



City of Pensacola

Agenda Conference

Agenda - Final

Monday, February 25, 2019, 3:30 PM

Hagler-Mason Conference Room,
2nd Floor

ROLL CALL

PRESENTATION ITEMS

1. [19-00110](#) CITY OF PENSACOLA STORMWATER PROGRAM UPDATE

Recommendation: That City Council receive a presentation updating the City of Pensacola's progress and plans for Stormwater Management.

Sponsors: Grover C. Robinson, IV

Attachments: [5 Year Update Stormwater Projects Feb 2019](#)

REVIEW OF CONSENT AGENDA ITEMS

2. [19-00008](#) APPROVAL OF SECOND AMENDMENT TO THE LEASE AGREEMENT WITH T-MOBILE (BU 823980)

Recommendation: That City Council approve the second amendment to the lease agreement between the City of Pensacola and T-Mobile (BU 823980) at Exchange Park. Further, that City Council authorize the Mayor to take all the necessary actions to execute the amendment.

Sponsors: Grover C. Robinson, IV

Attachments: [T-Mobile Second Amendment to Lease Agreement \(BU 823980\)](#)

3. [19-00102](#) APPOINTMENT - WESTSIDE COMMUNITY REDEVELOPMENT BOARD

Recommendation: That City Council reappoint Jewel Cannada-Wynn as its representative on the Westside Community Redevelopment Board to a term expiring November, 2020.

Sponsors: Andy Terhaar

Attachments: [Member List](#)

REVIEW OF REGULAR AGENDA ITEMS (Sponsor)

4. [19-00050](#) FY 2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Recommendation: That City Council accept the City of Pensacola Comprehensive Annual Financial Report for the year ended September 30, 2018 as prepared by the Financial Services Department and the Independent Auditors Report issued thereupon.

Sponsors: Grover C. Robinson, IV

Attachments: [FY2018 CAFR](#)
[SAS 114 Auditor Letter](#)
[Financial Condition Assessment](#)

5. [2019-10](#) RESOLUTION NO. 2019-10 - GEORGIA BLACKMON

Recommendation: That City Council adopt Resolution No. 2019-10:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA, HONORING AND COMMENDING MRS. GEORGIA BLACKMON FOR HER DEDICATION TO PRESERVE HISTORY, RESTORE THE ELLA JORDAN HOME, AND PROMOTE COMMUNITY AND CULTURAL HERITAGE THROUGH EDUCATIONAL PROGRAMS AND ACTIVITIES SPONSORED BY THE GATHERING AWARENESS BOOKSTORE AND THE MOTHER WIT INSTITUTE, INC.

Sponsors: Jewel Cannada-Wynn

Attachments: [Resolution No. 2019-10](#)

6. [19-00103](#) APPOINTMENT - ENVIRONMENTAL ADVISORY BOARD (EAB)

Recommendation: That City Council appoint a city resident to the Environmental Advisory Board (EAB) to fill an unexpired term ending March 1, 2020.

Sponsors: Andy Terhaar

Attachments: [Member List - EAB](#)
[Nomination Form - Katie Fox](#)
[Application of Interest - Katie Fox](#)
[Nomination Form - Alexander Kozmon](#)
[Application of Interest - Alexander Kozmon](#)
[Resume - Alexander Kozmon](#)

7. [2019-07](#) RESOLUTION NO. 2019-07 - AUTHORIZING THE EXECUTION OF A FLORIDA BEAUTIFICATION GRANT, LANDSCAPE CONSTRUCTION, AND MAINTENANCE MEMORANDUM OF AGREEMENT WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION

Recommendation: That City Council adopt Resolution No. 2019-07.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PENSACOLA AUTHORIZING THE EXECUTION OF A FLORIDA BEAUTIFICATION GRANT, LANDSCAPE CONSTRUCTION, AND MAINTENANCE MEMORANDUM OF AGREEMENT WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION

Sponsors: Grover C. Robinson, IV

Attachments: [Resolution No. 2019-07](#)
 [FDOT Beautification Grant Agreement](#)

8. [2019-08](#) SUPPLEMENTAL BUDGET RESOLUTION NO. 2019-08 - CRA - FLORIDA BEAUTIFICATION GRANT

Recommendation: That City Council adopt Supplemental Budget Resolution No. 2019-08:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2019, PROVIDING FOR AN EFFECTIVE DATE.

Sponsors: Grover C. Robinson, IV

Attachments: [Supplemental Budget Resolution No. 2019-08](#)
 [Supplemental Budget Explanation No. 2019-08](#)

9. [06-19](#) PROPOSED ORDINANCE NO. 06-19 - AMENDMENT TO SECTION 6-2-1 OF THE CITY CODE - PARKS AND RECREATION BOARD - ESTABLISHMENT; COMPOSITION; COMPENSATION; TERMS OF OFFICE; VACANCIES AND REMOVAL

Recommendation: That City Council approve Proposed Ordinance No. 06-19 on first reading:

AN ORDINANCE AMENDING SECTION 6-2-1 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA, PARKS AND RECREATION BOARD - ESTABLISHMENT; COMPOSITION; COMPENSATION; TERMS OF OFFICE; VACANCIES AND REMOVAL; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

Sponsors: Sherri Myers

Attachments: [Proposed Ordinance No. 06-19](#)

10. [08-19](#) PROPOSED ORDINANCE NO. 08-19 - AMENDING DEFERRED
RETIREMENT OPTION PLAN (DROP) CITY CODE SECTION 9-9-4(L)
AND CREATING CITY CODE SECTION 9-4-4(M)

Recommendation: That City Council approve Proposed Ordinance No. 08-19 on first reading.

AN ORDINANCE AMENDING SECTION 9-9-4 (l) OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; ALLOWING THE RE-EMPLOYMENT OF FORMER DROP PARTICIPANTS INTO AUTHORIZED POSITIONS; CREATING SECTION 9-9-4 (m) OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; AUTHORIZING THE RE-EMPLOYMENT OF RETIRED PENSACOLA POLICE OFFICERS INTO PART-TIME POSITIONS AS PARTICIPANTS IN THE FLORIDA RETIREMENT SYSTEM; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

Sponsors: Grover C. Robinson, IV

Attachments: [Proposed Ordinance No. 08-19](#)

11. [02-19](#) PROPOSED ORDINANCE NO. 02-19 AMENDING SECTION 7-10-179(F)
- OPERATIONAL PROCEDURES

Recommendation: That City Council adopt Proposed Ordinance No. 02-19 on second reading.

AN ORDINANCE AMENDING SECTION 7-10-179(f) OF THE CODE OF THE CITY OF PENSACOLA REQUIRING CREDIT CARD ACCEPTANCE BY TAXICABS; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

Sponsors: Grover C. Robinson, IV

Attachments: [Proposed Ordinance No. 02-19](#)

12. [03-19](#) PROPOSED ORDINANCE NO. 03-19 - REQUEST FOR FUTURE LAND
 USE MAP AMENDMENT - ANNEXED AIRPORT PARCELS

Recommendation: That City Council adopt Proposed Ordinance No. 03-19 on second reading.

AN ORDINANCE AMENDING THE FUTURE LAND USE CLASSIFICATION OF CERTAIN PROPERTY PURSUANT TO AND CONSISTENT WITH THE COMPREHENSIVE PLAN OF THE CITY OF PENSACOLA; AMENDING THE FUTURE LAND USE MAP OF THE CITY OF PENSACOLA; REPEALING CLAUSE AND EFFECTIVE DATE.

Sponsors: Grover C. Robinson, IV

Attachments: [Proposed Ordinance No. 03-19](#)
 [Map of Annexation Area to be Rezoned](#)
 [Ordinance No. 14-18](#)
 [January 8, 2019 Planning Board Minutes](#)

13. [04-19](#) PROPOSED ORDINANCE NO. 04-19 - REQUEST FOR ZONING MAP
 AMENDMENT - ANNEXED AIRPORT PARCELS

Recommendation: That City Council adopt Proposed Ordinance No. 04-19 on second reading.

AN ORDINANCE AMENDING THE ZONING CLASSIFICATION OF CERTAIN PROPERTY PURSUANT TO AND CONSISTENT WITH THE COMPREHENSIVE PLAN OF THE CITY OF PENSACOLA; AMENDING THE ZONING MAP OF THE CITY OF PENSACOLA; REPEALING CLAUSE AND EFFECTIVE DATE.

Sponsors: Grover C. Robinson, IV

Attachments: [Proposed Ordinance No. 04-19](#)
 [Map of Annexation Area to be Rezoned](#)
 [Ordinance No. 14 -18](#)
 [January 8, 2019 Planning Board Minutes](#)

FOR DISCUSSION

14. [19-00033](#) REVIEW OF STORM WATER MANAGEMENT MASTER PLAN, STORM
 WATER ASSESSMENT AND STORM WATER FUND USES.

Sponsors: Jewel Cannada-Wynn

Attachments: [Ordinance No. 52-00](#)

INFORMATIONAL ITEMS

15. [19-00093](#) QUARTERLY FINANCIAL REPORT - THREE MONTHS ENDING
DECEMBER 31, 2018 (UNAUDITED) - CHIEF FINANCIAL OFFICER
RICHARD BARKER, JR.

