonably satisfactory to the City.

All such work shall conform to the plans and specifications, construction timetable and other documentation submitted to the City by the Tenant; all conditions and requirements imposed by the City as a condition of its approval, including but not limited to applicable federal, state, and local laws, codes, ordinances, rules, and regulations, including but not limited to the Rules and Regulations, the Port Master Plan, and the federal Americans with Disabilities Act and regulations thereunder. In no event shall the approval of the City required by this Article be deemed to be any acknowledgement by the City that such work or any plans, specifications, or other information or documentation submitted to the City complies or will comply with applicable laws, codes, ordinances, rules, and regulations, other than those of the City of Pensacola, and shall not relieve Tenant from obtaining all required governmental authorizations, permits and approvals, including but not limited to authorizations, permits and approvals required by the ordinances, codes, rules and regulations of the City of Pensacola, all of which shall be obtained prior to the commencement of such work. Further, the City, by giving its approval of such work, assumes no liability or responsibility therefor or for any defects in such plans and specifications or for any defects in any of such work.

Upon the commencement of any work permitted under this Article, Tenant shall thereafter diligently and continuously prosecute such work to completion within a reasonable time. Tenant shall cause all work on the Leased Premises to be performed and constructed by appropriately licensed contractors, with high quality, new materials, in a good and workmanlike manner, and pursuant to valid building permits. All Capital Improvements (expressly excluding, however, movable office furniture and trade fixtures, and trade equipment) installed or constructed on the Leased Premises by the Tenant shall be deemed to be the sole property of the Tenant during the term of this Lease. Upon the Expiration Date or early termination, all Capital Improvements shall remain upon and be surrendered with the Leased Premises. Tenant shall indemnify, defend and hold the City free and harmless from and against any and all liabilities, claims, demands, lawsuits, administrative proceedings, loss, and damages or any kind, including but not limited to attorneys' fees and costs, arising out of any work done or material supplied to the Leased Premises by or at the request of Tenant.

Prior to commencement of any work on the Leased Premises for a total cost (both hard and soft costs, as estimated by the City) in excess of One Hundred Thousand and NO/100 Dollars (\$100,000.00), Tenant shall provide to the City payment bonds obtained by each general or sub-contractor of Tenant ensuring performance of that general contractor's obligations under the construction contract between that general contractor and the Tenant and payment of that contractor's subcontractors and suppliers with respect to the construction, alteration, removal or

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Bella Mente Quantum Racing Association

demolition of any Capital Improvements. Each of the bonds must (i) be issued by a Qualified Surety (hereinafter defined), be in form and substance satisfactory to the City, (iii) run in favor of the City, (iv) be in the amount of the total cost of constructing, altering, removing or demolishing, as the case may be, the Capital Improvements as approved by the City, as such cost is stipulated in the construction contract between the Tenant and its general contractor, and (v) conform to the provisions of Section 255.05, Florida Statutes, whether or not such statute applies to such work, and any other statutory requirements. A "Qualified Surety" is a corporate surety or insurer authorized to do business, and to issue bonds for construction payment and performance, in the State of Florida and possessing a rating of A/VIII or better in A.M. Best's Insurance Reports.

Upon completion of all renovations, construction, alterations, or Capital Improvements on the Leased Premises, the Tenant shall provide to the Port Director an accurate and complete conformed set of "as built" plans and specifications, certified by the appropriate contractor(s) and design professional(s), and a copy of the government-issued Certificate of Occupancy, if required for such work.

Section 11.02 CONSTRUCTION REQUIREMENTS

Immediately upon receipt of all approvals by the City required by this Lease and all permits and approvals required by all federal, state, and local governmental units and agencies having jurisdiction, the Tenant shall proceed with construction of said Capital Improvements. Work shall not be performed on days or at times other than those approved in writing by the Port Director, which approval shall not be unreasonably withheld, conditioned, or delayed to afford Tenant regular access and opportunity to timely complete its construction.

The Tenant shall construct all Capital Improvements and additions to the Leased Premises at its own expense. Although the City has the right to review proposed improvement plans, and not approve the plans if the plans are inconsistent with the Tenant's use of the Leased Premises, and construction quality and design control within the norms of the proposed construction or improvements, pursuant to the standards set forth above, if the City does approve the improvement plans, and the Tenant thereafter constructs the improvements, the Capital Improvements shall be commissioned and constructed at the Tenant's sole initiative and behest, and nothing herein shall be construed as an authorization by City to the Tenant to construct the Capital Improvements, or as an agreement by City to be responsible for paying for the Capital Improvements, and neither the Leased Premises, including those Capital Improvements constructed in compliance with Section 4.01 herein, nor the City's interest in said Leased Premises, shall be subjected to any construction lien for any Capital Improvements constructed by the Tenant hereunder.

Should the Tenant construct Capital Improvements, alterations, or additions without fulfilling its obligations hereunder, the Tenant shall remove said Capital Improvements, alterations, or additions if so directed by the City, and shall do so at its own expense and within the time limits specified.

The City shall, at any period during construction of the Tenant's Capital Improvements, alterations, or additions, have the right, but not the obligation, to inspect any or all construction work, workmanship, material and installation involved in, or incidental to, the construction or installation of the Capital Improvements, alterations, or additions, for conformance with the applicable standards set forth in this Lease and within normally acceptable industry practices, provided that such inspection shall not include internal work that is exclusively of an operations (non-structural) nature,

and provided further that no such inspections shall be deemed to constitute consent to or approval of any such work.

Upon substantial completion of Tenant's initial construction, renovations, and Capital Improvements, and upon completion of any future major permanent renovations or Capital Improvements, the Tenant shall provide the City a complete set of "as-built" project specifications and drawings.

END OF ARTICLE

ARTICLE 12. LIENS PROHIBITED

Notwithstanding any other provision of this Lease, the City's fee simple estate and interest in the Leased Premises shall not be subject to any lien, statutory or otherwise, by reason of any Capital Improvements constructed or altered upon, removed from, or demolished on the Leased Premises or work, labor, services or materials performed upon or supplied to the Leased Premises, by or upon the order or request of the Tenant or its agents, employees or contractors, or any permitted sublessee of the Tenant, or anyone acting by, through or under the Tenant. The Tenant shall include written notice of the foregoing in all contracts for the furnishing of labor, services or materials to or on the Leased Premises. All persons performing labor or service or furnishing materials to the Leased Premises on the order of the Tenant must look solely to the Tenant for payment. The Tenant shall keep the Leased Premises and Capital Improvements free from any construction liens, mechanics liens, vendors liens or any other liens or claims arising out of any work performed, materials furnished or obligations incurred by or at the request of the Tenant or its employees, contractors, or anyone acting by, through or under the Tenant, all of which liens and claims are hereby expressly prohibited, and the Tenant shall defend, indemnify and hold the City harmless from and against any such lien or claim or action thereon, together with costs of suit and reasonable attorneys' fees and costs incurred by the City in connection with any such lien, claim or action. The City may, at any time, post appropriate notices of non-responsibility on the Leased Premises or the Land, and in the public records.

END OF ARTICLE

ARTICLE 13. MAINTENANCE AND REPAIR

Section 13.01 TRIPLE NET LEASE

This Lease constitutes a triple net lease of the Leased Premises and, notwithstanding any language herein to the contrary, it is intended and the Tenant expressly covenants and agrees that all Base Rent, and other payments herein required to be paid by the Tenant to the City shall except as specifically provided herein be absolutely net payments to the City, meaning that, except as specifically provided herein during the Lease Term, the City is not and shall not be required to expend any money or do any acts or take any steps affecting or with respect to the use, occupancy, operation, maintenance, preservation, repair, restoration, protection, or insuring of the Leased Premises, or any part thereof.

Section 13.02 TENANT RESPONSIBILITIES

Notwithstanding the provisions of any previous lease of any of the Leased Premises or any previous course of dealing, course of performance, or understanding between the City and the Tenant, the Tenant shall, throughout the Lease Term of this Lease, be solely and entirely responsible for all costs and expenses for, related to or arising out of the use, operation, repair, maintenance and replacement of the Leased Premises, including but not limited to, the Facilities, all buildings, improvements, pavement, fencing, landscaping, irrigation, foundations, utility lines, doors, locks, windows, ceilings, partitions, walls, interior and exterior lighting, roofs, drainage installations, curbs, islands, sidewalks, driveways, any designated exclusive parking areas, and improvements thereon and all components thereof, whether such repair, maintenance or replacement be ordinary, extraordinary, structural, or otherwise. Additionally, without limiting the foregoing, the Tenant shall:

- (a) At all times perform commercially reasonably routine maintenance, preventive maintenance, and inspections (including without limitation inspections of the fire suppression systems and any elevators, it being further agreed that the Tenant shall promptly provide such inspection reports to the City) of the Leased Premises, the Facilities, and all buildings, improvements, and pavement on the Leased Premises and all components thereof and maintain all of the foregoing in a good and clean condition, repair and preservation;
- (b) Replace or substitute any fixtures, equipment and components that have become inadequate, obsolete, worn out, unsuitable, or undesirable with replacement or substitute new fixtures, equipment and components of equal or greater value, free of all liens and encumbrances, that shall automatically become a part of the buildings and improvements;
- (c) At all times keep the Leased Premises' grounds, pavement and exterior of the Leased Premises, its buildings and improvements, fixtures, landscaping, equipment, and personal property in a maintained, clean, and orderly condition and appearance;
- (d) Provide, and maintain in good working order, all obstruction lights and similar devices, fire protection and safety equipment, and all other equipment of every kind and nature required by applicable laws, rules, orders, ordinances, resolutions, or regulations of any

competent authority, including the City and the Port Director, provided that such rules, regulations, and ordinances shall be applicable in a non-discriminatory manner to all similarly situated parties;

(e) Observe all insurance regulations and requirements concerning the use and condition of the Leased Premises for the purpose of reducing fire hazards and increasing the safety of the Tenant's operations on the Port;

(f) Repair any damage to paving or other surfaces of the Leased Premises or the Port caused by the Tenant, its employees, agents, sublessees, licensees, contractors, suppliers, guests or invitees as the result of any oil, gasoline, grease, lubricants, flammable liquids, or substances having a corrosive or detrimental effect thereon or as the result of any cause whatsoever; but in no event shall this relieve the City of its' obligations to maintain the land not a portion of the Leased Premises in good working order for the operations of the Tenant's business as defined in Section 2.01;

(g) Comply with the Port's Storm Water Pollution Prevention Plan and plan and take measures to prevent erosion;

(h) Be responsible for the maintenance and repair of all utility services lines upon and serving the Leased Premises, including, but not limited to, water and gas lines, electrical power and telephone conduits and lines, sanitary sewers, and storm sewers;

(i) Keep and maintain all vehicles and equipment operated on the Port by the Tenant in safe condition, good repair, and insured, as required by this Lease;

(j) Replace broken or cracked plate glass, paint/repaint structures upon the Leased Premises, regularly mow all grass within the Leased Premises, and weed and maintain any

(k) landscaping planted or installed by the Tenant on the Leased Premises; and

(l) Provide and use suitable covered metal receptacles for all garbage, trash, and other refuse; assure that boxes, cartons, barrels, or similar items are not piled in an unsightly, unsafe manner on or about the Leased Premises; provide a complete and proper arrangement, satisfactory to the Port Director, for the adequate sanitary handling and disposal away from the Port, of all trash, garbage, and refuse resulting from operation of the Tenant's business.

Section 13.03 SAFE, CLEAN AND ORDERLY OPERATION

During the term of this Lease, the Tenant agrees to maintain all portions of the Leased Premises, and any improvements, alterations, or additions thereon, in a safe, clean, and neat condition, and not permit any accumulation of wreckage, debris, or trash. The Tenant agrees to provide for complete, proper and adequate sanitary handling and disposal, away from the Port, of all trash, garbage, waste and other refuse caused as a result of the Tenant's operations; to provide and use suitable covered metal receptacles, to be approved by the Port Director, for all trash, garbage and other refuse on or about the Leased Premises, and not to pile boxes, cartons, carts, drums, or the like on the outside of the buildings, or dump any waste matter of any nature, in a liquid state or otherwise, on the Leased Premises nor to permit contamination of the Port's stormwater or sanitary

sewer systems. The Tenant agrees to promptly install, without cost or expense to the City, any other device or devices for the handling and disposition of refuse and all manner of waste (liquid or otherwise) as may reasonably be required by the City or the Port Director.

Section 13.04 OTHER SERVICES

At its own expense, the Tenant shall provide interior and exterior painting, janitorial, trash removal and all other services necessary or desirable for the operation of the Tenant's business on the Leased Premises permitted under Article 4 above. The Port provides 24/7/365 controlled gate access to the Port secured restricted area and a roving patrol of all land at the Port during normal operating hours. Should the Tenant require specialized security services at its Leased Premises, the Tenant must contract for same separately and may engage any properly licensed security services provider for the provision of same.

Section 13.05 QUARTERLY CONDITION SURVEYS

The Port's Maintenance Superintendent or other Port representative as designated by the Port Director, together with a representative of the Tenant may, at the City's option, inspect the Leased Premises quarterly to observe and note its condition, cleanliness, and existing damage and to determine required repairs and maintenance, provided that such inspections do not materially interfere with the Tenant's use of the Leased Premises. Neither the City's inspection of the Leased Premises nor the City's failure to inspect the Leased Premises shall relieve the Tenant of any of its obligations under this Lease or applicable law.

Section 13.06 PERFORMANCE

In the event that the Tenant refuses or fails to undertake and complete any maintenance, repair or replacements within thirty (30) days after written notice from the Port Director or, in the event of exigent circumstances, such lesser time as the Port Director specifies in such written notice, or for those items that cannot be reasonably cured within 30 days, the Tenant fails to diligently pursue remediation of the failure then and in any such event the City shall have the right, but not the obligation, to perform such maintenance, repair or replacement on behalf of and for the Tenant. The actual costs of such maintenance, repair or replacement, plus fifteen (15.0%) percent for administration, shall be reimbursed by the Tenant to the City no later than 30 days following receipt by the Tenant of written demand from the City for same.

Section 13.07 UTILITIES

The Tenant shall, at no cost to the City or Port, arrange for all utilities necessary to serve the Leased Premises and promptly pay when due all the utilities costs incurred with respect to the Leased Premises. The Tenant shall pay or cause to be paid any and all charges for water, heat, gas, electricity, sewer, telephone, internet, cable, and any and all other utilities used on the Leased Premises from the Date of Beneficial Occupancy throughout the Lease Term, including, but not limited to, any connection fees and any and all additional third-party costs related to utility connection, metering, maintenance, repair, and usage.

The Tenant shall be responsible for the maintenance and repair of all exterior telephone, internet, cable, water, gas, sewer, and electrical utility lines required for the Leased Premises commencing at the point(s) where said utilities enter upon the Leased Premises. The City shall have no obligations related to said maintenance and repair. The Tenant shall coordinate any

required maintenance and repair with the appropriate utility company and the office of the Port Director.

The City reserves to itself the right, at its expense, to install, maintain, repair, replace, or remove and replace water and sewer pipes, electrical lines, cable lines, internet lines, gas pipes, and any other utilities or services located on the Leased Premises as necessary or appropriate, in the City's judgment, to make such utilities available to the City or other tenants, together with the right to enter the Leased Premises at all reasonable times in order to accomplish the foregoing, provided, however, that (i) the City shall not disrupt the operations of the Tenant without prior written approval of the Tenant and shall take reasonable precautions to avoid the disruption of the Tenant's authorized activities; (ii) the alteration and additions after installation do not lessen the utilities previously available to the Tenant; (iii) the City and/or the ultimate user of such utilities will be responsible to repair and maintain such utilities; and (iv) such utilities will be separately metered for different users.

Throughout the Lease Term, the Tenant shall not render any utility lines inaccessible.

Section 13.08 UTILITIES SUPPLY OR CHARACTER

The City shall not be liable in any way to the Tenant for any failure or defect in the supply or character of electrical energy, internet service, cable service, gas, water, sewer, or other utility service furnished to the Leased Premises by reason of any requirement, act, or omission of the City in its capacity as a utility provider or of any public utility providing such service or for any other reason. The City shall have the right to shut down electrical and other utility services to the Leased Premises when necessitated by fire, safety or emergency exigencies, and in advancement of and consistent with the provisions of Section 13.07 herein above whether the need for such utility work arises with respect to the Leased Premises or any other facility at the Port. Whenever reasonable under the circumstances, the City shall give the Tenant not less than five (5) days' prior notice of any such utility shutdown. In no event shall the planned loss of utility services occur during normal manufacturing hours without the express knowledge and written consent of the Tenant. The City shall not be liable to the Tenant for any losses, including the loss of income or business interruption, resulting from any interruptions or failure in the supply of any utility to the Leased Premises whether said utility supply is controlled by the City or by a public utility provider. Notwithstanding the foregoing, in the event of an interruption of utilities to the Leased Premises, the City will use commercially reasonable efforts, at no cost to the City except for natural gas service supplied by the City, to restore such utility as soon as reasonably possible.

END OF ARTICLE

ARTICLE 14. TITLE TO IMPROVEMENTS AND PERSONAL PROPERTY

Section 14.01 TITLE TO IMPROVEMENTS

Title to all buildings, structures, pavement, and other improvements presently existing upon the Leased Premises or any part thereof is vested in the City.

Title to all buildings, structures, pavement, and other improvements not considered to be trade fixtures or personal property of the Tenant constructed or installed on the Leased Premises by the Tenant or the City during the Lease Term shall become vested in the City immediately and automatically upon completion thereof, without notice to the Tenant or any action by the City.

Section 14.02 TITLE TO PERSONAL PROPERTY

Except as otherwise provided in this Section 14.02, all trade fixtures and equipment and other business personal property installed or placed by the Tenant in the Leased Premises that is not paid for by the City or by grant funds obtained by the City shall remain the property of the Tenant, subject, however, to the provisions of this Section 14.02, unless otherwise provided in subsequent written agreements between the Tenant and the City. The Tenant shall have the right at any time during the Lease Term and prior to its expiration or earlier termination of this Lease to remove any and all of said property from the Leased Premises. The Tenant shall promptly repair or pay for all damages, if any, resulting from such removal. All City property damaged by or as a result of removal of the Tenant's property by the Tenant shall promptly be restored at the Tenant's expense to substantially the same condition as it was prior to such damage.

Notwithstanding the foregoing, any and all property not removed by the Tenant within thirty (30) days after the expiration of the Lease Term or the earlier termination of this Lease shall become a part of the land upon which it is located, and title thereto shall automatically vest in the City with prior written notice to the Tenant within ten (10) days of suggested transfer of ownership. The City reserves the right to remove and dispose of any or all of such property not removed by the Tenant within third (30) days after the expiration of the Lease Term or the earlier termination of this Lease, without any liability or obligation to the Tenant. In any event, Tenant shall be obligated to pay Base Rent, payable on the first day of each month, following such 30-day period until all of Tenant's property is removed from the Leased Premises.

The provisions of this Section shall survive the expiration of the Lease Term or earlier termination of this Lease, as the case may be, and shall be fully enforceable by the City against the Tenant notwithstanding the termination of this Lease.

END OF ARTICLE

ARTICLE 15. ENVIRONMENTAL COMPLIANCE

Section 15.01 ENVIRONMENTAL LAWS

The Tenant shall, at all times, abide by all Environmental Laws applicable to, concerning, or arising from the Tenant's actions or inactions resulting directly or indirectly from its occupancy, use, or lease of the Leased Premises, including, without limitation, state and federal laws regulating storm water runoff contamination and pollution prevention, numeric nutrient criteria requirements, state and federal laws regulating soil, water, and groundwater quality, and state and federal laws regulating air quality. Tenant shall not, nor shall it permit its employees, business invitees, or contractors (collectively "Tenant's Agents"), to bring upon, keep, store, use, or dispose of any Hazardous Substances on, in, under, or about the Leased Premises, except for the following: (i) gas, diesel fuel, oil, and other petroleum products and petroleum by-products which drip in normal amounts from motor vehicles on parking and truck loading areas surrounding the Premises; (ii) Hazardous Substances contained within Tenant's equipment and personal property and which do not pose any significant threat of being released into the environment; or (iii) general office or warehouse supplies (including, without limitation, ordinary cleaning chemicals and solutions) used for their intended purpose and not posing any significant threat of contamination of the Leased Premises. Tenant shall cause the presence, use, storage, and/or disposal of any Hazardous Substances on, in, under, or about the Leased Premises by Tenant or Tenant's Agents to comply with all applicable laws, rules, regulations, orders, and the like. Prior to the Rent Commencement Date, the Tenant shall identify in writing to the Port Director and its Fire Department all Hazardous Substances that are or may be used in the course of its occupation of the Leased Premises. This list shall be updated by Tenant in March of each year and include quantities of materials stored on the Leased Premises. The City shall have the right to inspect the Leased Premises at any reasonable time upon reasonable advance notice to ensure compliance with Environmental Laws and the provisions of this Article.

The City, acting through its Port Director, has the right to limit the amount of Hazardous Substances used and stored on the Leased Premises that are not reasonably used in the course of Tenant's business for the authorized purposes herein.

The Tenant shall comply with the Port's Storm Water Pollution Prevention Plan and all amendments thereto irrespective of whether it has its own Storm Water Pollution Prevention Plan.

The Tenant shall not, directly or indirectly, cause or permit the disposal or discharge of Hazardous Substances onto the Leased Premises or other Port property, but in no way does this prohibit material to be properly stored in the Leased Premises consistent with the provisions of this Section 15.01, consistent with the proposed use of the Leased Premises, and consistent with all applicable laws governing storage of same.

The Tenant shall be solely responsible for the payment of any and all fines, fees, penalties, assessments or citations issued as a result of the Tenant's failure to comply with the provisions of this Section 15.01 whether such fine, fee, penalty, assessment or citation be issued to the Tenant directly or the City or Port as the property owner.

Section 15.02 ENVIRONMENTAL CONDITIONS

The City represents and warrants to its actual knowledge without independent investigation that:

- (i) it has not received any notice of violation of any Environmental Laws with respect to the Leased Premises.
- (ii) it has not been a party to any actions, suits, proceedings, or damage settlements related in any way to contamination in, upon, over or from the Leased Premises; and
- (iii) the Leased Premises is not listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites, CERCLIS, or any other list of hazardous sites maintained by any federal, state, or local government agency; and
- (iv) the Leased Premises contains traces of sandblasted paint which may qualify as a Hazardous Substance as defined herein, and asbestos (collectively, the "Known Environmental Conditions").

Section 15.03 REMEDIATION OF ENVIRONMENTAL CONDITIONS

If, following the vacating, abandonment or surrender of the Leased Premises or any portion thereof by the Tenant, an assignee or a sublessee, any contamination by Hazardous Substances of the Leased Premises or other portions of the Port (expressly excluding the Known Environmental Conditions) occurred during the Lease Term that is attributable to the activities of the Tenant, an assignee or a sublessee, the Tenant shall perform any and all assessments, remediation, and/or monitoring activities required by law at its sole cost and expense.

Tenant shall defend, indemnify, protect, and hold City harmless from and against all claims, costs, fines, judgments, and liabilities, including attorney fees and costs, arising out of or in connection with the presence, storage, use, or disposal of Hazardous Substances in, on, under, or about the Leased Premises or other portions of the Port caused by the acts, omissions, or negligence of Tenant and/or Tenant's agents. Tenant's obligations hereunder shall survive the expiration or earlier termination of this Lease. Neither City nor City's employees, business invitees, agents, contractors, or subcontractors (collectively "City's Agents") shall bring upon, keep, store, use, or dispose of any Hazardous Substances in, on, under, or about the Leased Premises. Tenant shall have no liability associated with and City shall reimburse Tenant for any and all claims, costs, fines, judgments, and liabilities, including attorney fees and costs, arising out of or in connection with the presence of Hazardous Substances in, on, under, or about the Leased Premises upon the date this Lease commences or introduced in, on, under, or about the Leased Premises subsequent to commencement of this Lease due to the acts, omissions, or negligence of City or City's agents. City's obligations hereunder shall survive the termination of this Lease.