Sponsors: Grover C. Robinson, IV

Attachments: [Financial Report - Three Months Ending December 31, 2018 \(Unaudited\)](#)

CONSIDERATION OF ANY ADD-ON ITEMS

READING OF ITEMS FOR COUNCIL AGENDA

COMMUNICATIONS

City Administrator's Communication

16. [19-00115](#) UPDATE OF THE MARKET STUDY FOR THE WEST MAIN MASTER
PLAN

Sponsors: Andy Terhaar

City Attorney's Communication

City Council Communication

ADJOURNMENT

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 #: 19-00110

City Council

2/25/2019

PRESENTATION ITEM

FROM: Grover C. Robinson, IV, Mayor

SUBJECT:

CITY OF PENSACOLA STORMWATER PROGRAM UPDATE

REQUEST:

That City Council receive a presentation updating the City of Pensacola's progress and plans for Stormwater Management.

SUMMARY:

This presentation is centered around the past 5 years of activities and the significant volume of projects which have taken place.

PRIOR ACTION:

None.

STAFF CONTACT:

Christopher L. Holley, City Administrator
Derrik Owens, Public Works and Facilities Director

ATTACHMENTS:

1) 5 Year Update Stormwater Projects Feb 2019

PRESENTATION: Yes

City of Pensacola

Stormwater Program

Update

Public Works and
Facilities Department

February 2019



Introduction

- **Stormwater Management Strategies** adopted by City Council in October 2000 to set long-term goals for successful stormwater management program focused on enhancing Water Quality of area waterways.
- **Stormwater Utility Fee** adopted in 2001 to provide an established funding mechanism to support the stormwater management program.
- **Update** is centered around activities over past 5 years due to the significant volume of projects that have taken place.
- **Three (3) Main Project Categories:** Budgeted Capital, Grant Improvement and Grant Emergency Repair totaling approximately \$33,134,613 over the past 5 years.

Introduction

COMMITTEE MEMORANDUM ITEM #1

FOR DISCUSSION

COMMITTEE: Committee of the Whole

FROM: Thomas J. Bonfield, City Manager 

DATE: October 24, 2000

SUBJECT: Stormwater Management Strategies

RECOMMENDATION: That City Council provide input on the Stormwater Management Strategies for further refinement by the City Manager into a Comprehensive Stormwater Management Policy.

SUMMARY: In response to City Council's request for information on the City's efforts to improve water quality of those water bodies affected by City stormwater, an overview of stormwater management and potential strategies has been developed. The strategies incorporate principles that may be adopted by the City for both stormwater management/flood control and water quality. The strategies incorporate elements of planning, administration, capital projects, enforcement, maintenance, and public education that may be adopted by the City of Pensacola as a means of protecting property and improving water quality.

PRIOR ACTION: Adoption of FY 2001 City Budget incorporating maintenance and capital improvement items. Acceptance of the Dames and Moore Final Report on the Carpenters Creek/Bayou Texar Watershed and Stormwater Management Assessment and the Stormwater Management Financial Plan prepared by GSG.

CURRENT ACTION:

FUNDING: Budgeted: N/A

City of
Pensacola



- **Stormwater Management Strategies adopted by City Council in October 2000 to set long-term goals for successful stormwater management program focused on enhancing Water Quality of area waterways.**
- **Stormwater Utility Fee adopted in 2001 to provide an established funding mechanism to support the stormwater management program.**

Introduction

- Update is centered around activities over past 5 years due to the significant volume of projects that have taken place.
- Three (3) Main Project Categories
 - 1) Budgeted Capital \$8,654,471
 - 2) Grant Improvement \$14,061,530
 - 3) Grant Emerg. Repair \$10,418,612
- Totaling approximately **\$33,134,613**

Budgeted Capital Projects

- **Stormwater projects that are primarily funded from the Stormwater Utility Fee and approved by City Council via 5-year revolving plan as part of the annual budget process.**
- **Stormwater Utility Fee generates approximately \$2.5M/year and can be increased by City Council incrementally.**
- **Projects are generally identified to address both water “Quality” (treatment) and “Quantity” (flooding) where the need is most prevalent and feasible to perform projects within allocated budgets.**
- **Professional Engineering studies are utilized as a “guide” for developing and prioritizing project lists for the 5-year revolving plan, especially in sensitive drainage basins that directly impact Pensacola Bay, Carpenter Creek, Bayou Texar and Bayou Chico.**

Budgeted Capital Projects

• 19 th Ave. and Blackshear Ave. Outfall at Bayou Texar	\$ 918,455
• Bayou Chico North Stormwater Enhancement	\$ 304,319
• Bayou Chico South Stormwater Enhancement	\$ 192,060
• Clematis Street at Carpenter Creek Stormwater Enhancement	\$ 414,589
• Baywoods Gully Erosion Stabilization	\$ 315,553
• 12 th Ave. @ Bayou Texar Stormwater Enhancement	\$1,047,455
• Desoto Street @ Bayou Texar Stormwater Enhancement	\$ 373,666
• Northmoor Court Stormwater Enhancement	\$ 62,288
• 'B' and Main Street Stormwater Enhancement	\$ 171,131
• Davis Hwy @ Valley Drive Stormwater Enhancement	\$ 375,505
• Manolete Drive Stormwater Enhancement	\$ 304,889
• Carpenter Creek at Bayou Blvd Stormwater Enhancement	\$ 293,763
• Bayou Drive @ Bayou Chico Stormwater Enhancement	\$ 257,745
• Bayou Blvd at Tyler Stormwater Enhancement	\$ 793,780
• Carpenter Creek @ 9 th Avenue Stormwater Enhancement	\$ 343,609
• Gaberonne Swamp Stormwater Improvements	\$1,246,381
• Woodcliff Dr. at Livingston Outfall Stormwater Enhancement	\$ 363,286
• Pipe Rehabilitation Project A Street	\$ 875,997

Total

\$8,654,471

Budgeted Capital Projects 5-Yr Plan

PROJECT	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
1 Clubbs Street Outfall to Pensacola Bay		45,000	482,800		
2 Bayou Blvd, Lee, Lloyd and Stanley St. Outfalls to Bayou Texar	60,000	415,000			
3 Land Acquisition for Stormwater Facility Sites	50,000	50,000	50,000	50,000	50,000
4 9th Avenue Outfall to Pensacola Bay			75,000	750,000	
5 Bayou Blvd, Perry, Blount and Avery St. Outfalls at Bayou Texar	55,000				425,000
6 Scott, Yates, Lakeview and Strong Outfalls at Bayou Texar	65,000	412,000			
7 E. Cross, Yates, Escambia and Osceola Outfalls at Bayou Texar	460,000				
8 Texar Drive, 17th and 18th Avenue Outfalls at Bayou Texar	445,000				
9 Scenic Heights Discharge (Langley into Escambia Bay)	50,000				
10 Stormwater Vaults Citywide	296,100	296,100	321,100	321,100	321,100
11 Davis Hwy @ Carpenter's Creek (North Side)	415,000				
12 Stormwater Capital Maintenance	350,000	375,000	375,000	375,000	375,000
13 NPDES Permit Monitoring	115,000	125,000	125,000	125,000	125,000
14 Alcaniz Street Outfall to Pensacola Bay	75,300	618,300			
15 South 'E' and 'F' Street Outfalls to Pensacola Bay		45,000	490,300		
16 Spring Street Outfall to Pensacola Bay		55,000	517,200		
17 East and West Cervantes Outfalls at Bayou Texar Bridge				500,000	
18 Cordova Square Pond at 12th Avenue Pond Rehabilitation				315,300	
19 Cove, Endor and Hyde Park Road Outfalls at Bayou Texar					500,000
20 Spring Street Pipe Rehabilitation					640,300
21 Stormwater Grant Match-Funding	140,000	140,000	140,000	140,000	140,000
TOTAL FOR STORMWATER PROJECTS	2,576,400	2,576,400	2,576,400	2,576,400	2,576,400

Spanish Trail Stormwater Pond (Site 1)



Spanish Trail Stormwater Pond (Site 1)



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Cypress Street Stormwater Enhancement



9th Ave. and Texar Stormwater Project



18

Davis Hwy @ Valley Drive Stormwater Proj.



Davis Hwy @ Valley Drive Stormwater Proj.