Section 15.04 ENVIRONMENTAL REPORTS

The Tenant promptly shall provide to the Port Director, on an ongoing basis and as updates are required, copies of all Tenant environmental permits and reports related to the Leased Premises, as well as any notices, orders, decrees, citations, or inspection reports issued by environmental regulatory authorities.

Section 15.05 SURVIVAL OF OBLIGATIONS

The obligations of this Article shall survive the expiration, termination, and full or partial assignment of this Lease, and the sublease of all or any portion of the Leased Premises.

Section 15.06 NPDES AND SWPPP

The Tenant shall comply with the requirements of the National Pollutant Discharge Elimination System (NPDES) program delegated by the United States Environmental Protection Agency (EPA) to the state of Florida and administered in part by the Florida Department of Environmental Protection (FDEP). The City and the Tenant are required to be covered by a Multi-Sector Generic Permit (MSGP) which is currently identified as “co-located permittees,” and the Tenant shall submit the required Notice of Intent (NOI) to FDEP and provide a copy of the NOI and related Storm Water Pollution Prevention Plans (SWPPP) to the City. The Port Administrative Office maintains copies of the most current SWPPP for tenants. All tenants and users (including the Tenant) are responsible for obtaining and maintaining a current copy of the SWPPP, as well as informing and familiarizing their employees, agents, contractors, and visitors of the SWPPP contents and their responsibilities thereunder. The City has control over the establishment and implementation of all policies relating to storm water associated with port docks and tenant areas, including the Leased Premises. All tenants and users (including the Tenant) shall comply with the most current SWPPP and with the most current Best Management Practices (BMPs) applicable to their facilities and operations contained in the document entitled “Port Pensacola BMPs for Potential Pollutant Sources,” copies of which are available from the Port Director.

Section 15.07 PHASE 1 ENVIRONMENTAL REPORT

The City, at the City’s sole cost and expense shall cause a Phase 1 environmental report of the Land to be completed by a licensed professional and shall provide a copy of such Phase 1 to the Tenant within fifteen (15) days after receipt by the City. The Phase 1 shall have an effective date within thirty (30 days) before the Date of Beneficial Occupancy but in any event prior to Tenant's occupancy of any portion of the Leased Premises. The City shall indemnify, defend, and hold harmless the Tenant from and against all claims, damages, liabilities, costs, and expenses, including without limitation reasonable attorneys’ fees, suffered or incurred by the Tenant as a result or arising out of any environmental condition identified in such Phase 1. The Tenant shall indemnify, defend, and hold harmless the City from and against all claims, damages, liabilities, costs, and expenses, including without limitation reasonable attorneys’ fees, suffered, or incurred by the City as a result or arising out of any environmental condition arising or occurring after the Date of Beneficial Occupancy.

END OF ARTICLE

ARTICLE 16. EVENTS OF DEFAULT; REMEDIES; TERMINATION

Section 16.01 TENANT EVENTS OF DEFAULT

The occurrence of any one or more of the following events (each such event being referred to in this Lease as an “Event of Default”) shall constitute a material default and breach of this Lease by the Tenant:

- (a) The Tenant fails to make any Base Rent payment required to be made by the Tenant hereunder, as and when due, and such failure continues for ten (10) days; or
- (b) The Tenant fails to make any monetary payment, other than Base Rent, required to be made by the Tenant hereunder, as and when due and such failure continues for 15 days after Tenant received written notice of such failure; or
- (c) The Tenant fails to observe, keep, and perform the terms, covenants, agreements, and conditions of any of Articles 8 or 18 of this Lease; or
- (d) The Tenant fails to observe or perform any covenant, condition or provision of this Lease to be observed or performed by the Tenant, other than as described in subparagraphs (a), (b), and (c) above or subparagraphs (e), (f), (g), (h), or (i) below, and such failure shall continue for a period of thirty (30) days after written notice thereof by the City to the Tenant; provided, however, that if the nature of such failure is such that more than thirty (30) days are reasonably required for its remedy or cure, then such 30-day period shall be extended for up to thirty (30) additional days provided that the Tenant begins such remedy or cure within such 30-day period and thereafter diligently and continuously prosecutes such remedy or cure to completion within such additional 30-day period; or
- (e) The Tenant files a voluntary petition in bankruptcy or any petition or answer seeking or acquiescing in any reorganization, rehabilitation, arrangement, composition, readjustment, liquidation, dissolution or other relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or an order for relief is entered in an involuntary bankruptcy case filed against the Tenant; or the Tenant seeks or consents to or acquiesces in the appointment of any trustee, custodian, receiver or liquidator of itself or of all or any part of its assets or any interest therein; or the Tenant shall make a general assignment for the benefit of its creditors; or the Tenant commits any act providing grounds for the entry of an order for relief under any chapter of the federal bankruptcy code; or
- (f) A petition or case is filed against the Tenant seeking any reorganization, rehabilitation, arrangement, composition, readjustment, liquidation, dissolution or other relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, or the appointment of any trustee, custodian, receiver or liquidator of the Tenant or of all or any part of its assets or any interest therein, and such petition, case or appointment is not dismissed within sixty (60) days after such filing or appointment; or

(g) The Tenant fails to comply with the Port's Storm Water Pollution Prevention Plan and all amendments thereto; or

(h) The Tenant abandons all or substantially all of the Leased Premises or ceases to conduct all or substantially all of the Tenant's business on the Leased Premises permitted under Article 4 above; or

(i) The Tenant, its assignees, sublessees, contractors or subcontractors, employs or contracts with or for work or services performed on or from the Leased Premises, any unauthorized alien as described by Section 274(e) of the federal Immigration and Nationalization Act. Failure to comply with this paragraph (h) shall not constitute a material breach by the Tenant, provided the Tenant has undertaken reasonable efforts to ensure compliance with the Act through its practices and policies.

Section 16.02 REMEDIES.

Upon the occurrence of any Event of Default, the City may at any time thereafter, with or without notice or demand (except as expressly specified in Section 16.01 above or elsewhere in this Lease), and without limiting the City in the exercise of any right or remedy that the City may have by reason of such Event of Default:

(a) Terminate the Tenant's right to possession of the Leased Premises by any lawful means, in which case this Lease shall terminate, and the Tenant shall surrender possession of the Leased Premises to the City within the provisions of the lease termination. In such event, the City shall be entitled to recover from the Tenant all damages incurred by the City by reason of the Tenant's default, including but not limited to the reasonable cost of recovering possession of the Leased Premises; cost of repairs for any and all damages to the Leased Premises, ordinary wear and tear excepted; cost of any repairs or improvements required to bring the Leased Premises up to code and obtain an Certificate of Occupancy, if said Leased Premises is left in an untenable state by the Tenant; and the worth at the time of award by the court having jurisdiction thereof of (i) the amount of unpaid Rent and other unpaid amounts under this Lease which had been earned at the time of termination, (ii) the unpaid Rent and other amounts under this Lease which would have been earned after termination until the time of award, and (iii) the amount by which the Rent that would have become due and payable under this Lease after the time of award during the remainder of the Lease Term exceeds the amount for the same period that the Tenant proves could be reasonably avoided. The amounts due under clauses (i) and (ii) above shall accrue interest from the termination date until paid in full at the greater of eight percent (8%) per annum or the legal rate applicable to money judgments entered by the courts of the State of Florida on the termination date.

(b) Without terminating this Lease, enter and repossess the Leased Premises, remove the Tenant's property and signs therefrom, and re-let or re-use the same for such rent and upon such terms as shall be satisfactory to the City without such re-entry and repossession working a forfeiture of the Rent and other amounts to be paid prior to the lease termination. For the purpose of re-letting or re-use, the City shall be entitled to make any repairs, changes, alterations or additions in or to the Leased Premises that may be reasonably necessary or convenient, and the City shall be entitled to recover from the Tenant the reasonable cost of repairs for any and all damages to the Leased Premises, ordinary wear and tear excepted; and, cost of any repairs or

improvements required to bring the Leased Premises up to code and obtain an Certificate of Occupancy, if said Leased Premises is left in an untenable state by the Tenant.

(c) Maintain the Tenant's right to possession, in which case this Lease shall continue in effect whether or not the Tenant shall have abandoned the Leased Premises. In such event the City shall be entitled to enforce all of the City's rights and remedies under this Lease, including the right to recover Rent and other amounts as they become due hereunder.

(d) Pursue any other remedy now or hereafter available to the City at law or in equity under the laws or judicial decisions of the State of Florida, including without limitation any right or remedy available to a creditor under the Uniform Commercial Code.

Section 16.03 RIGHTS AND REMEDIES OF THE CITY CUMULATIVE

All rights and remedies of the City herein created or otherwise existing or arising at law or in equity by reason of any Event of Default are cumulative, and the exercise of one or more rights or remedies shall not operate to exclude or waive the right to the exercise of any other. All such rights and remedies may be exercised and enforced concurrently. Further, failure by the City to take any authorized action upon the occurrence of an Event of Default shall not be construed to be or act as a waiver of said Event of Default or of any subsequent Event of Default. The City's acceptance of Base Rent, or other amounts or payments by the Tenant for any period or periods after the occurrence of an Event of Default shall not be deemed a waiver of such Event of Default or a waiver of or estoppel to enforce any right or remedy on the part of the City arising or existing by reason of such Event of Default.

END OF ARTICLE

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ARTICLE 17. HOLDING OVER

It is agreed and understood that any holding over by the Tenant, with the City's written consent, after the termination of this Lease, shall not serve to renew and extend same, but shall operate and be construed as a tenancy from month-to-month, subject to all terms and conditions of this Lease, including without limitation all Rent provisions.

Should the Tenant hold over without the City's written consent, the Tenant agrees to pay to the City, as monthly Rent during such period of holding over, for such Leased Premises for each month until the Tenant completely vacates the Leased Premises, one hundred fifty percent (150%) of the sum of (i) Base Rent payable for the last month of the Lease Term, including without limitation applicable taxes and (ii) all and other fees and charges required by this Lease or by City ordinance to be paid by the Tenant.

The Tenant shall be liable to the City for all loss or damage resulting from such holding over against the City's will after the termination of this Lease, whether such loss or damage may be contemplated at this time or not. It is expressly agreed that acceptance of the foregoing rental by the City, in the event that the Tenant fails or refuses to surrender possession, shall not serve to grant the Tenant any right to remain in possession beyond the period for which such amount has been paid nor shall it constitute a waiver by the City of its right to immediate possession thereafter.

END OF ARTICLE

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ARTICLE 18. ASSIGNMENT AND SUBLEASE

Section 18.01 LEASE ASSIGNMENT

The Tenant shall have the right to assign this Lease and the Tenant's interest in or to the Leased Premises, or any part thereof. The Tenant will need the City's prior written consent which shall not be unreasonably withheld. Should there be an internal assignment by the Tenant of the lease to an entity that has common ownership or is otherwise an affiliated entity, then no approval by the City is required, but the Tenant shall provide ten (10) days advance notice of the intent to assign. Nothing in this provision shall impair the responsibilities of the Tenant to the City until the City provides approval of the assignment, when required.

In the event that the Tenant requests permission to assign this Lease in whole or in part to an unaffiliated entity, the request shall be submitted to the Port Director not less than thirty (30) days prior to the proposed effective date of the assignment requested, and shall be accompanied by a copy of the proposed assignment agreement(s) and of all agreement(s) collateral thereto, together with the following information: the identity and contact information of the assignee, whether the requested assignment is a full or partial assignment of this Lease, and the type of business to be conducted on the Leased Premises by the assignee.

Section 18.02 LEASED PREMISES SUBLEASE

The Tenant is entitled to sublet parts of the Leased Property, provided that the Tenant shall not sublet the Leased Premises or any part thereof, regardless of the time period, without having first obtained the Port Director or the City's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

In the event that the Tenant requests permission to sublet the Leased Premises in whole or in part, except to an Affiliate, the request shall be submitted to the Port Director not less than thirty (30) days prior to the proposed effective date of the sublease requested, and shall be accompanied by a copy of the proposed sublease agreement(s) and of all agreement(s) collateral thereto, together with the following information: the identity and contact information of the sublessee, a description of the part of the Leased Premises to be subleased, a statement of the entire consideration to be received by the Tenant by reason of such sublease (including but not limited to sublease rent and other fees and charges payable by the sublessee), and the type of business to be conducted on subleased premises by the sublessee.

For purposes of this Section 18.02 and Section 18.03 below, "sublease" and related terms shall include, without limitation, any sublease, license, or agreement, regardless of how denominated, that permits a third party to occupy or use all or any part of the Leased Premises other than those persons who use the Leased Premises in the ordinary course of Tenant's business for the use permitted under Article 4 above.

Section 18.03 CONSUMMATION OF ASSIGNMENT OR SUBLEASE

The City's consent for the assignment or sublease of the entire Leased Premises for which the City's consent is required and for which such consent has been given shall be by written instrument, in a form reasonably satisfactory to the Port Director and the City Attorney, and shall be executed by the assignee or sublessee who shall agree, in writing, for the benefit of the City,

to be bound by and to perform all the terms, covenants, and conditions of this Lease. Four (4) executed copies of such written instrument shall be delivered to the City. Failure either to obtain the City's prior written consent or to comply with the provisions of this Lease shall serve to prevent any such transfer, assignment, or sublease from becoming effective and shall constitute an Event of Default by the Tenant.

The Tenant agrees and acknowledges that it shall remain fully and primarily liable for all obligations of any subtenant/sublessee under this Lease, absent a full assignment of this Lease or any sublease of all or any portion of the Leased Premises to which the City consents and agrees; provided, however that Tenant shall remain responsible for payment of all monies due to the City under this Triple Net Lease unless the assignment incorporates the entire Leased Premises.

END OF ARTICLE

ARTICLE 19. DAMAGE OR DESTRUCTION OF LEASED PREMISES; TAKING BY EMINENT DOMAIN

Section 19.01 LEASED PREMISES -- DAMAGE OR DESTRUCTION

If at any time during the continuance of this Lease, the Leased Premises shall be so destroyed or so injured by fire or other casualty as to be unfit for full occupancy and use by the Tenant, and such destruction or injury could reasonably be repaired within one hundred eighty (180) days from the date of such destruction or injury, then the Tenant shall not be entitled to surrender possession of the Leased Premises; provided, however, that the Tenant's obligation to pay Rent shall be equitably reduced to the extent of the diminution in use to the Tenant resulting from such destruction or injury until full use and occupancy is restored to the Tenant. The Tenant shall repair the damage with all reasonable speed at least to the extent of the value of the insurance available from all sources and as nearly as possible to the character and quality of the building and improvements existing immediately prior to such occurrence.

If the Leased Premises shall be so destroyed or injured by fire or other casualty that such destruction or injury could not reasonably be repaired within one hundred eighty (180) days from the date of such destruction or injury, the Tenant shall have the option, upon written notice given to the City within thirty (30) days from the date of such destruction or injury, to terminate this Lease, and upon giving of such notice this Lease shall be terminated as of the date of such destruction or injury. In the event the Tenant elects not to terminate this Lease in accordance with the foregoing options, the Tenant shall repair the damage and restore or rebuild the building and improvements as promptly as reasonably possible after the one hundred eighty (180) day period. All insurance proceeds received by the City and/or the Tenant for the loss shall be available to the Tenant for rebuilding with disbursement of said funds following the terms to be agreed upon in writing in advance of any construction.

Notwithstanding the foregoing provisions of this Article, in the event of damage or destruction, as aforesaid, such that fifty percent (50%) or more of the total floor area of the Facilities is rendered unfit for occupancy and use by the Tenant during the last three (3) years of the Lease Term, then either Party shall have the option, upon written notice given to the other Party within thirty (30) days from the date of such destruction or injury, to terminate this Lease, and upon the giving of such notice this Lease shall be terminated as of the date of such destruction or injury. In such case, each Party shall be entitled to retain the proceeds of any insurance paid to it as a result of the Loss.

Section 19.02 TAKING BY EMINENT DOMAIN

In the event that the Leased Premises or any portion thereof shall be taken for public or quasi-public use or condemned under eminent domain, the Tenant shall be entitled to claim or have paid to the Tenant compensation, loss of business facilities or damages, but nothing herein contained shall be construed to prevent the Tenant from asserting against the condemnor any separate claim for damages to the Tenant occurring by reason of said condemnation, including without limitation loss or damage to leasehold improvements, personal property, business, fixtures, goodwill, cost of removing fixtures or equipment or loss of future profits.

In the event of any such taking or condemnation referred to in the preceding paragraph, then if and when there is an actual taking, in whole or in part, of physical possession of the Leased Premises

which shall render the Leased Premises unfit for the use and occupancy by the Tenant substantially as used and occupied prior to such taking, the Tenant may terminate this Lease. The Leased Premises shall be deemed to be unfit for use by the Tenant if the area of the portion thereof remaining after such taking is less than sufficient to accommodate the operations carried on by the Tenant just prior to such taking. If the Tenant elects to terminate this Lease as provided above, it shall give written notice to the City within thirty (30) days after the later of (a) the entry of the final order of court authorizing the taking or appropriation or the date of settlement, as the case may be, or (b) the taking of physical possession by the condemner.

END OF ARTICLE

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ARTICLE 20. FEDERAL, STATE, AND LOCAL REGULATIONS

Section 20.01 COMPLIANCE WITH RULES AND REGULATIONS

The Port Director is charged with administering the provisions of this Lease and is authorized from time to time to promulgate and enforce such Rules and Regulations and policies as the Port Director deems necessary, provided neither will prohibit Tenant from using the Leased Premises for the Permitted Use provided for herein. All such Rules and Regulations and policies so promulgated shall not be inconsistent with any legally authorized rule or regulation of any federal or State of Florida agency, which is binding in law on the Tenant, as the same now are or may from time to time be amended or supplemented, nor inconsistent with the reasonable exercise by the Tenant of any right or privilege granted under this Lease.

The Tenant shall not, and the Tenant shall not suffer or permit any of its officers, representatives, agents, employees, guests, patrons, contractors, subcontractors, licensees, subtenants, invitees, or suppliers to, violate or to cause another person to violate any of the Rules and Regulations.

Section 20.02 COMPLIANCE WITH LAW

The Tenant shall not use the Port or any part thereof, or knowingly permit the same to be used by any of its employees, officers, agents, subtenants, contractors, invitees, or licensees for any illegal purposes.

At all times during the Lease Term, the Tenant shall, in connection with its activities and operations at the Port:

Comply with and conform to all applicable current and future statutes and ordinances, and regulations promulgated thereunder, of all federal and State of Florida agencies of competent jurisdiction that apply to or affect, either directly or indirectly, the Tenant or the Tenant's operations and activities under this Lease. Without limiting the generality of the foregoing, the Tenant shall comply with the United States of America, United States Department of Homeland Security, United States Citizenship and Immigration Services E-Verify in order to implement the legal requirements of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, as amended, and with all applicable provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101), as may be amended from time to time, and federal regulations promulgated thereunder that may be applicable as a result of activities conducted by the Tenant.

Subject to the prior written approval of the Port Director, make, at its own expense, all Capital Improvements, repairs, and alterations to the Leased Premises and all buildings and improvements thereon and to its equipment and personal property that are required to comply with or conform to any of such statutes, ordinances, or regulations.

Regarding the City, be and remain an independent contractor with respect to all installations, construction, and services performed by or on behalf of the Tenant hereunder.

The Tenant, for itself and its successors and assigns, shall, and does hereby, covenant and agree to FULLY AND FOREVER RELEASE, INDEMNIFY, DEFEND, and HOLD

HARMLESS the City and its elected officials, employees, officers, directors, volunteers, and representatives, individually and collectively, from and against any and all penalties, fines, and demands of any kind (including but not limited to costs of investigation, attorneys' fees, court costs, and expert fees) arising out of the Tenant's acts or omissions resulting in any alleged violation of any rule, regulation, statute, order, directive, or mandate of the United States, the State of Florida, Escambia County, or the City of Pensacola.

Section 20.03 COMPLIANCE WITH ENVIRONMENTAL LAWS

At all times during the Lease Term, the Tenant shall not cause, permit or allow any Hazardous Substances to be placed, stored, dumped, dispensed, released, discharged deposited, used, transported or located on any portion of the Premises; provided, however, that quantities of such Hazardous Substances may be used or stored by Tenant on the Leased Premises in the ordinary course of business on the condition that such quantities and the use thereof are:

- (a) Identified in the Hazardous Substances listing described in Section 15.01,
- (b) Permitted by or are exempt from applicable governmental regulations, and
- (c) Are transported, stored and utilized in accordance with applicable governmental regulations and the best practices of the Tenant's industry.

To the extent caused by or resulting from the acts of the Tenant, its agents, servants, employees, or contractors, Tenant agrees that it shall, to the extent necessary to bring the Leased Premises into compliance with any and all applicable Environmental Laws regarding Hazardous Substances and clean-up thereof, investigate and promptly (but in any event within the time period permitted by applicable Environmental Laws) clean up Hazardous Substances found in, on, under, around, or within any portion of the Leased Premises and, with respect to such matters as described herein for which Tenant is responsible, to remediate the Leased Premises, and to pay for all reasonable clean-up and remediation costs at no cost to the City. All such clean up and remediation shall restore the Leased Premises to its previous condition, and in no instance shall clean-up or remediation or related agreements with state or federal regulators include restrictions placed on the use of the Leased Premises or any part thereof unless the City shall have given its prior written consent.

Tenant shall perform Environmental Reporting required under this Section as described in Section 15.04.

Section 20.04 LICENSES AND PERMITS

The Tenant shall obtain in a timely manner and thereafter maintain in full force and effect during the Lease Term all licenses, permits and other approvals required by the federal, state, county, and municipal authorities in order to engage in the Tenant's business on the Leased Premises as permitted under Article 4 above, and consistent with Section 2.01.

END OF ARTICLE

ARTICLE 21. TAXES

Section 21.01 PAYMENT OF TAXES

The Tenant shall pay all taxes that may be levied upon, assessed, or charged the Tenant or its property located on the Port by the United States, the State of Florida or any of its political subdivisions, or Escambia County or the City, and shall obtain and pay for all licenses and permits required by law.

Section 21.02 REAL PROPERTY TAXES

The Tenant shall be responsible for all real property taxes applicable to the Leased Premises during the Lease Term. If any such taxes paid by the Tenant shall cover any period of time prior to or after the expiration of the Lease Term, the Tenant's share of such taxes shall be equitably prorated to cover only the period of time within the tax year during which this Lease shall be in effect, and the City shall reimburse the Tenant to the extent required. If the Tenant shall fail to pay any such taxes, the City shall have the right, but not the obligation, to pay the same, in which case the Tenant shall repay such amount to the City with the Tenant's next Base Rent installment, together with interest at the highest rate allowed by law.

Section 21.03 DEFINITION

As used herein the term "real property tax" shall mean all ad valorem and non-ad valorem taxes and assessments (including interest and penalties thereon arising from Tenant's breach of this Lease) which are imposed against any legal or equitable interest of the City or the Tenant in the Leased Premises or any portion thereof by the City, Escambia County or the State of Florida or by any school, agricultural, lighting, fire, mosquito control, water, drainage or other improvement, benefits or tax district thereof, and which are collected by the Escambia County, Florida, Tax Collector, together with any tax imposed in substitution, partially or totally, of any tax previously included within the definition of "real property tax" and any additional tax the nature of which was previously included within the definition of "real property tax".

Section 21.04 CONTEST

The Tenant may contest the legal validity or amount of any taxes, assessment, or charges for which the Tenant is responsible under this Lease and may institute such proceedings as the Tenant considers necessary. If the Tenant protests any such tax, assessment or charge, the Tenant may withhold or defer payment or pay under protest but shall indemnify and hold the City and the Leased Premises harmless from and against any claim or lien against the City or the Leased Premises arising out of the Tenant's failure to pay the contested taxes, assessments, or charges.