20

Carpenter Creek at Bayou Blvd Project



21

Clematis Street @ 9th Ave. Project



Woodcliff and Livingston Project



23

Woodcliff and Livingston Project



'A' Street Pipe Rehabilitation Project



25

Grant Improvement Projects

- **Stormwater projects that are primarily funded from federal and state sources include EPA 319, Florida Forever, FDEP TMDL, etc.**
- **Stormwater projects that are funded by “other” sources include BP settlement funds (Restore Act), etc.**
- **Projects are typically derived from specific environmental benefit identified through observation and study.**
- **Project scopes normally address direct benefit and improvement of delicate ecosystems, socio-economic benefits, recreation and public education/awareness.**

Grant Improvement Projects

• Gaberonne Swamp Stormwater Improvements EPA 319	\$1,784,118
• PNS Airport Stormwater Pond FDOT	\$3,249,384
• Government Street @ Corinne Jones Park NFWF	\$2,106,500
• BP Settlement Funds	\$1,212,099
• Bill Gregory Park Stormwater Project NFWF	\$1,723,565
• 'R' Street @ Maggie's Ditch Stormwater Project NFWF	\$ 597,719
• 4190 Rommitch Lane Demolition HMGP	\$ 166,073
• 12 th and Cross Street Stormwater Project HMGP*	\$1,307,982
• 'L' Street and Zaragossa Stormwater Project HMGP*	\$ 756,123
• Lee Street Stormwater Project HMGP*	\$ 742,221
• Drainage Improvements for Localized Flooding BP Settlement funds	\$ 415,746

• Total	\$14,061,530
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* denotes pending final funding approval from DEM

PNS Airport Regional Stormwater Facility



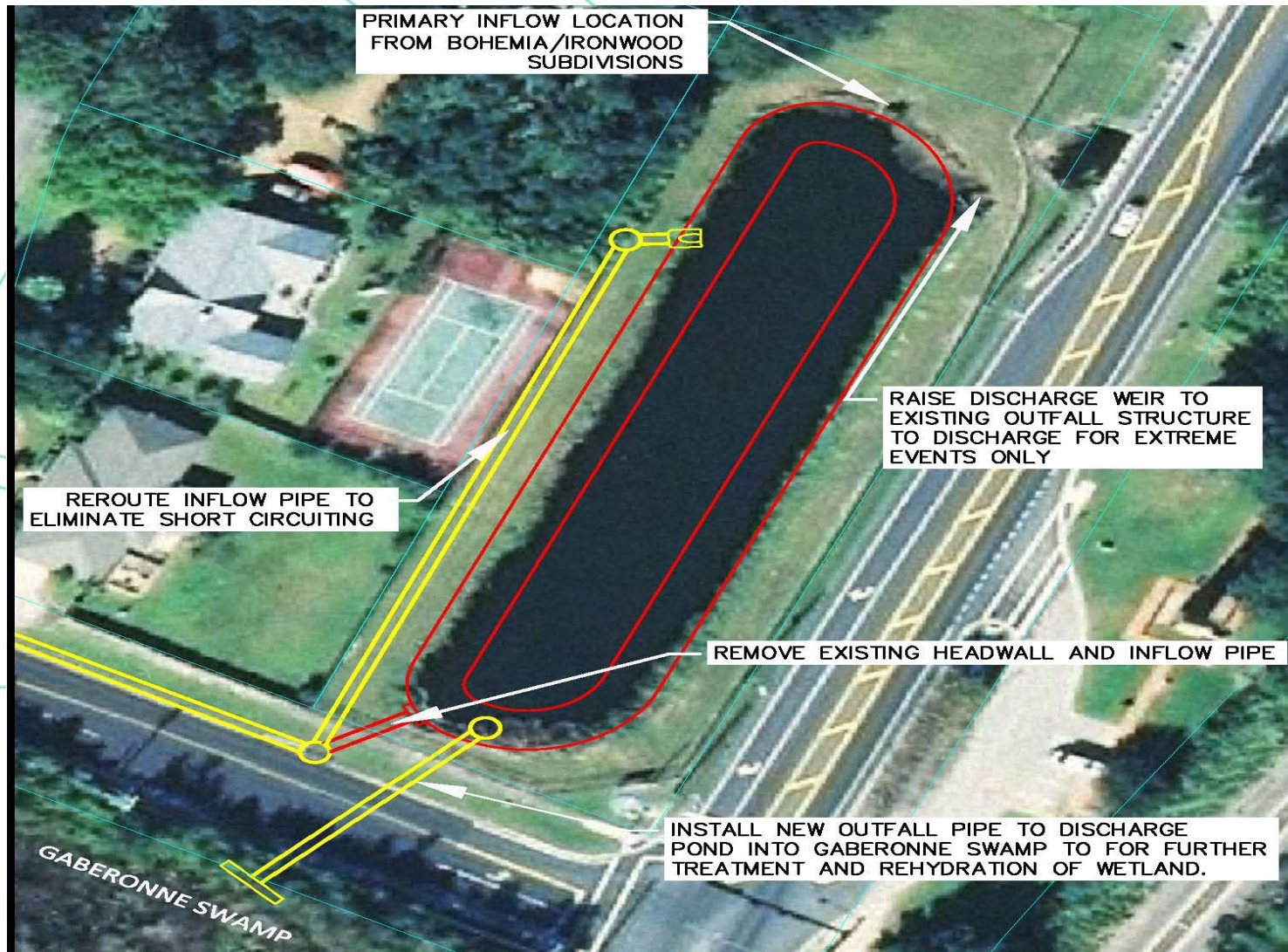
Gaberonne Swamp Project



Gaberonne Swamp Project



Gaberonne Swamp Project



Gaberonne Swamp Project



Gab. Swamp Project (Spanish Trail –Site 2)



33

Government Street @ Corrine Jones Park



Government Street @ Corrine Jones Park



Government Street @ Corrine Jones Park



Government Street @ Corrine Jones Park



Bill Gregory Park Stormwater Project



38

'R' Street at Maggie's Ditch Project



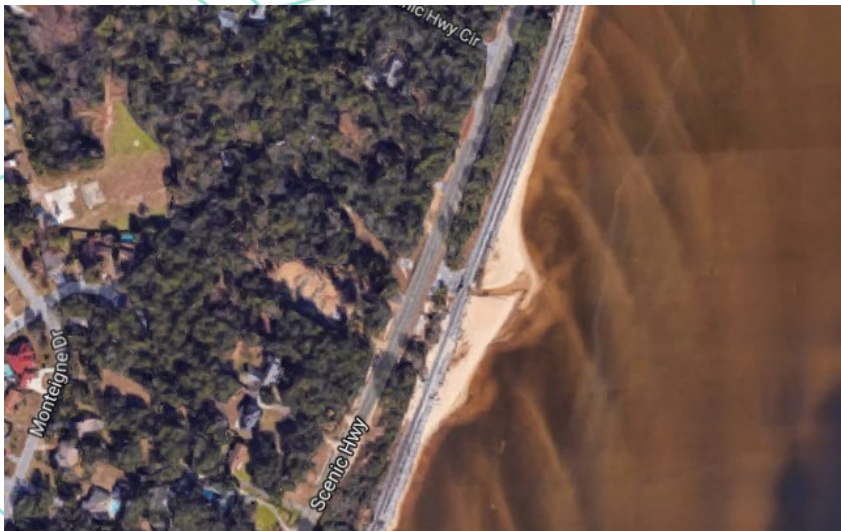
Grant Emergency Repair Projects

- **Stormwater projects that are primarily funded from federal and state sources FEMA, NRCS, FHWA and FDEM.**
- **Projects are typically derived from catastrophic occurrences and primarily include atypical rainfall events and tropical system events.**
- **The April 29, 2014 rainfall event statistically rated between a 500 and 1000 year occurrence with over 25” of rainfall within a 72 hour period causing significant devastation to stormwater infrastructure.**
- **Project scopes normally address direct repair/replacement of damaged infrastructure and certain grants allow for improvements and/or “mitigation” to harden and provide improved long-term resiliency.**

Grant Emergency Repair Projects

• Baywoods Gully Stabilization FEMA/NRCS	\$ 2,952,224
• Piedmont Road Repair FEMA	\$2,164,206
• Spanish Trail Pond Repair FEMA	\$1,165,709
• DeSoto Street Repair FAMA	\$ 94,966
• Seville Drive Stormwater Outfall FEMA	\$ 60,530
• Long Hollow Pond Berm Repair FEMA	\$ 159,004
• Scott Street Repair FEMA	\$ 59,254
• Main Street Repair FHWA	\$ 65,215
• Southern Bulkhead Mitigation Site FEMA	\$ 57,225
• Maxwell Street Repair FEMA	\$ 132,105
• Wright Street Repairs FEMA	\$ 11,706
• Coyle Street Repair FEMA	\$1,433,174
• L Street Stormwater Repair FEMA	\$ 188,894
• 12 th Avenue Repair FEMA	\$ 190,341
• Bayou Texar Dredging FEMA	\$ 654,619
• Various Smaller Repair Sites FEMA	\$ 700,731
• Carpenter Creek Repair & Stabilization NRCS	\$ 328,709
• Total	\$10,418,612

Baywoods Gulley Project



Baywoods Gulley Project



Piedmont Road @ Hallmark Road Repairs



20th Ave and Lloyd Street Repairs



12th Ave and Euclid Street Repairs



Main Street at Coyle Street Repairs



Stormwater Quantity and Quality

- **Stormwater Management Strategies typically focus on addressing water Quality (treatment) and/or water Quantity (flooding) aspects.**
- **Focus is primarily on addressing Stormwater Quality due to ready availability of technology and resources.**
- **Stormwater Quantity or Flooding is also addressed on every project where feasible and possible to do so.**
- **Projects are identified through both professional Engineering studies and public input based upon actual field observations/occurrences.**
- **Proposed projects are programmed into the 5-year revolving capital plan and grant funding opportunities are also pursued.**
- **Stormwater improvement projects are often incorporated into other types of capital projects to maximize public benefit, like roadway projects, etc..**

Stormwater Quantity (flooding) -facts

- **Stormwater quantity or flooding issues are most challenging due to high cost and limited resources available to make a significant difference or improvement.**
- **Most flood-prone areas of the City are located near water bodies (Pensacola Bay) where tidal influence is a significant factor/challenge.**
- **Significant Flood-prone areas also occur where upstream contributions cannot be controlled by the City (i.e. Long Hollow).**
- **Most existing stormwater infrastructure has been in place for decades and has very limited capacity to convey stormwater during significant rainfall events.**
- **Efforts are made on every project to upgrade stormwater infrastructure to current standards and address localized flooding issues to greatest extent possible.**