Section 21.05 PERSONAL PROPERTY TAXES

The Tenant shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment, and all other personal property of the Tenant contained in the Leased Premises. When possible, the Tenant shall cause said trade fixtures, furnishings, equipment, and all other personal property to be assessed and billed separately from the Land and Leased Premises. If any of the Tenant's said personal property shall be assessed with the Land

or Leased Premises, the Tenant shall pay the taxes attributable to the Tenant within ten (10) days prior to the delinquency date for payment of such taxes.

END OF ARTICLE

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ARTICLE 22. ENCUMBRANCE OF LEASEHOLD ESTATE AND NOTICE TO MORTGAGEES

Tenant shall not encumber by mortgage or other security instrument, by way of collateral assignment, or otherwise, Tenant's interest in this leasehold estate without the prior written consent of City, which consent shall not be unreasonably withheld, delayed, or conditioned.

Provided that City has given its prior written consent to such encumbrance and that Tenant's lender who has been granted a lien on or security interest in the Tenant's leasehold estate in the Leased Premises ("Lender") has provided City written thereof, including Lender's address for receipt of notices:

(a) Lender shall have the right:

1. To do any act or thing required of Tenant hereunder and all such acts or things done and performed shall be as effective to prevent a forfeiture of Tenant's rights hereunder as if done by the Tenant; and
2. To realize on the security afforded by the leasehold estate by exercising foreclosure proceedings or power of sale or other remedy afforded in law or in equity or by the security documents (hereinafter sometimes collectively referred to as "foreclosure sale") or to acquire by deed-in-lieu, and to transfer, convey, or assign the title of Tenant to the leasehold estate created hereby to any purchaser at any such foreclosure sale or transfer from Lender if Lender acquires by a deed-in-lieu and to acquire and succeed to the interest of Tenant hereunder by virtue of any such foreclosure sale or deed-in-lieu.

(b) In the event of a default by the Tenant under this Lease, the rights of City may not be exercised until written notice of such default is delivered to Lender, or to the person or firm designated by any such Lender, by written notice to City, to accept such notices, and any applicable cure period has expired. Lender shall have the same notice and cure rights as are provided to Tenant under this Lease, except that Lender shall have the right to cure a monetary default as described in Section 16.01(a) within ten (10) days from delivery of said notice.

(c) Lender shall not be liable to the City as an assignee of this Lease unless and until such time as such Lender shall acquire the rights of Tenant hereunder through foreclosure or other appropriate proceedings in the nature thereof, or by deed-in-lieu, or as a result of any other action or remedy provided for by such mortgage, or which may otherwise be provided by law.

(d) No modification or voluntary surrender by the Tenant of this Lease shall be made without the consent of Lender if Lender has requested such authority to consent by written notice delivered to City.

(e) The City agrees to provide an estoppel certificate upon written request of Lender acknowledging that (to the extent true and noting any exceptions) this Lease is in full force and effect; that there are no defaults that exist under the Lease; that the Rent is current; and such other matters as Lender may reasonably require.

(f) Notwithstanding the foregoing, the ultimate transferee of Tenant's leasehold estate under the Lease, in the event of foreclosure, deed-in-lieu or otherwise, is subject to the written approval of the City, such approval not to be unreasonably withheld, conditioned, or delayed. At a minimum, such ultimate successor must be able to demonstrate sufficient financial ability to conduct the operations permitted under Article 4 above and have at least five (5) years' experience in the operation of a business of a similar size and offering similar services as that conducted by the Tenant under this Lease as permitted under Article 4 above.

END OF ARTICLE

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ARTICLE 23. PORT DEVELOPMENT RIGHTS

The City reserves the right to further develop or improve all areas designated as Port property as the City may determine in its sole discretion to be in the best interests of the Port, regardless of the desires or views of the Tenant, and without interference or hindrance from the Tenant.

Except as may be required by this Lease or any other agreement between the Parties, the City reserves the right, but shall not be obligated to the Tenant, to keep and repair all areas of the Port. All obligations of the City hereunder are subject to annual appropriation. However, this provision shall not excuse the City's performance of any of its responsibilities or obligations hereunder.

END OF ARTICLE

ARTICLE 24. GENERAL PROVISIONS

Section 24.01 **ACKNOWLEDGMENT**

The Parties hereto acknowledge that they have thoroughly read this Lease, including any exhibits or attachments hereto, and have sought and received whatever competent advice and counsel necessary for them to form a full and complete understanding of their rights and obligations hereunder. The Parties further acknowledge that this Lease is the result of extensive negotiations between the Parties and shall not be interpreted against the City by reason of the preparation of this Lease by the City.

Section 24.02 **AUTHORITY OF THE PORT DIRECTOR**

The Port Director or his designee may exercise all rights and obligations of the City under this Lease, unless otherwise specifically provided in this Lease or required by law.

Section 24.03 **CAPACITY TO EXECUTE**

The individuals executing this Lease personally warrant that they have full authority to execute this Lease on behalf of the entity for whom they are acting hereunder.

Section 24.04 **DELIVERY OF NOTICES**

Any notices permitted or required by this Lease shall be in writing and delivered personally or sent by registered or certified U. S. mail, postage prepaid, or by courier service, such as FedEx or UPS. Any such notice shall be deemed to have been delivered to and received by the addressee (i) upon personal delivery to the Tenant's address below between 9:00 a.m. and 5:00 p.m. on any business day (i.e., any day other than a Saturday, Sunday, or a federally-designated official holiday), (ii) the next business day after deposit with a courier service such as FedEx or UPS, or (iii) five (5) business days after deposit in the U. S. mail.

Notices to the City shall be addressed to:

City of Pensacola
Port of Pensacola
Attention: Port Director
700 South Barracks
Street
Pensacola, Florida 32502

Notices to the Tenant shall be addressed to:

Michael Cazer, CEO American Magic
c/o Continuum Ventures,
1035 Spauling Ave SE
Grand Rapids, MI 49546

The Parties may from time to time designate, in writing, changes to the addresses stated.

Section 24.05 **EMPLOYEES OF THE TENANT**

The Tenant shall require all of its employees, subcontractors, and independent contractors hired by the Tenant and working in view of the public to wear clean and neat attire and to display

City of Pensacola

Bella Mente Quantum Racing Association

appropriate identification. Tenant employees shall obtain identification badges from the City. The Tenant shall be responsible for paying the cost of DHS/TSA-required employee background checks and badging to include a Transportation Worker Identification Credential (TWIC).

Section 24.06 ENTIRE AGREEMENT

This Lease constitutes the entire agreement between the Parties on the subject matter hereof and may not be changed, modified, discharged, or extended except by written instrument duly executed by the City and the Tenant, and all prior and contemporaneous agreements and understandings, written as well as oral, are hereby superseded. The Tenant agrees that no representations or grants of rights or privileges shall be binding upon the City unless expressed in writing in this Lease.

Section 24.07 FORCE MAJEURE

Neither the City nor the Tenant shall be deemed to be in violation of this Lease if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortages of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, tides, riots, rebellion, sabotage, pandemic, disease, any responsive measure or state of emergency declared by a governmental entity in relation to pandemic or disease or any other circumstances for which it is not responsible or which is not in its control (individually and collectively a "Force Majeure Event"); provided, however, that these circumstances shall not excuse the Tenant from making, as and when due, any monetary payment required under this Lease or by the Rules and Regulations, including but not limited to Base Rent, port rentals, fees, and charges, Taxes under Article 21, and insurance premiums. But the Tenant in a Force Majeure Event shall be entitled to deferment of the Base Rent, fees, and charges, listed above for up to one hundred eighty (180) days after the cessation of the Force Majeure Event or until performance under this Lease can be reestablished, whichever occurs first, on election to do so with written notice to the City and/or Port Director.

Section 24.08 RULES OF CONSTRUCTION

Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Lease Agreement: words importing the singular number shall include the plural number and vice versa; captions and headings herein are for convenience but are to be read in unison with the language of the section to include its defined meaning or generally accepted meaning of the header and is otherwise also for reference and should constitute a material part of this Lease, but shall affect and read in toto to its meaning, construction or effect; words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neutral genders, and words of the neutral gender shall be deemed and construed to include correlative words of the masculine and feminine genders; all references in this Lease to particular "articles," "sections," or "paragraphs" are references to articles, sections or paragraphs within this Lease, unless specifically indicated otherwise; and, days are measured in calendar days unless expressly listed in business days.

Both City and Tenant acknowledge that they have each had meaningful input into the provisions and conditions of this Lease.

Section 24.09 GENERAL INTERPRETATION

Insofar as this Lease grants, permits, or contemplates the use of space or facilities or the doing of any other act or thing at the Port by the Tenant, such use or the doing of such act or thing by the Tenant is to be in connection with the permitted use under Section 4.01. Each of the Parties, however, has entered into this Lease solely for its own benefit; and (without limiting the right of either Party to maintain suits, actions, or other proceedings because of breaches of this Lease) this Lease does not grant to any third person (excepting a successor party to the City or the Tenant) a right to claim damages or bring any suit, action, or other proceeding against either the City or the Tenant because of any breach hereof.

Section 24.10 GOVERNING LAW

The laws of the State of Florida shall govern this Lease and all disputes arising hereunder, with venue in Escambia County, Florida.

Section 24.11 INCORPORATION OF EXHIBITS

All exhibits referred to in this Lease are intended to be and hereby are specifically incorporated and made a part of this Lease.

Section 24.12 INCORPORATION OF REQUIRED PROVISIONS

The Parties hereto incorporate herein by this reference all applicable provisions lawfully required to be contained herein by any governmental body or agency.

Section 24.13 INVALID PROVISIONS

In the event that any covenant, condition, or provision herein contained is held to be invalid by a court of competent jurisdiction, the invalidity of any such covenant, condition, or provision shall in no way affect any other covenant, condition, or provision herein contained, provided that the invalidity of any such covenant, condition, or provision does not materially prejudice either the City or the Tenant in its respective rights and obligations contained in the valid covenants, conditions, and provisions of this Lease.

Section 24.14 NONLIABILITY OF INDIVIDUALS

No director, officer, agent, elected official, or employee of either Party shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Lease or because of any breach hereof or because of its or their execution or attempted execution.

Section 24.15 NONINTERFERENCE WITH PORT OPERATIONS

The Tenant, by executing this Lease, expressly agrees for itself, its successors, and assigns that it will not make use of its Leased Premises in any manner that might interfere with other operations at the Port or otherwise constitute a hazard. In the event that the aforesaid covenant is breached, the City reserves the right to enter the Tenant's Leased Premises and cause the abatement of such interference or hazard at the expense of the Tenant, but the Tenant has a ten (10) day right to cure if the situation is a non-emergency.

Section 24.16 NOTICE OR CONSENT

Any notice or consent required herein to be obtained from or given by the City (or the Port Director) may be given by the Port Director unless otherwise provided. Consent of the Tenant when required herein shall not be unreasonably withheld, delayed, or conditioned.

Section 24.17 NONWAIVER

The acceptance of rentals, fees, and charges by the City for any period or periods after an Event of Default shall not be deemed a waiver of the Event of Default cured by payments made by the Tenant to the City, and any right on the part of the City to terminate this Lease after the Event of Default is cured and payment is received by the City is waived by the City's acceptance of the money that may be the basis of the event of the default.

Section 24.18 OTHER LAND AND BUILDINGS EXCLUDED

It is agreed and understood that this Lease and any exhibit hereto is not intended to provide for the lease of any building, land, space, or area or to set any rental rates for any building, land, space, or area other than that specifically described herein.

Section 24.19 PATENTS AND TRADEMARKS

The Tenant represents that it is the owner of, or fully authorized to use, any and all services, processes, machines, articles, marks, names, or slogans used by it in its operations under, or in connection with, this Lease. The Tenant shall indemnify, defend and hold harmless the City, its elected officials, employees, volunteers, representatives and agents from and against any loss, liability, damage, expense, suit, or claim for damages in connection with any actual or alleged infringement of any patent, trademark, or copyright, or from any claim of unfair competition or other similar claim, arising out of the Tenant's operations under or in connection with this Lease.

Section 24.20 PUBLIC RECORDS LAWS

The Florida Public Records Law, as contained in Chapter 119, Florida Statutes, is very broad. As a result, any written communication created or received by the City will be made available to the public and media, upon request, unless a statutory exemption from such disclosure exists.