Stormwater Quantity (flooding) -accomplishments

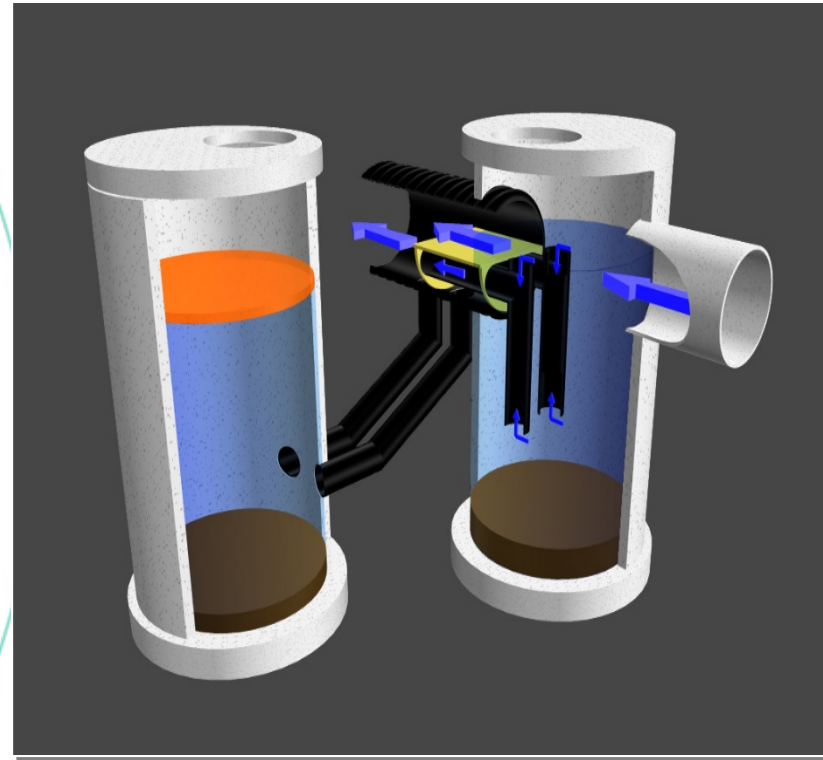
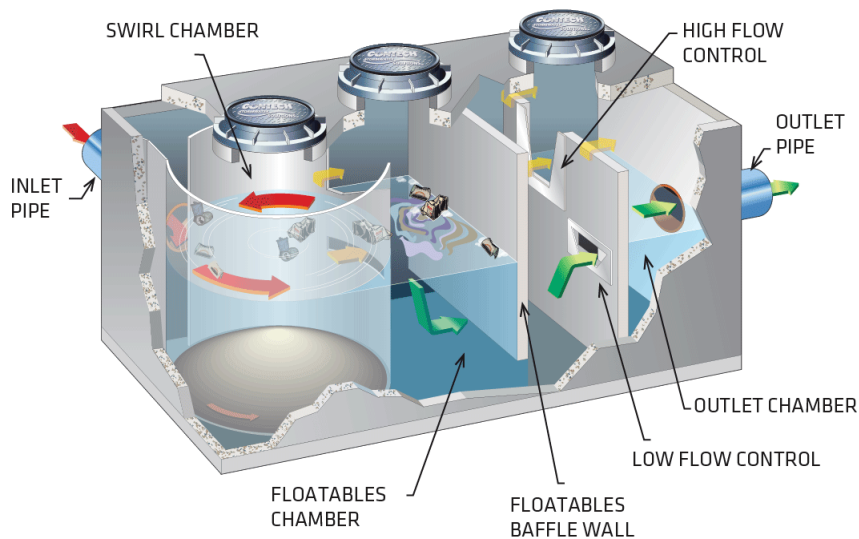
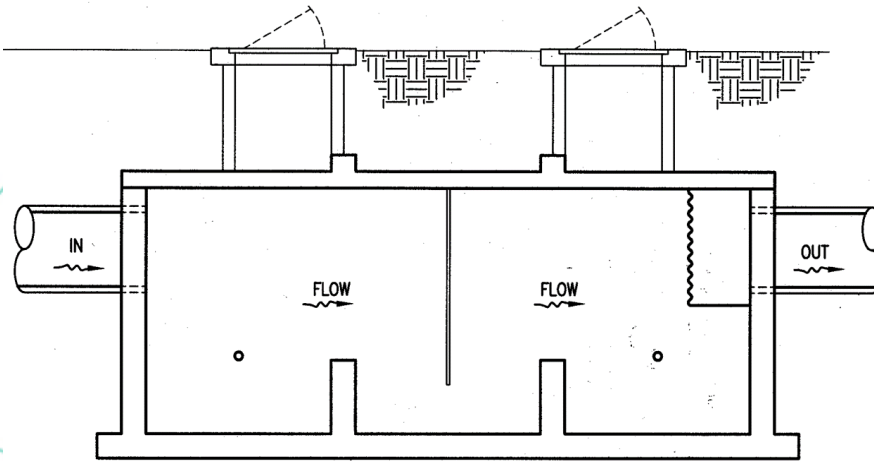
- **City has successfully conducted in-depth stormwater studies in areas of most significant flooding issues to identify specific causes and proposed solutions. Study areas include Long Hollow, Aragon, Downtown and Piedmont Road. Total approx. cost was \$355,000 for the studies.**
- **City has recently revised the Land Development Code stormwater attenuation requirements from the 25 yr. event to the 100 yr. event for new development projects. Change will significantly help with current flood-prone areas when new projects are developed.**
- **City is currently updating Stormwater Master/Management Plan and will be completed in FY 2019. Plan will provide and identify updated infrastructure needs to address City-wide flooding comprehensively and prioritize efforts going forward. Updated plan will also allow City to be more attractive in the receipt of grants for new projects and will help lower CRS number.**

Stormwater Quality (treatment) -facts

- **Stormwater quality projects typically have a design target pollutant removal efficiency of 70-80% total suspended solids (TSS).**
- **Projects primarily include underground treatment systems or “Proprietary Units” and stormwater ponds, swales and ditches.**
- **Due to the very limited availability of open land for the construction of stormwater ponds, proprietary units are most commonly used in treatment projects.**
- **The City currently has 54 stormwater ponds and 108 proprietary units in-place.**
- **Proprietary units are typically placed near outfall locations at water bodies in order to provide for the most effective pollutant removal.**
- **Pollutants removed typically consist of floating trash/debris, hydrocarbons (oil, greases, etc.), heavy metals and nutrients.**

Stormwater Quality (treatment) -facts

Typical Proprietary Units



Stormwater Quality (treatment) -accomplishments

- **Stormwater retro-fit program is very aggressive in comparison to other communities throughout the state of similar size and function.**
- **Overall noticeable improvement in water quality for local area waterways and long-term adopted goals are being met.**
- **Program continues to be very effective in the removal of pollutants to prevent them from entering area waterways and has removed approximately 6100 cubic yards or 16M lbs (8000 tons) over the past five (5) years.**
- **This removal would equate to approximately 350 dump-truck loads of heavily pollulated material removal that would have otherwise been discharged to area waterways.**

Quality (treatment) -accomplishments



X 350



Summary –moving forward

- **Much progress has been made in both the areas of stormwater Quality and Quantity due to established priorities/commitments and availability of funding from local, state and federal sources (key).**
- **Continued aggressive efforts by the Mayor's office and City Council will provide both long and short term benefits to the stormwater program and ensure future progress.**
- **Program is making a positive difference in the community with less flooding impacts during routine/nominal rainfall events (311).**
- **Numerous significant stormwater projects currently underway including Davis Hwy. @ Carpenter Creek and Gaberonne Swamp (final phase).**
- **More significant funding opportunities coming online with stormwater projects being planned like Hollice T. Williams Greenway Park and Sander's Beach Community Center locations.**



Discussion



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 19-00008

City Council

2/28/2019

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

APPROVAL OF SECOND AMENDMENT TO THE LEASE AGREEMENT WITH T-MOBILE (BU 823980)

RECOMMENDATION:

That City Council approve the second amendment to the lease agreement between the City of Pensacola and T-Mobile (BU 823980) at Exchange Park. Further, that City Council authorize the Mayor to take all the necessary actions to execute the amendment.

HEARING REQUIRED: No Hearing Required

SUMMARY:

T-Mobile has an existing Agreement with original terms, including all renewal terms that would expire May 31, 2025. T-Mobile would like to replace the current tower with a new tower of the same type, height, and in the existing fenced compound. T-Mobile has proposed to renew this lease for five (5) and additional five (5) year renewal terms, extending the total term of this lease to May 31, 2050.

In consideration for the right to exclusively use and lease the tower, T-Mobile agrees to pay thirty percent (30%) of new payments received by T-Mobile. For any existing subtenant, T-Mobile will increase the percentage from twenty percent (20%) to thirty percent (30%) of payment received by T-Mobile.

Starting on June 1, 2019, in addition to the Revenues received by T-Mobile, T-Mobile will pay annual rent to the City of Pensacola in the amount of \$12,000. On June 1, 2020 and on the anniversary of that date each year the annual rent shall increase based on the Consumer Price Index.

This contract has been reviewed and approved by Omnicom Consulting Group for Professional Services for Communication Tower Management Services for fair market value pricing and terms.

PRIOR ACTION:

October 11, 2012 - The City of Pensacola is notified about the transfer of the Master Agreement with T-Mobile expected to begin at the end of November, 2012.

March 22, 2001 - City Council approved a lease agreement between the City of Pensacola and Eliska Wireless Ventures, Inc. to expand the tower site ground area.