The Tenant is a private tenant and is not ordinarily subject to Public Records Laws but shall comply with the Florida Public Records Law in effect from time to time if and to the extent that the Florida Public Records Law is applicable to the Tenant.

Section 24.21 REMEDIES TO BE NONEXCLUSIVE

All remedies provided in this Lease shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to the City at law or in equity (to the extent not inconsistent with the express provisions hereof) and the exercise of any remedy or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy.

Section 24.22 SIGNS AND LOGOS

The installation and operation of exterior identifying signs, promotions, advertisements, posters, and live or static graphics on the Leased Premises are subject to the prior written approval of the Port Director. Such signs shall be substantially uniform in size, type, and location with those of other tenants, and consistent with the City's graphics standards for Downtown facilities, and in compliance with all applicable laws and ordinances. The signs shall be for the purpose of assigning Port users with wayfinding. Tenant may display exterior and interior static and electronic signage that advertises its products & services, promotes special events & tournaments, promotes third-party services & products, etc., as long as such advertising and signage is consistent with similarly situated businesses and does not violate any applicable laws and ordinances, subject to the prior written approval of the Port Director, not to be unreasonably withheld conditioned, or delayed.

Sign(s) and location(s) may be changed and altered from time to time with the written approval of the Port Director, said approval not to be unreasonably withheld, conditioned, or delayed. At the expiration of the Lease Term or earlier termination of this Lease the Tenant, upon written request from the City, shall remove, at the Tenant's expense, all lettering and signs so erected on the Leased Premises.

Any Tenant Logo will be permitted to be affixed to the exterior of the Leased Premises provided same is affixed in a manner that is in compliance with applicable City of Pensacola sign ordinances and with the prior written approval of the Port Director, which shall not be unreasonably withheld, conditioned or delayed.

In addition, Tenant will be permitted to paint its Tenant Logo or Name on the exterior of the Facilities and on the leasehold grounds.

Section 24.23 SUCCESSORS AND ASSIGNS

The provisions of this Lease shall be binding upon and inure to the benefit of the successors and assigns of the Parties hereto; provided, however, that this provision shall in no way whatsoever alter the restriction herein regarding assignment and sublease by the Tenant.

Section 24.24 NO PARTNERSHIP

Nothing in this agreement constitutes a partnership or joint venture between the Parties. It is the express intention of the Parties to deny any such relationship.

Section 24.25 THIRD PARTIES

Nothing in this Lease, express or implied, is intended to or shall confer upon any person, other than the Parties and their respective permitted successors and assigns, any right, benefit or remedy of any nature whatsoever under or by reason of this Lease.

Section 24.26 TIME IS OF THE ESSENCE

Time is of the essence of this Lease.

Section 24.27 MEMORANDUM OF LEASE

Concurrently with the execution of this Lease, the Parties shall execute a short-form memorandum of this Lease satisfactory to the City Attorney, in form suitable for recording, and in substance sufficient to provide constructive notice to third parties of the material terms and provisions of this Lease. The Tenant shall cause such memorandum to be recorded in the public records of Escambia County, Florida.

Section 24.28 REPRESENTATIONS AND WARRANTIES OF CITY AND TENANT

City hereby represents and warrants to the Tenant that as of the Effective Date:

- a. The City is the fee simple owner and record title holder of the Leased Premises.
- b. The City has the full right and authority to make, execute and perform this Lease and grant the rights contained herein to the Tenant.

The Tenant hereby represents and warrants to the City that as of the Effective Date:

- a. The Tenant has the full right, power and authority to make, execute and perform this Lease.
- b. This Lease is binding upon and enforceable against the Tenant in accordance with its terms.

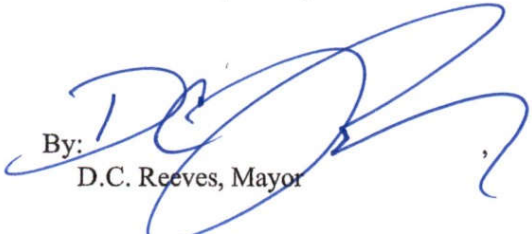
END OF ARTICLE

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have duly executed this Lease as of the dates set forth below.

CITY:

CITY OF PENSACOLA,
a Florida municipal corporation

By: 
D.C. Reeves, Mayor

Date: 3-8-24

Attest:


Ericka Burnett, City Clerk
~~ROBYN M. TICE, ASST. CITY CLERK~~

Signed by Mayor in the presence of:


Print Name: Aimée Dumas

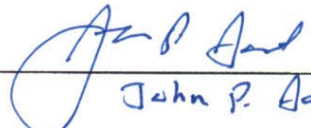

Print Name: Alexander Smith

Approved as to form:

Beggs & Lane, RLLP,

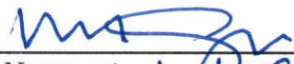
a Florida registered limited liability partnership,

Outside Legal Counsel


John P. Daniel, Partner

TENANT:

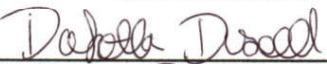
BELLA MENTE QUANTUM RACING ASSOCIATION, a Delaware nonprofit corporation qualified to do business in Florida as Bella Mente Quantum Racing Association Corp.

By: 
Print Name: Michael Cazer
Title: CEO

Date: Feb 28, 2024

Signed by Tenant in the presence of:


Print Name: GRAEME HARRISON


Print Name: Dakota Dusold

Approved as to content:

A handwritten signature in blue ink, appearing to read "Clark Merritt", with a long horizontal flourish extending to the right.

Clark Merritt, Port Director

EXHIBIT “A”

Figure 1
Building Location



EXHIBIT “B”

E:\2002\mike\American Magic\Concept Lesson Archiving, Dec 18, 2002 - 2:51:00PM, rpsjpr

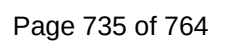
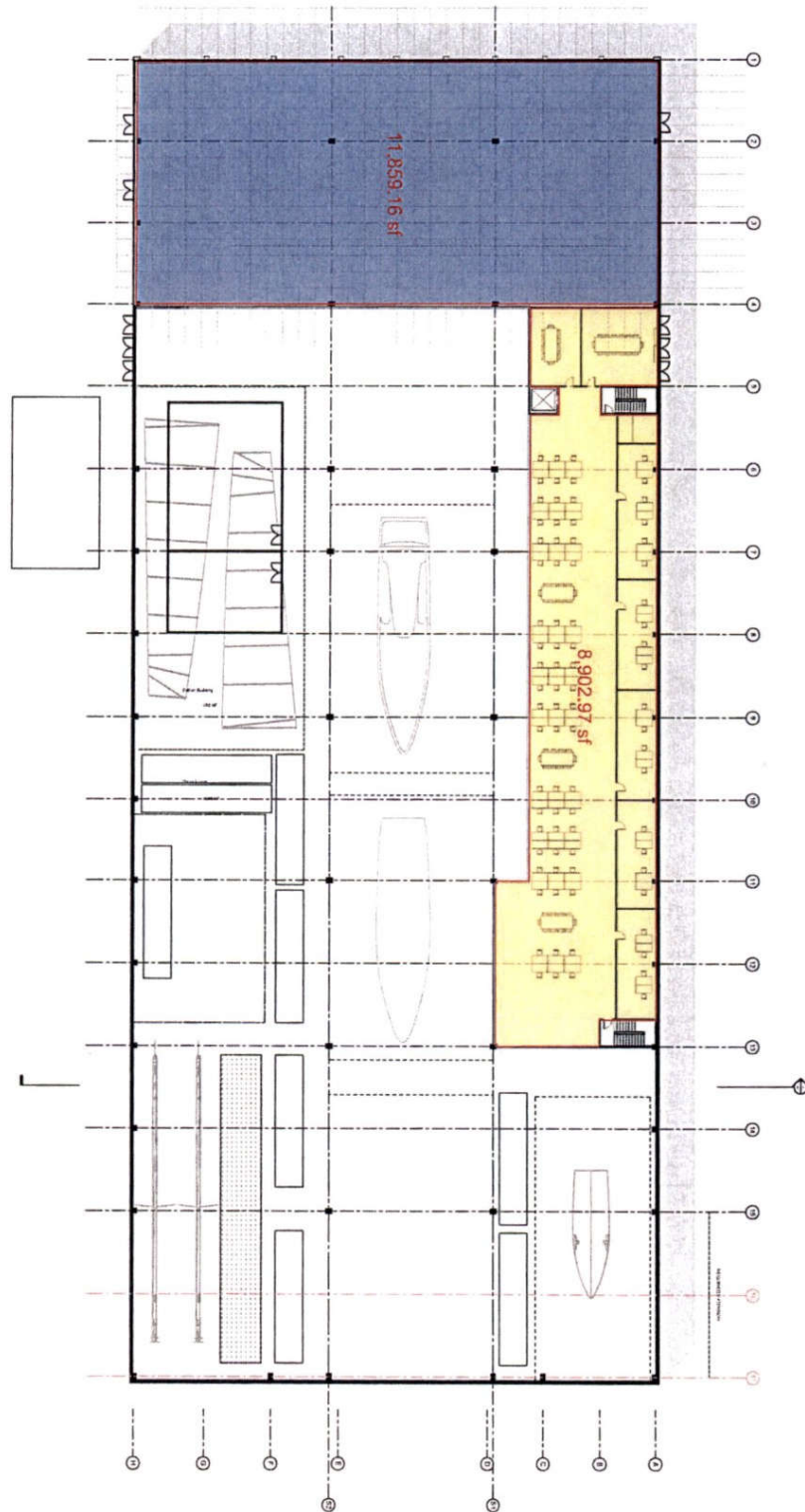


Figure 3
Mezzanine Option



[illegible]

EXHIBIT “C”

Estimated Available Funds

Florida DEO Grant	\$3.9 million
Triumph of the Gulf Coast, Inc.	\$8.5 million
<u>Florida Seaport Transportation Economic Development</u>	<u>\$2.6 million</u>
 TOTAL	 \$15.0 million

EXHIBIT “D”

Preliminary Project Schedule

Design, construction and upfitting of Warehouse 10: July 2023 through December 2024

Design and construction of dock and boat ramp: July 2023 through December 2025



[Department of State](#) / [Division of Corporations](#) / [Search Records](#) / [Search by Entity Name](#) /

Detail by Entity Name

Foreign Not For Profit Corporation

BELLA MENTE QUANTUM RACING ASSOCIATION CORP.

Filing Information

Document Number F18000004609
FEI/EIN Number 82-2576323
Date Filed 10/01/2018
State DE
Status ACTIVE

Principal Address

333 S. 7TH STREET, STE 3100
MINNEAPOLIS, MN 55402

Mailing Address

333 S. 7TH STREET, STE 3100
MINNEAPOLIS, MN 55402

Registered Agent Name & Address

C T CORPORATION SYSTEM
1200 SOUTH PINE ISLAND ROAD
PLANTATION, FL 33324

Officer/Director Detail

Name & Address

Title CP

FAUTH, JOHN J
333 S. 7TH STREET, STE 3100
MINNEAPOLIS, MN 55402

Title D

DEVOS, DOUGLAS
128 OTTAWA AVE. NW, STE 500
GRAND RAPIDS, MI 49503

Title CEO

Cazer, Mike
200 Monroe NW
Grand Rapids, MI 49503

Title Treasurer

Osborn, Ben
333 S. 7TH STREET, STE 3100
MINNEAPOLIS, MN 55402

Annual Reports

Report Year	Filed Date
2022	02/10/2022
2023	02/17/2023
2024	02/09/2024

Document Images

02/09/2024 -- ANNUAL REPORT	View image in PDF format
02/17/2023 -- ANNUAL REPORT	View image in PDF format
02/10/2022 -- ANNUAL REPORT	View image in PDF format
01/09/2021 -- ANNUAL REPORT	View image in PDF format
01/16/2020 -- ANNUAL REPORT	View image in PDF format
04/22/2019 -- ANNUAL REPORT	View image in PDF format
10/01/2018 -- Foreign Non-Profit	View image in PDF format



Important Reps and Certs Update [Show Details](#)
Mar 1, 2024

[See All Alerts](#)

Entity Validation Processing [Show Details](#)
Mar 5, 2024



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All Words

e.g. 1606N020Q02

Select Domain
Entity Information



All Entity Information

Entities

Disaster Response Registry

Responsibility / Qualification

Exclusions

Filter By



Keyword Search

For more information on how to use our keyword search, visit our [help guide](#)

Simple Search

Search Editor

- ☐ Any Words ⓘ
- ☐ All Words ⓘ
- ☐ Exact Phrase ⓘ

e.g. 123456789, Smith Corp

"BELLA MENTE QUANTUM RACING ASSOCIATION CORP."