January 11, 2001 - City Council approved the Consent and Estoppel Agreement providing for the assignment of the current lease agreement with Digiph PCS, Inc. to Eliska Wireless Ventures I, Inc. for a portion of Exchange Park property.

June 22, 2000 - City Council approved a lease agreement between the City and Digiph PCS to allow for the construction of a replacement telecommunication tower in Exchange Park by Digiph PCS, with no ground lease fee for a period of 25 years, in return for the removal of the existing tower located by Bayou Texar, and other terms and conditions. .

FUNDING:

N/A

FINANCIAL IMPACT:

The City will receive an additional \$12,000 per year as part of this amendment.

CITY ATTORNEY REVIEW: Yes

1/28/2019

STAFF CONTACT:

Christopher L. Holley, City Administrator
Richard Barker, Chief Financial Officer
Brenda Kahalley, Technology Resources Manager

ATTACHMENTS:

- 1) T-Mobile Second Amendment to Lease Agreement (BU 823980)

PRESENTATION: No

SECOND AMENDMENT TO
LEASE AGREEMENT
(BU 823980)

THIS SECOND AMENDMENT TO LEASE AGREEMENT ("Second Amendment") is made effective this ____ day of _____, 2018, by and between the CITY OF PENSACOLA, a Florida municipal corporation ("Lessor"), and T-MOBILE USA TOWER LLC, a Delaware limited liability company ("Lessee"), by and through CCTMO LLC, a Delaware limited liability company, its Attorney-in-Fact.

WHEREAS, Lessor and Digiph PCS, Inc., an Alabama corporation ("Digiph"), entered into a Lease Agreement dated June 28, 2000 (as amended and assigned, the "Lease"), whereby Lessor leased to Digiph a portion of that property (said leased portion being the "Subject Property") located at 3200 East Lakeview Avenue (Tax Parcel # 33-1S-30-0501-000-001), Pensacola, Escambia County, State of Florida, and being further described in Book 543, Page 296 in the Escambia County Clerk's Office for the Escambia County Circuit Court ("Clerk's Office"), together with those certain access, utility and/or maintenance easements and/or rights of way granted in the Lease; and

WHEREAS, Lessor and Eliska Wireless Ventures, Inc. ("Eliska"), as successor in interest in the Lease to Digiph, entered into that certain First Amendment to Lease Agreement dated March 28, 2001 ("First Amendment"), whereby the parties amended the description of the Subject Property; and

WHEREAS, Lessee is successor in interest in the Lease to Eliska; and

WHEREAS, the term of the Lease commenced on June 1, 2000, and has an original term, including all renewal terms, that will expire on May 31, 2025 ("Original Term"), and Lessor and Lessee now desire to amend the terms of the Lease to provide for additional renewal terms beyond the Original Term, and to make other changes.

NOW THEREFORE, in exchange for the mutual promises contained herein, Lessor and Lessee agree to amend the Lease as follows:

1. Any capitalized terms not defined herein shall have the meanings ascribed to them in the Lease. The recitals in this Second Amendment are incorporated herein by this reference.

2. Section 2 of the Lease is amended by adding the following to the end thereto:

Thereafter, LESSEE has the option to renew this Lease for five (5) additional five (5)-year renewal terms, which LESSEE may exercise by providing written notice to LESSOR of its intent to renew not less than sixty (60) days prior to the end of the then current term, extending the total term of this Lease to May 31, 2050, unless sooner terminated as may be provided for in this Lease.

3. Section 4 of the Lease is amended by the following:

(a) Deleting the first sentence in its entirety and replacing it with the following:

As consideration for the right to exclusively use and lease the Subject Property, if, after full execution of the Second Amendment to this Lease, LESSEE subleases, licenses or grants a similar right of use or occupancy in the Subject Property to an unaffiliated third party (each a “**Subtenant**”), LESSEE agrees to pay to LESSOR thirty percent (30%) of the rental, license or similar payments actually received by LESSEE from each such Subtenant (excluding any reimbursement of taxes, construction costs, installation costs, or revenue share reimbursement) (“**Revenues**”). For any existing Subtenant for which LESSEE is paying twenty percent (20%) of Revenues, such amount shall be increased to thirty percent (30%) upon full execution of the Second Amendment to this Lease. Lessee shall have no obligation for payment to LESSOR of such share of rental, license or similar payments if not actually received by LESSEE. Non-payment of such rental, license or other similar payment by a Subtenant shall not be an event of default under this Lease. LESSEE shall have sole discretion as to whether, and on what terms, to sublease, license or otherwise allow occupancy of the Subject Property and there shall be no express or implied obligation for LESSEE to do so. LESSOR acknowledges that LESSOR shall have no recourse against LESSEE as a result of the failure of payment or other obligation by a Subtenant.

On June 1, 2019, in addition to the Revenues received by LESSOR pursuant to this Section 4, LESSEE shall pay annual rent (“**Rent**”) to LESSOR in the amount of Twelve Thousand and 00/100 Dollars (\$12,000.00). Commencing on June 1, 2020, and on the anniversary of that date each year thereafter (the “**Adjustment Date**”), the annual Rent, excluding Revenues, shall increase based on the Consumer Price Index published by the Bureau of Labor and Statistics of the United States Department of Labor for all Urban Consumers, US City Average, All Items, Not Seasonally Adjusted, Base Period 1982-84=100 (“**CPI-U**”) indicator and shall be determined by dividing the CPI-U indicator, published three (3) months prior to the Adjustment Date, by the CPI-U indicator published one (1) year and three (3) months prior to the Adjustment Date, and multiplying the resultant number by the annual lease rental amount of the most recent Rent. In no event shall the increase in Rent calculated for any one (1) year period exceed three percent (3%) of the most recent Rent. In the event of a decrease in the CPI-U indicator, the Rent will not decrease but will remain the same as in the previous year.

4. Section 17 of the Lease is amended by deleting Lessee’s notice addresses and inserting the following:

If to LESSEE:

T-Mobile USA Tower LLC

c/o CCTMO LLC
Attn: Legal Department
2000 Corporate Drive
Canonsburg, PA 15317

With a copy to:

T-Mobile USA Tower LLC
12920 S.E. 38th Street
Bellevue, Washington 98006
Attn: Leasing Administration

5. The Lease is amended by adding a new Section 33 to the end thereto:

33. **RIGHT OF FIRST REFUSAL.** If LESSOR receives a bona fide written offer that it intends to accept from a third party seeking an assignment or transfer of rent payments associated with this Lease ("Rental Stream Offer"), LESSOR shall immediately furnish LESSEE with a copy of the Rental Stream Offer. LESSEE shall have the right of first refusal, to be exercised within thirty (30) days after it receives such copy, to acquire the same interest as in the Rental Stream Offer by providing notice of its intent to exercise such right on the same terms and conditions as in the Rental Stream Offer, excluding any terms or conditions of the Rental Stream Offer that are (a) not imposed in good faith, or (b) directly or indirectly designed to defeat or undermine LESSEE's possessory or economic interest in the Subject Property. Such writing shall be in the form of a contract substantially similar to the Rental Stream Offer and may, at LESSEE's discretion, provide for a due diligence period of sixty (60) days unless a longer due diligence period is provided in the Rental Stream Offer. If LESSEE chooses not to exercise this right by failing to provide written notice to LESSOR within the thirty (30) day period or providing notice of LESSEE's intent not to exercise its right of first refusal to match the Rental Stream Offer, LESSOR may assign the right to receive rent payments pursuant to the Rental Stream Offer, subject to the terms of this Lease. If LESSOR attempts to assign or transfer rent payments without complying with this provision, the assignment or transfer shall be void. LESSEE shall not be responsible for any failure to make payments under this Lease and reserves the right to hold payments due under this Lease until LESSOR complies with this provision. LESSEE shall have the right, at its sole discretion, to assign its right of first refusal provided for herein to any person or entity, either separate from an assignment of this Lease or as part of an assignment of this Lease. Such assignment by LESSEE may occur either prior to or after LESSEE's receipt of LESSOR's notice and the assignment shall be effective upon written notice to LESSOR.

6. As additional consideration for amending the Lease in accordance with this Second Amendment, Lessee agrees to pay to Lessor Five Thousand and 00/100 Dollars (\$5,000.00) within sixty (60) days of full execution of this Second Amendment by both parties.

7. Representations, Warranties and Covenants of Lessor. Lessor represents, warrants and covenants to Lessee as follows:

(a) Lessor is duly authorized to and has the full power and authority to enter into this Second Amendment and to perform all of Lessor's obligations under the Lease as amended hereby.

(b) Except as expressly identified in this Second Amendment, Lessor owns the Subject Property free and clear of any mortgage, deed of trust, or other lien secured by any legal or beneficial interest in the Subject Property, or any right of any individual, entity or governmental authority arising under an option, right of first refusal, lease, license, easement or other instrument other than any rights of Lessee arising under the Lease as amended hereby and the rights of utility providers under recorded easements.

(c) Upon Lessee's request, Lessor shall discharge and cause to be released (or, if approved by Lessee, subordinated to Lessee's rights under the Lease as amended hereby) any mortgage, deed of trust, lien or other encumbrance that may now or hereafter exist against the Subject Property.

(d) Upon Lessee's request, Lessor shall cure any defect in Lessor's title to the Subject Property which in the reasonable opinion of Lessee has or may have an adverse effect on Lessee's use or possession of the Subject Property.