×

Classification



Excluded Individual



Excluded Entity



Federal Organizations



Exclusion Type



Exclusion Program



Location



Dates



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CONTRACTS/AGREEMENTS REQUIRING MAYORAL SIGNATURE

FINAL DOCUMENT REVIEW FORM

(blue form page 1)

DEPARTMENT Real Property Lease and Development Agreement at the Port of Pensacola Between Bella
Document Title: Mente Quantum Racing Association and City of Pensacola

☐ Contract ☒ Lease ☐ Other (Check One)

Brief Description: Lease agreement with American Magic.

Contract Cost: \$ 10 years of gravel \$291,200 Department: Port of Pensacola

Account (s): _____

Date approved by Mayor OR Council OR CRA

Department Contact Person: Eva Gracagnolo

02/22/24

Date sent to Contract Admin. (Purchasing) 03/07/24

CONTRACT ADMINISTRATOR (PURCHASING)

Date Received MAR 07 2024

☒ Debarment Check

BY: _____

☐ Pending (See comments below): _____ (Signature)

Sent to Department 3/7/24

☒ Approved: [Signature] (Signature)

Sent to Budget Review 3/7/24

Comments: _____

BUDGET REVIEW

Date Received 3/8/24

☐ Pending (See comments below): _____ (Signature)

Sent to Department 3/8/24

☒ Approved: [Signature] (Signature)

Sent to Risk Manager 3/8/24

Comments: _____

Grant Review approved K.W. Boyer

RISK MANAGER

Date Received 3/8/24

☐ Pending (See comments below): _____ (Signature)

Sent to Department 3/8/24

☒ Approved: [Signature] (Signature)

Sent to City Attorney 3/8/24

Comments: _____

CONTRACTS/AGREEMENTS REQUIRING MAYORAL SIGNATURE
FINAL DOCUMENT REVIEW FORM
(blue form page 2)

CITY ATTORNEY

Date Received 3/8/24

☐ Pending (See comments below): _____

Sent to Department / /

☒ Approved: [Signature] (Signature)

Sent to Mayor 3/8/24

Comments: _____

MAYOR'S OFFICE (CITY ADMINISTRATOR)

Date Received 3/8/24

☐ Pending (See comments below): _____

Sent to Department / /

☐ Approved: [Signature] (Signature)

Sent to City Clerk 3/8/24

Comments: _____

CITY CLERK

Date Received 3/15/24

☒ Pending (See comments below): [Signature]

Sent to Dept/Admin/Legal 3/8/24

☒ Approved: [Signature] (Signature)

Retained original/copy in Vasion 3/15/24

Comments: NEED 2 WITNESS SIGNATURES FOR MAYOR

+ PORT DIRECTOR'S SIGNATURE

NEED RECORDED MEMORANDUM OF LEASE. PMT

Returned 2 original(s) to Department 3/15/24

Initials: MF

**FIRST AMENDMENT TO REAL PROPERTY LEASE AND DEVELOPMENT
AGREEMENT AT THE PORT OF PENSACOLA BETWEEN BELLA MENTE
QUANTUM RACING ASSOCIATION AND THE CITY OF PENSACOLA**

THIS FIRST AMENDMENT TO REAL PROPERTY LEASE AND DEVELOPMENT AGREEMENT (this “**First Amendment**”) is made and entered into effective as of March ____, 2025, by and between BELLA MENTE QUANTUM RACING ASSOCIATION, a Delaware nonprofit corporation qualified to do business in Florida as Bella Mente Quantum Racing Association Corp. (the “**Tenant**”), and the CITY OF PENSACOLA, a Florida municipal corporation (the “**City**”), in its capacity as owner and operator of PORT OF PENSACOLA (the “**Port**”).

WITNESSETH

WHEREAS, City and Tenant entered into that certain Real Property Lease and Development Agreement dated March 15, 2024, relating to that certain real property located at the Port of Pensacola as more particularly described therein (the “**Lease**”);

WHEREAS, City and Tenant wish to amend certain portions of said Lease;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The Lease is hereby amended as follows:
 - a. The fourth “WHEREAS” clause on page six of the Lease is hereby deleted in its entirety and replaced with the following:

WHEREAS, the City and the Tenant desire for the City to design, renovate, and finish out partially-completed Warehouse 10 at the Port of Pensacola and to design and construct a dock and boat ramp at the Port of Pensacola;

- b. The definition of “Exclusive Use Space” is hereby deleted in its entirety and replaced with the following:

“Exclusive Use Space” means the spaces and areas within the Leased Premises for the use and occupancy of the Tenant to the exclusion of all others. The current Exclusive Use Space is existing Warehouse #10 itself and the twenty (20) exclusive use parking spaces to be designated by the City pursuant to Section 6.03, but does not include any outdoor space on the exterior of Warehouse #10 other than such 20 exclusive parking spaces.

c. The definition of “Facilities” is hereby deleted in its entirety and replaced with the following:

“Facilities” means all improvements now or hereafter existing on the Land during the Lease Term, which may include without limitation (i) the presently existing partially finished steel-framed and sided building known as Warehouse #10 at the Port, together with all future modifications, additions, and accessions to and replacements of Warehouse #10, including without limitation those modifications, additions, and accessions that are made by the City pursuant to this Lease, and (ii) the dock, boat ramp and appurtenant improvements made by the City pursuant to this Lease.

d. The definition of “Land” is hereby deleted in its entirety and replaced with the following:

“Land” means the sum of the land for the Exclusive Use Space and the land for the Preferential Use Space. Exhibit “A” hereto depicts the current Land, subject to expansion as provided in “Preferential Use Space” as defined in this Section 1.01.

e. The definition of “Project” is hereby deleted in its entirety and replaced with the following:

“Project” means the entire project to be constructed on the Land and upon certain other areas of the Port pursuant to plans and specifications approved by both the City and the Tenant in accordance with Article 4 below, including without limitation (i) the design and construction of modifications, additions, and accessions to, and finishing and upfitting of, Warehouse #10, and (ii) the design and construction of a boat dock, boat ramp or slip, and appurtenant improvements, all as more particularly described in Article 4.

f. The definition of “Warehouse #10” is hereby deleted in its entirety and replaced with the following:

“Warehouse #10” means the presently existing partially finished steel-framed and sided building known as Warehouse #10 at the Port, together with all future modifications, additions, and accessions to and replacements of Warehouse #10, including without limitation those modifications, additions, and accessions that are made by the City pursuant to this Lease.

g. Section 3.05 is hereby deleted in its entirety and replaced with the following:

Section 3.05 PHASE 2 SUBSTANTIAL COMPLETION

In the event that Phase 2 has not been substantially completed on or before December 31, 2025, the City, at no charge to the Tenant other than the Base Rent,

shall provide a berth at the Port reasonably acceptable to the Tenant and/or another accommodation reasonably acceptable to the Tenant for access to Pensacola Bay, for the Tenant's non-exclusive use in common with other users of the Port, which temporary accommodations shall consist of a minimum of 14,000 square feet and shall provide Tenant with reasonable access to Pensacola Bay at the Southwestern end of the Port with the same capabilities as contemplated by Phase 2.

h. The fourth paragraph of Section 4.01 is hereby deleted in its entirety and replaced with the following:

Phase 1, Warehouse: Complete the partially constructed Warehouse #10 at the Port of Pensacola. Transform Warehouse #10 into a High-Performance Maritime Center of Excellence.

i. In consideration of and to facilitate City's construction of the Project, Base Rent for the Leased Premises for Lease Years 1-8 and 11-13 shall be made via a lump-sum payment in the amount of \$3,082,286 ("Prepayment"), which Prepayment shall be delivered to City on or before September 30, 2025. For clarification, the Prepayment covers the Base Rent due under the Lease for the following periods in the amounts specified: Lease Years 1-7: \$2,038,400; Lease Year 8 (partial): \$170,286; and Lease Years 11-13: \$873,600, if the Extension Option is properly exercised. It is acknowledged and agreed that during the periods of the Lease Term that are not covered by the Prepayment, e.g., the remainder of Lease Year 8, Lease Years 9-10, and Lease Years 14-20, if the Extension Term is properly exercised, Tenant shall make Base Rent payments to City in accordance with the terms of Article 6 of the Lease. The Parties understand and agree that such Prepayment is made in consideration of City's entry into and construction of the Project contemplated by the Lease, and, to that end, the Prepayment, and Base Rent that it represents, is deemed fully earned by City upon receipt and shall be entirely non-refundable to Tenant. Nothing herein shall amend or alter Tenant's obligations to make Additional Rent payments as and when due under the terms of the Lease.

j. Section 5.01 is hereby deleted in its entirety and replaced with the following:

Section 5.01 PERMITTED USE OF LEASED PREMISES

Continuously during the Lease Term, the Tenant may use the Leased Premises solely for the Tenant's headquarters and the development and operation of sail racing teams that compete in the America's Cup, 52 Super Series, or other sail races, and for the design and manufacture of sail racing and other boats and boat products and services, other products and services that use the Tenant's capabilities, boat storage, boat maintenance and repair, office and training uses, competition preparation, periodic team-related public and private dining and events (but not for a restaurant, bar, or other full-time food or beverage service), and other related uses, including but not limited to, operations of the sail racing team for the boat known as Patriot and its successors, and prototypes and models thereof, and other boats, for both training and competition.

k. For avoidance of doubt, the anticipated Preferential Use Space is generally depicted in Exhibit 1 attached hereto and made a part hereof by reference. As outlined in the Lease, the actual Preferential Use Space will be confirmed by further amendment to the Lease following completion of construction of Phase 2.

2. This First Amendment may be executed in several counterparts, by separate signature pages, and/or by PDF or facsimile signatures, each of which may be deemed an original, and all such counterparts together shall constitute one and the same Amendment.

3. Capitalized terms not defined herein shall have the meaning ascribed to them in the Lease.

4. Except as amended herein, the terms of the Lease shall remain in full force and effect.

[A separate signature page follows.]

IN WITNESS WHEREOF, the undersigned have duly executed this First Amendment as of the dates set forth below.

CITY:

CITY OF PENSACOLA,

a Florida municipal corporation

TENANT:

BELLA MENTE QUANTUM RACING

ASSOCIATION, a Delaware nonprofit corporation qualified to do business in Florida as Bella Mente Quantum Racing Association Corp.

By: _____

D.C. Reeves, Mayor

Date: _____

Sign: _____

Print: _____

Title: _____

Date: _____


Michael Eazer
CEO
4-1-25

Attest:

Ericka Burnett, City Clerk

Approved as to substance:

Thomas Coggin, Port Commercial Development
& Seaport Security Manager

Approved as to form:

Adam C. Cobb, City Attorney

EXHIBIT 1

Anticipated Preferential Use Space





City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-341

Agenda Conference

4/7/2025

RESOLUTION

SPONSOR: DC Reeves, Mayor

SUBJECT:

SUPPLEMENTAL BUDGET RESOLUTION NO. 2025-16 - AMENDMENT TO LEASE AGREEMENT WITH AMERICAN MAGIC FOR PREPAID RENTAL TERMS

RECOMMENDATION:

That City Council adopt supplemental Budget Resolution No. 2025-16:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

This action will advance City of Pensacola Strategic Plan Goal #7: Thriving Innovation & Businesses.

The proposed lease agreement supports the City's broader objectives by strengthening maritime and economic development at the Port of Pensacola, while also ensuring long-term financial stability through American Magic's pre-paid lease commitment. Additionally, by securing a high-profile sailing operation at the Port, the agreement enhances Pensacola's position as a hub for the marine industry and competitive sailing, contributing to both business growth and tourism-driven economic impact.

The American Magic sailing team has proposed an amendment to their existing lease agreement with the City of Pensacola, modifying the financial structure to prepay rental obligations for multiple years. This adjustment ensures financial stability for both American Magic and the City while reinforcing the team's long-term commitment to the Port of Pensacola.

Under the revised terms, American Magic will provide a total pre-payment of \$3,082,286 USD, allocated as follows:

- Years 1 - 7 Pre-Payment: \$2,038,400
- Years 8 (Partial) Pre-Payment: \$170,286
- Year 11 - 13 Pre-Payment: \$873,600

Additionally, if the dock is not completed in time for American Magic's sailing operations for AC38, the team will be allowed to establish a temporary base at the Port without incurring the outdoor rental rate.

As part of this amendment, American Magic is also requesting the removal of Section 6.08 C from the lease, citing their financial commitment for the first eight years as sufficient security for the agreement.

This lease amendment continues to support the City's broader objectives of fostering economic growth, maritime industry expansion, and tourism-related development at the Port of Pensacola.

PRIOR ACTION:

June 15, 2023 – Council acceptance of the Governor's Job Growth Grant Fund and supplemental budget resolution.

September 14, 2023 – Council acceptance of the Triumph Gulf Coast Grant and supplemental budget resolution.

November 9, 2023 – Council approval of A&E contract with Muller and Muller, LTD for Phase I of the facility design and engineering.

January 18, 2024 – Council approval of A&E contract amendment with Muller and Muller, LTD for design and engineering of the wet slip.

February 22, 2024 – Council approval of the initial lease agreement with American Magic.

FUNDING:

N/A

FINANCIAL IMPACT:

The City will receive \$3,082,286 in prepaid rent, which will help support the completion of Warehouse #10 and ensure upfront financial stability for the lease term. American Magic will also continue to cover its operational costs at the site.

LEGAL REVIEW ONLY BY CITY ATTORNEY: No**STAFF CONTACT:**

Tim Kinsella, City Administrator

Amy Miller, Deputy City Administrator

Thomas Coggin, Interim Port Director

ATTACHMENTS:

1. Supplemental Budget Resolution No. 2025-16
2. Supplemental Budget Explanation No. 2025-16
3. Pensacola AM Lease amendment

PRESENTATION: No

**RESOLUTION
NO. 2025-16**

A RESOLUTION
TO BE ENTITLED:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE
FISCAL YEAR ENDING SEPTEMBER 30, 2025; PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA

SECTION 1. The following appropriations from funds on hand in the fund accounts stated below, not heretofore appropriated, and transfer from funds on hand in the various accounts and funds stated below, heretofore appropriated, be, and the same are hereby made, directed and approved to-wit:

A. PORT FUND

TO:	Port - American Magic Lease	3,082,286
As Reads	Capital Outlay	5,703,967
Amended		
To Read:	Capital Outlay	8,786,253

SECTION 2. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 3. This resolution shall become effective on the fifth business day after adoption, unless otherwise provided pursuant to Section 4.03(d) of the City Charter of the City of Pensacola.

Adopted: _____

Approved: _____
President of City Council

Attest:

City Clerk

THE CITY OF PENSACOLA

April 2025 - SUPPLEMENTAL BUDGET RESOLUTION - Port of Pensacola - Amendment to Lease Agreement with American Magic - Prepaid Rental Terms - Resolution No. 2025-16.xls

FUND	AMOUNT	DESCRIPTION
PORT FUND		
Estimated Revenues		
Port-American Magic Lease	3,082,286	Appropriate Funding for Lease Agreement with American Magic - Prepaid Terms
Total Revenues	<u>3,082,286</u>	
Appropriations		
Capital Outlay	3,082,286	Increase appropriation for Capital Outlay
Total Appropriations	<u>3,082,286</u>	

**FIRST AMENDMENT TO REAL PROPERTY LEASE AND DEVELOPMENT
AGREEMENT AT THE PORT OF PENSACOLA BETWEEN BELLA MENTE
QUANTUM RACING ASSOCIATION AND THE CITY OF PENSACOLA**

THIS FIRST AMENDMENT TO REAL PROPERTY LEASE AND DEVELOPMENT AGREEMENT (this “**First Amendment**”) is made and entered into effective as of March ____, 2025, by and between BELLA MENTE QUANTUM RACING ASSOCIATION, a Delaware nonprofit corporation qualified to do business in Florida as Bella Mente Quantum Racing Association Corp. (the “**Tenant**”), and the CITY OF PENSACOLA, a Florida municipal corporation (the “**City**”), in its capacity as owner and operator of PORT OF PENSACOLA (the “**Port**”).

WITNESSETH

WHEREAS, City and Tenant entered into that certain Real Property Lease and Development Agreement dated March 15, 2024, relating to that certain real property located at the Port of Pensacola as more particularly described therein (the “**Lease**”);

WHEREAS, City and Tenant wish to amend certain portions of said Lease;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The Lease is hereby amended as follows:

a. The fourth “WHEREAS” clause on page six of the Lease is hereby deleted in its entirety and replaced with the following:

WHEREAS, the City and the Tenant desire for the City to design, renovate, and finish out partially-completed Warehouse 10 at the Port of Pensacola and to design and construct a dock and boat ramp at the Port of Pensacola;

b. The definition of “Exclusive Use Space” is hereby deleted in its entirety and replaced with the following:

“Exclusive Use Space” means the spaces and areas within the Leased Premises for the use and occupancy of the Tenant to the exclusion of all others. The current Exclusive Use Space is existing Warehouse #10 itself and the twenty (20) exclusive use parking spaces to be designated by the City pursuant to Section 6.03, but does not include any outdoor space on the exterior of Warehouse #10 other than such 20 exclusive parking spaces.

c. The definition of “Facilities” is hereby deleted in its entirety and replaced with the following:

“Facilities” means all improvements now or hereafter existing on the Land during the Lease Term, which may include without limitation (i) the presently existing partially finished steel-framed and sided building known as Warehouse #10 at the Port, together with all future modifications, additions, and accessions to and replacements of Warehouse #10, including without limitation those modifications, additions, and accessions that are made by the City pursuant to this Lease, and (ii) the dock, boat ramp and appurtenant improvements made by the City pursuant to this Lease.

d. The definition of “Land” is hereby deleted in its entirety and replaced with the following:

“Land” means the sum of the land for the Exclusive Use Space and the land for the Preferential Use Space. Exhibit “A” hereto depicts the current Land, subject to expansion as provided in “Preferential Use Space” as defined in this Section 1.01.

e. The definition of “Project” is hereby deleted in its entirety and replaced with the following:

“Project” means the entire project to be constructed on the Land and upon certain other areas of the Port pursuant to plans and specifications approved by both the City and the Tenant in accordance with Article 4 below, including without limitation (i) the design and construction of modifications, additions, and accessions to, and finishing and upfitting of, Warehouse #10, and (ii) the design and construction of a boat dock, boat ramp or slip, and appurtenant improvements, all as more particularly described in Article 4.

f. The definition of “Warehouse #10” is hereby deleted in its entirety and replaced with the following:

“Warehouse #10” means the presently existing partially finished steel-framed and sided building known as Warehouse #10 at the Port, together with all future modifications, additions, and accessions to and replacements of Warehouse #10, including without limitation those modifications, additions, and accessions that are made by the City pursuant to this Lease.

g. Section 3.05 is hereby deleted in its entirety and replaced with the following:

Section 3.05 PHASE 2 SUBSTANTIAL COMPLETION

In the event that Phase 2 has not been substantially completed on or before December 31, 2025, the City, at no charge to the Tenant other than the Base Rent,

shall provide a berth at the Port reasonably acceptable to the Tenant and/or another accommodation reasonably acceptable to the Tenant for access to Pensacola Bay, for the Tenant's non-exclusive use in common with other users of the Port, which temporary accommodations shall consist of a minimum of 14,000 square feet and shall provide Tenant with reasonable access to Pensacola Bay at the Southwestern end of the Port with the same capabilities as contemplated by Phase 2.

h. The fourth paragraph of Section 4.01 is hereby deleted in its entirety and replaced with the following:

Phase 1, Warehouse: Complete the partially constructed Warehouse #10 at the Port of Pensacola. Transform Warehouse #10 into a High-Performance Maritime Center of Excellence.

i. In consideration of and to facilitate City's construction of the Project, Base Rent for the Leased Premises for Lease Years 1-8 and 11-13 shall be made via a lump-sum payment in the amount of \$3,082,286 ("Prepayment"), which Prepayment shall be delivered to City on or before September 30, 2025. For clarification, the Prepayment covers the Base Rent due under the Lease for the following periods in the amounts specified: Lease Years 1-7: \$2,038,400; Lease Year 8 (partial): \$170,286; and Lease Years 11-13: \$873,600, if the Extension Option is properly exercised. It is acknowledged and agreed that during the periods of the Lease Term that are not covered by the Prepayment, e.g., the remainder of Lease Year 8, Lease Years 9-10, and Lease Years 14-20, if the Extension Term is properly exercised, Tenant shall make Base Rent payments to City in accordance with the terms of Article 6 of the Lease. The Parties understand and agree that such Prepayment is made in consideration of City's entry into and construction of the Project contemplated by the Lease, and, to that end, the Prepayment, and Base Rent that it represents, is deemed fully earned by City upon receipt and shall be entirely non-refundable to Tenant. Nothing herein shall amend or alter Tenant's obligations to make Additional Rent payments as and when due under the terms of the Lease.

j. Section 5.01 is hereby deleted in its entirety and replaced with the following:

Section 5.01 PERMITTED USE OF LEASED PREMISES

Continuously during the Lease Term, the Tenant may use the Leased Premises solely for the Tenant's headquarters and the development and operation of sail racing teams that compete in the America's Cup, 52 Super Series, or other sail races, and for the design and manufacture of sail racing and other boats and boat products and services, other products and services that use the Tenant's capabilities, boat storage, boat maintenance and repair, office and training uses, competition preparation, periodic team-related public and private dining and events (but not for a restaurant, bar, or other full-time food or beverage service), and other related uses, including but not limited to, operations of the sail racing team for the boat known as Patriot and its successors, and prototypes and models thereof, and other boats, for both training and competition.

k. For avoidance of doubt, the anticipated Preferential Use Space is generally depicted in Exhibit 1 attached hereto and made a part hereof by reference. As outlined in the Lease, the actual Preferential Use Space will be confirmed by further amendment to the Lease following completion of construction of Phase 2.

2. This First Amendment may be executed in several counterparts, by separate signature pages, and/or by PDF or facsimile signatures, each of which may be deemed an original, and all such counterparts together shall constitute one and the same Amendment.

3. Capitalized terms not defined herein shall have the meaning ascribed to them in the Lease.

4. Except as amended herein, the terms of the Lease shall remain in full force and effect.

[A separate signature page follows.]

IN WITNESS WHEREOF, the undersigned have duly executed this First Amendment as of the dates set forth below.

CITY:

CITY OF PENSACOLA,

a Florida municipal corporation

TENANT:

BELLA MENTE QUANTUM RACING

ASSOCIATION, a Delaware nonprofit corporation qualified to do business in Florida as Bella Mente Quantum Racing Association Corp.

By: _____

D.C. Reeves, Mayor

Date: _____

Sign: _____

Print: _____

Title: _____

Date: _____


Michael Eazer
CEO
4-1-25

Attest:

Ericka Burnett, City Clerk

Approved as to substance:

Thomas Coggin, Port Commercial Development
& Seaport Security Manager

Approved as to form:

Adam C. Cobb, City Attorney

EXHIBIT 1

Anticipated Preferential Use Space





City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-429

Agenda Conference

4/7/2025

DISCUSSION

SPONSOR: Jennifer Brahier, Council Member

SUBJECT:

CRA BOARDS - EASTSIDE, WESTSIDE, AND URBAN CORE

SUMMARY:

Previous discussions have taken place regarding the CRA Boards, this item seeks to get input from City Council regarding the possible combination of the Eastside/Westside Boards while keeping the Urban Core as a stand alone.

PRIOR ACTION:

N/A

FUNDING:

N/A

FINANCIAL IMPACT:

None

STAFF CONTACT:

Don Kraher, Council Executive

ATTACHMENTS:

None

PRESENTATION: No