(e) Lessee is not currently in default under the Lease, and to Lessor's knowledge, no event or condition has occurred or presently exists which, with notice or the passage of time or both, would constitute a default by Lessee under the Lease.

(f) Lessor agrees to execute and deliver such further documents and provide such further assurances as may be requested by Lessee to effect any release or cure referred to in this paragraph, carry out and evidence the full intent and purpose of the parties under the Lease as amended hereby, and ensure Lessee's continuous and uninterrupted use, possession and quiet enjoyment of the Subject Property under the Lease as amended hereby.

(g) Lessor acknowledges that the Subject Property, as defined, shall include any portion of Lessor's property on which communications facilities or other Lessee improvements exist on the date of this Second Amendment.

8. Lessee reserves the right, at its discretion and at its sole cost, to obtain a survey ("Survey") specifically describing the Subject Property and any access and utility easements associated therewith. Lessee shall be permitted to attach the Survey as an exhibit to this Second Amendment and any related memorandum for recording, which shall update and replace the existing description, at any time prior to or after closing of this Second Amendment.

9. IRS Form W-9. Lessor agrees to provide Lessee with a completed IRS Form W-9, or its equivalent, upon execution of this Second Amendment and at such other times as may be reasonably requested by Lessee. In the event the Subject Property is transferred, the succeeding Lessor shall have a duty at the time of such transfer to provide Lessee with a completed IRS Form

W-9, or its equivalent, and other related paper work to effect a transfer in rent to the new Lessor. Lessor's failure to provide the IRS Form W-9 within thirty (30) days after Lessee's request shall be considered a default and Lessee may take any reasonable action necessary to comply with IRS regulations including, but not limited to, withholding applicable taxes from rent payments.

10. In all other respects, the remainder of the Lease shall remain in full force and effect. Any portion of the Lease that is inconsistent with this Second Amendment is hereby amended to be consistent with this Second Amendment. All of the provisions hereof shall inure to the benefit of and be binding upon Lessor and Lessee, and their personal representatives, heirs, successors and assigns. This Second Amendment may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, it being understood that all parties need not sign the same counterparts.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Lessor and Lessee have signed this instrument under seal, and have caused this Second Amendment to be duly executed on the day and year first written above.

LESSOR:

Attest:

City of Pensacola,
a Florida municipal corporation

Print Name: _____

By: _____ (SEAL)

Print Name: _____

Title: _____

Witnesses:

Print Name: _____

Print Name: _____

IN WITNESS WHEREOF, Lessor and Lessee have signed this instrument under seal, and have caused this Second Amendment to be duly executed on the day and year first written above.

LESSEE:

Witnesses:

Ebony Gee
Print Name: Ebony Gee

Nicole Arlette Benton
Print Name: Nicole Arlette Benton

T-Mobile USA Tower LLC,
a Delaware limited liability company

By: CCTMO LLC,
a Delaware limited liability company,
its Attorney in Fact

By: Lisa A. Sedgwick (SEAL)
Print Name: Lisa A. Sedgwick
Title: Senior Transaction Manager

Prepared Out of State.

Return to:
Crown Castle
1220 Augusta, Suite 500
Houston, Texas 77057

Tax Map #: 33-1S-30-0501-000-001

MEMORANDUM OF SECOND AMENDMENT TO
LEASE AGREEMENT

THIS MEMORANDUM OF SECOND AMENDMENT TO LEASE AGREEMENT (“Memorandum”) is made effective this ____ day of _____, 2018, by and between the CITY OF PENSACOLA, a Florida municipal corporation (“Lessor”), with a mailing address of PO Box 12910, Pensacola, FL 32521, and T-MOBILE USA TOWER LLC, a Delaware limited liability company (“Lessee”), by and through CCTMO LLC, a Delaware limited liability company, its Attorney-in-Fact, with a mailing address of c/o Crown Castle USA Inc., 2000 Corporate Drive, Canonsburg, Pennsylvania 15317-8564.

WHEREAS, Lessor and Digiph PCS, Inc., an Alabama corporation (“Digiph”), entered into a Lease Agreement dated June 28, 2000 (as amended and assigned, the “Lease”), whereby Lessor leased to Digiph a portion of that property (said leased portion being the “Subject Property”) located at 3200 East Lakeview Avenue (Tax Parcel # 33-1S-30-0501-000-001), Pensacola, Escambia County, State of Florida, and being further described in Book 543, Page 296 in the Escambia County Clerk’s Office for the Escambia County Circuit Court (“Clerk’s Office”), together with those certain access, utility and/or maintenance easements and/or rights of way granted in the Lease; and

WHEREAS, Lessor and Eliska Wireless Ventures, Inc. (“Eliska”), as successor in interest in the Lease to Digiph, entered into that certain First Amendment to Lease Agreement dated March 28, 2001 (“First Amendment”), whereby the parties amended the description of the Subject Property; and

WHEREAS, Lessee is successor in interest in the Lease to Eliska; and

WHEREAS, the term of the Lease commenced on June 1, 2000, and has an original term, including all renewal terms, that will expire on May 31, 2025 ("Original Term"), and Lessor and Lessee now desire to amend the terms of the Lease to provide for additional renewal terms beyond the Original Term, and to make other changes; and

WHEREAS, Lessor and Lessee made and entered into a Second Amendment to Lease Agreement of even date herewith ("Second Amendment") and pursuant to the terms of, and for that consideration recited in, the Second Amendment, the parties wish to hereby amend certain provisions of the Lease, and provide this Memorandum as notice thereof, as follows:

1. Lessor does hereby lease and grant unto Lessee, its successors and assigns, the Subject Property for five (5) additional five (5)-year renewal terms beyond the Original Term, such that the Original Term and all renewal terms of the Lease may last for a term of fifty (50) years, expiring on May 31, 2050, unless sooner terminated as provided in the Lease.

2. The Subject Property is a portion of that property located at 3200 East Lakeview Avenue (Tax Parcel # 33-1S-30-0501-000-001), Pensacola, Escambia County, State of Florida, and being further described in Book 543, Page 296 in the Clerk's Office. A description of said Subject Property is attached hereto as Exhibit A.

3. If Lessor receives a bona fide written offer that it intends to accept from a third party seeking an assignment or transfer of rent payments associated with the Lease ("Rental Stream Offer"), Lessor shall immediately furnish Lessee with a copy of the Rental Stream Offer. Lessee shall have the right of first refusal, to be exercised within thirty (30) days after it receives such copy, to acquire the same interest as in the Rental Stream Offer by providing notice of its intent to exercise such right on the same terms and conditions as in the Rental Stream Offer, excluding any terms or conditions of the Rental Stream Offer that are (a) not imposed in good faith, or (b) directly or indirectly designed to defeat or undermine Lessee's possessory or economic interest in the Subject Property. The details of the right of first refusal granted to Lessee in the Second Amendment are provided in the Second Amendment.

4. This Memorandum contains only selected provisions of the Second Amendment, and reference is made to the full text of the Lease and the Second Amendment for their full terms and conditions, which are incorporated herein by this reference. Except as otherwise provided in the Second Amendment and this Memorandum, the terms and conditions of the Lease remain in full force and effect. This Memorandum may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, it being understood that all parties need not sign the same counterparts. A copy of the Lease and its amendments are located at the office of the Lessee.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Lessor and Lessee have signed this instrument under seal, and have caused this Memorandum to be duly executed on the day and year first written above.

LESSEE:

TENANT:

Witnesses:

Print Name: _____

Print Name: _____

T-MOBILE USA TOWER LLC
a Delaware limited liability company

By: CCTMO LLC,
a Delaware limited liability company
its Attorney in Fact

By: _____(SEAL)
Print Name: _____
Title: _____

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing Memorandum of Second Amendment to Lease Agreement was signed, sealed, delivered, and acknowledged before me this ____ day of _____, 2018, by _____, _____(Title), of CCTMO LLC, a Delaware limited liability company, as Attorney in Fact for T-Mobile USA Tower LLC, a Delaware limited liability company, for and on behalf of the company who [] is personally known to me or who [] produced a _____ as identification.

(Seal)

Notary Public
Print Name:

My Commission Expires: _____

EXHIBIT A

The Subject Property is a portion of the following described property located at 3200 East Lakeview Avenue (Tax Parcel # 33-1S-30-0501-000-001), Pensacola, Escambia County, State of Florida, and being further described in Book 543, Page 296 in the Clerk's Office:

BEGINNING at the intersection of the north line of Fifteenth Street (Lakeview Avenue) and the East line of Watson Avenue prolong as shown on map of East Pensacola Heights, as recorded in Deed Book 77, page 520 of the public records of Escambia County, Florida; thence along the North line of Fifteenth Street S 86°48' E 239.8 feet to an iron pipe; thence N 03°12' E 800 feet to an iron pipe; thence N 86°48' W 800 feet to an iron pipe; thence S 03°12' W 800 feet to an iron pipe on the north line of Fifteenth Street; thence along the north line of Fifteenth Street S 86°48' E 560.2 feet to the point of beginning, containing 14.69 acres, more or less, and located in Escambia County, Florida;

LESS, EXCEPT AND RESERVING unto the UNITED STATES OF AMERICA, its successors or assigns, along with the unrestricted right of ingress and egress, a parcel of land described as follows:

COMMENCE at the intersection of the north right of way line of Lakeview Avenue (formerly 15th Street) with the northerly extension of the east right of way line of Watson Avenue as shown on the map of East Pensacola Heights, as recorded in Deed Book 77, page 520 of the public records of Escambia County, Florida; thence N 86°48' W along the North right of way line of Lakeview Avenue 142.53 feet; thence N 03°12' E 241.23 feet to the point of beginning, hereafter referred to as "Point A," thence N 69°17' W, 200 feet; thence N 20°43' E, 200 feet; thence S 69°17' E, 200 feet; thence S 20°43' W 200 feet to the point of beginning.

The above described parcel lies within Section 2 and Section 5, Township 2 South, Range 29 West, Escambia County, Florida, and contains .92 acre, more or less.

ALSO RESERVING unto the UNITED STATES OF AMERICA, its successors and assigns, along with the unrestricted right of ingress and egress, a power cable easement ten (10) feet in width, more particularly described as follows:

A strip of land ten (10) feet wide lying five (5) feet to the right and left of the following described line:

COMMENCE at "Point A" as described above; thence N 69°17' W 94.68 feet to the point of beginning of said centerline; thence S 44°06' W, 296 feet to the end of said easement.

AND ALSO RESERVING unto the UNITED STATES OF AMERICA, its successors and assigns, along with the unrestricted right of ingress and egress, an easement covering ground radials ten (10) feet wide extending from the tower as follows:

N 41°45' W a distance of 39 feet beyond the Government plot; N 03°12' E a distance of 60 feet beyond the Government plot; N 48°12' E a distance of 55 feet beyond the Government plot; S 86°48' E a distance of 43 feet beyond the Government plot; S 41°48' E a distance of 33 feet beyond the Government plot.



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 19-00102

City Council

2/28/2019

LEGISLATIVE ACTION ITEM

SPONSOR: City Council President Andy Terhaar

SUBJECT:

APPOINTMENT - WESTSIDE COMMUNITY REDEVELOPMENT BOARD

RECOMMENDATION:

That City Council reappoint Jewel Cannada-Wynn as its representative on the Westside Community Redevelopment Board to a term expiring November, 2020.

HEARING REQUIRED: No Hearing Required

SUMMARY:

The Westside Community Redevelopment Board was established pursuant to the requirements of Florida Statute 163.2517(2)(a) and (b) regarding a neighborhood participation process that provides for the ongoing involvement of stakeholder groups in urban infill and redevelopment areas.

Per Ordinance 33-14, adopted by Council on September 11, 2014, the Board shall consist of seven (7) members appointed by the City Council. One member shall be a member of City Council, and six (6) members shall be redevelopment area residents, members of area neighborhood associations for owners or operators of businesses located in the redevelopment area. No member shall be a paid employee of the City. Members of the board shall serve for terms of three (3) years or thereafter until their successors are appointed.

The following incumbent wishes to be considered for reappointment:

Nominee

Jewel Cannada-Wynn

Nominated By

Incumbent

PRIOR ACTION:

City Council makes appointments to this board every three (3) years.

FUNDING:

Budget:

N/A

Actual: N/A

FINANCIAL IMPACT:

None.

STAFF CONTACT:

Ericka L. Burnett, City Clerk

ATTACHMENTS:

- 1) Member List

PRESENTATION: No

Westside Community Redevelopment Board

Name	Profession	Appointed By	No. of Terms	Year	Exp Date	First Appointed	Term Length	Comments
Baldwin, Sr., Doug	Area Business Owner	Council	0	2018	1/31/2021	7/13/2017	3	
Cannada-Wynn, Jewel	Council Member Rep	Council	3	2018	11/30/2018	1/15/2015	2	
Davis (Pastor), C. Marcel	Area Pastor	Council	1	2018	1/31/2021	1/15/2015	3	
Gulley, James L.	Area Resident	Council	1	2018	1/31/2021	1/15/2015	3	
Puryear, Tederria	Area Resident	Council	0	2018	1/31/2021	4/12/2018	3	
Robinson, Dianne	Area Resident	Council	1	2018	1/31/2021	1/15/2015	3	
Shepard, Anny	Area Resident/Business Ow	Council	1	2018	1/31/2021	1/15/2015	3	

Term Length: Three (3) Years

The Westside Community Redevelopment Board was established pursuant to the requirements of F.S. 163.2517(2)(a) and (b) regarding a neighborhood participation process that provides for the ongoing involvement of stakeholder groups in urban infill and redevelopment area. (Ordinance No. 33-14 adopted by Council on 9/11/14)



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 19-00050

City Council

2/28/2019

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

FY 2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

RECOMMENDATION:

That City Council accept the City of Pensacola Comprehensive Annual Financial Report for the year ended September 30, 2018 as prepared by the Financial Services Department and the Independent Auditors Report issued thereupon.

HEARING REQUIRED: No Hearing Required

SUMMARY:

At the end of each fiscal year, the City's Financial Services Department prepares a CAFR as required by Section 11.45 of the Florida Statutes.

PRIOR ACTION:

None.

FUNDING:

Budget: \$87,525

Actual: \$87,525

FINANCIAL IMPACT:

Each fiscal year the cost of an independent audit is included in the City Council's budget.

CITY ATTORNEY REVIEW: Yes

2/13/2019

STAFF CONTACT:

74

Christopher L. Holley, City Administrator
Richard Barker, Jr., Chief Financial Officer

ATTACHMENTS:

- 1) FY2018 CAFR
- 2) SAS 114 Auditor Letter
- 3) Financial Condition Assessment

PRESENTATION: No



Fiscal Year 2018 Comprehensive Annual Financial Report

For the Year Ending September 30, 2018



PENSACOLA
THE UPSIDE *of* FLORIDA

City of Pensacola, Florida



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THE CITY OF PENSACOLA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2018



Prepared by:
Financial Services Department

Richard Barker, Jr.
Chief Financial Officer

ACCOUNTING STAFF
Laura Picklap, CPA
Lakia McNeal, CPA



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**CITY OF PENSACOLA, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2018**

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CITY OF PENSACOLA, FLORIDA

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CITY OF PENSACOLA, FLORIDA

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INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

CITY OF PENSACOLA ORGANIZATIONAL CHART

LIST OF ELECTED AND APPOINTED OFFICIALS



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GROVER C. ROBINSON, IV
Mayor

February 01, 2019

The Honorable Andy Terhaar, President
And Members of the City Council
City of Pensacola
Pensacola, Florida

Pursuant to applicable Florida Statutes and sound financial management practices, the Comprehensive Annual Financial Report (CAFR) of the City of Pensacola, Florida, for the fiscal year ended September 30, 2018, has been prepared and is submitted herewith.

The City of Pensacola's CAFR 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 Robinson took office on November 27, 2018 as the second Mayor to serve under the City's strong mayor form of government.

The Reporting Entity

The financial reporting entity includes all funds of the primary government, as well as all of 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.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*, was implemented during fiscal year 2015. This statement replaces the requirements of Statements No. 27 and No. 50 as they related to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB Statement No. 68 ushers in two substantial changes. The first is each government that offers defined pension benefits to its employees will be required to report on the face of its financial statements the unfunded pension obligation (the "Net Pension Liability"). In the past, the Net Pension Liability was shown in the notes to the financial statements only.

The second substantial change ushered in by GASB Statement 68 is that each local government participating in a defined benefit cost-sharing multiple-employer pension plans, such as the Florida Retirement System (FRS), will be required to report on the face of its financial statements their proportionate share of the "collective" Net Pension Liability. In the past, governments did not directly report information about their proportionate share of these pension obligations. Instead, governments only reported a liability to the extent that they failed to make their required contributions.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than pensions*, was implemented during fiscal year 2018. GASB Statement No. 75 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"). In the past, the Total OPEB Liability report on the face of the financial statements represented only the unfunded annual required contributions since implementation of GASB Statement No. 45 in fiscal year 2008.

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 governmental fund-level statements are not affected by this pronouncement which use a modified-accrual basis of accounting.

Form of Government

On November 24, 2009 voters approved amendments to the City Charter that changed the form of government from a Council-Manager to a Mayor-Council structure commonly referred to as a “Strong Mayor” form of government. The amended Charter became effective January 2010. With the Mayor-Council structure, the Council is the governing body of the City with all legislative powers of the City vested therein, which at the time consisted of nine (9) Council Members, one (1) elected from each of the seven (7) election districts of the City, and two Council members elected at large. On June 11, 2013, voters approved amendments to the City Charter that eliminated the two at-large City Council seats. The number of City Council seats was reduced to seven (7) with the elimination of the two at-large seats in November 2014 and November 2016. 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. Every ten years 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.

In November 2014, voters approved amendments to the City Charter to provide the City Council with the authority to hire staff independent of the Mayor’s authority to hire and dismiss all City officers and employees as well as providing qualified voters of the City the power to remove from office the Mayor or any Member of City Council in the manner provided by general law in Florida Statue 100.361.

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

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 the course of each fiscal year, new initiatives for services, regulations, funding sources, better methods of providing existing services, and citizen comments are brought forward for discussion, study and implementation. Although the budget document is developed at a fixed point in time, and identifies a work plan for a specific period of time, the budget process is fluid.

There are a number of tools used throughout the course of the fiscal year to report on the status of the budget. A report is provided to City Council quarterly on pertinent funds which shows a comparison of revenues and expenditures to budgeted numbers. Additionally, City Council is

provided a monthly financial overview. Monthly reports are generated for public review to provide a more frequent overview of the financial status as compared to budget. In accordance to Chapter 166.241, Florida Statutes, budget amendments within a fund (transfers of amounts from one line item to another) approved by the Chief Financial Officer 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 Chief Financial Officer. Additional assistance is employed through the services of RBC Capital Markets, the City's Financial Advisors.

On September 23, 2016 the City issued its \$6,299,600 Taxable Airport Facilities Grant Anticipation Note, Series 2016 ("2016 Grant Anticipation Note") pursuant to a Loan Agreement dated as of September 23, 2016, between the City and Compass Bank (the "2016 Loan Agreement"). The 2016 Grant Anticipation Note was issued for the purpose of financing a portion of the cost of the construction of a hanger and related facilities at the Pensacola International Airport in anticipation of the receipt of proceeds of a grant from the Florida Department of Transportation. The 2016 Grant Anticipation Note matures on October 1, 2019 and has a floating rate equal to LIBOR plus 178 basis points as more fully described in the 2016 Loan Agreement. Pursuant to the SWAP Agreement (as defined in the 2016 Loan Agreement), the City entered into a variable to fixed interest rate swap transaction with Compass Bank, providing a synthetic fixed interest rate to the City of 3.01%. The payment of principal and interest on the 2016 Grant Anticipation Note and all obligations of the City under the SWAP Agreement are payable solely by a first priority lien upon and pledge of the Pledged Funds which consist primarily of the Grant Proceeds. Pursuant to the 2016 Loan Agreement, the City may draw principal during the Draw-Down Period which commenced on January 1, 2017, and shall end on January 1, 2018. On October 2, 2017, \$6,299,600 was drawn-down under the 2016 Loan Agreement and on November 1, 2018, the City paid in full the 2016 Grant Anticipation Note in the amount of \$6,299,600.

On October 18, 2017, the City issued its \$25,000,000 Infrastructure Sales Surtax Revenue Bond, Series 2017 (the "2017 Infrastructure Bond"). The 2017 Infrastructure Bond was issued for the primary 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. The 2017 Infrastructure Bond matures on October 1, 2028 and has a fixed interest rate of 2.15%. Pledged revenues for the repayment of the principal and interest will be Infrastructure Sales Surtax revenues.

On November 15, 2017, the City issued its \$8,000,000 Urban Core Redevelopment Revenue Bond, Series 2017 (the "2017 Urban Core Bond"). The 2017 Urban Core Bond was issued for the primary purpose of financing the acquisition of land, construction of certain streetscape projects, sidewalk enhancements, Jefferson Street Road Diet Project and Bay Ferry Project and certain other community redevelopment capital improvements to the Urban Core Community Redevelopment Area included in the Urban Core Community Redevelopment Area Plan. The

2017 Urban Core Bond matures on April 1, 2040 and has a fixed interest rate of 3.60%. Pledged revenues for the repayment of the principal and interest will be Tax Increment Revenues derived from the Urban Core Community Redevelopment Area. In the event that these revenues are insufficient to pay debt service, the 2017 Urban Core Bond is further secured by certain non-ad valorem revenues budgeted and appropriated therefor pursuant to a Covenant to Budget and Appropriate.

On July 18, 2018 the City issued its \$29,678,000 Airport Refunding Revenue Note, Series 2018 ("Airport 2018 Note") and applied the proceeds, together with \$1,067,000 in surplus monies held in the Debt Service Reserve Fund, to refund all of the remaining outstanding Airport Revenue Bonds, Series 2008 ("2008 Airport Bonds") through a loan from Compass Bank. The economic gain resulting from the refunding transaction, calculated on a present value basis, totaled \$6,082,434 and the cash flow savings totaled \$10,288,707. The outstanding par amount of the 2008 Airport Bonds was \$30,745,000 and had a fixed interest rate ranging from 5.5 percent to 6.25 percent. The newly issued Airport 2018 Note matures on October 1, 2038 and has a fixed rate of 3.93 percent. Pledged revenues for the repayment of the principal and interest on the Airport 2018 Note will be derived from the net revenues of the Pensacola International Airport. The Airport 2018 Note is further secured by certain PFC revenues, to the extent that such PFC revenues are deposited into the bond fund.

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 2018 business-type activities paid a total of \$8.4 million and \$3.8 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 and tax increment revenues. The City paid a total of \$7.7 million and \$3.9 million, respectively for principal and interest, for governmental activities debt during fiscal year 2018. The City typically issues debt with a levelized structure thereby eliminating large increases and decreases in principal payments from year to year. However, a \$3.1 million increase can be seen in fiscal year 2018 mainly due to the first payment on the City's Capital Lease, Series 2015 and the first large payment on the City's Local Option Gas Tax Revenue Bond, Series 2016. 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. However, due to a delay in receiving required audit information from the State of Florida for pension disclosure under GASB 68, the City was not able to meet this deadline for fiscal year 2015. Therefore, on March 28, 2016, the City filed a Notice of Failure to File Annual Report, for fiscal year 2015, on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System (EMMA). The required audit information was received in mid-April 2016 from the State, and the complete Annual Report, including audited financial statements for fiscal year 2015, was filed on EMMA on May 12, 2016, which filing along with the above mentioned Notice cured the violation. The Comprehensive Annual 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 approximately 49,000 service connections and is one of the largest municipal gas distribution systems in Florida as it relates to customer base.

Pensacola Energy had operating income before depreciation of \$16,452,057; an increase of \$3,906,500 over last year. Operating revenue increased by \$5,145,605 (11.4%) during fiscal year 2018 and operating expenses increased by \$1,239,105 (3.8%). The primary reason for the increase in operating revenue and operating expense is a result of increases in natural gas sales, increases in Infrastructure Cost Recovery as well as increases 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 2018, the cost of natural gas increased by \$1,200,718. Excluding the cost of gas, operating expenses increased by \$38,387. The revenue classification for billed gas service is 49.7% residential, 29.1% commercial and 21.2% industrial.

Pensacola Energy budgets for normal winters; however, actual revenues fluctuate with the cost of natural gas and weather patterns. Pensacola Energy's rates are adjusted annually with the Consumer Price Index (CPI) if approved by City Council. A 0.1% CPI decrease was approved in fiscal year 2016; no CPI was approved in fiscal year 2017; a 3.3% increase was approved in fiscal year 2018.

Fiscal year 2019 operating revenues are budgeted at \$52.3 million, \$635,200 (1.3%) higher than the prior year budget. An increase in navy project revenues accounts for the majority of the increase. Fiscal year 2019 appropriations decreased \$1,478,500 (2.8%) over fiscal year 2018 mainly due to a \$385,000 decrease in capital outlay, \$332,100 decrease for the cast iron replacement program and a \$834,500 decrease in debt service payments related to the retirement of the Gas System revenue Bonds, Series 2010B. Pensacola Energy's transfer to the General Fund is budgeted to remain at \$8 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 to approximately 19,000 customers. Commercial dumpster services are provided by private hauling companies that are franchised by the City and regulated by the Sanitation Services department.

Sanitation had operating income before depreciation of \$1,008,003; an increase of \$571,400 over the prior fiscal year. Operating revenue by \$363,071 (4.7%) during fiscal year 2018 and expenses decreased by \$208,329 (2.9%). The primary reason for the increase in operating revenue over the prior fiscal year is attributed to the monthly Sanitation rate increase of \$1.26 per month as well as a \$1.00 per month Sanitation Equipment Surcharge (which increased to \$2.00 in fiscal year 2018) approved by City Council effective June 1, 2017. The funds generated

by the Sanitation Equipment Surcharge will be used for the replacement of sanitation equipment. Commercial Solid Waste Franchise fees are set at \$1.50 per cubic yard of non-compacted waste and are used to sustain the Code Enforcement operation. The primary decrease in expense can be linked to increased personal costs. Residential sanitation fees are set at \$24.64 per month and support the self-sustaining Sanitation Services operation. In addition, there is a fuel and lubricant pass-through surcharge that began the year at \$1.10 per month and ended the year at \$1.20 per month for fiscal year 2018.

Fiscal year 2019 revenues are budgeted at \$8.3 million, \$440,600 (5.6%) higher than the prior year budget. Anticipated increases in residential refuse charges and a new equipment surcharge based on the rate change effective June 1, 2017 account for the majority of the increase. Fiscal year 2019 appropriations increased by \$591,600 (7.3%) over fiscal year 2019 budget mainly due to a \$370,000 increase in the capital outlay to purchase new refuse trucks and a \$133,900 increase in landfill fees.

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 two basic categories of freight are general cargo and bulk cargo.

The Port operated at a loss of \$366,538 before depreciation expense of \$1,124,406; a decrease from last fiscal year by \$493,388. Operating revenues increased \$200,502 (18.9%) and expenses decreased by \$292,886 (15.3%). The primary reason for the increase in operating revenue can be linked to a decrease in write-off activity on delinquent accounts. The decrease in expense can be linked to a decrease in salaries, repairs and maintenance and office and utilities.

For many years the Port of Pensacola has been the recipient of Florida Seaport Transportation and Economic Development Trust Fund (FSTED) monies to fund capital projects. During fiscal year 2018, the Port was awarded \$47,600 (\$10,700 in FSTED funds requiring \$36,900 in local match) for maintenance dredging of port Berths 3 and 5.

Fiscal year 2019 operating revenues are budgeted at \$1.6 million, \$8,800 (0.5%) lower than the prior year budget as a result of the slowing industry. Storage Fees decreased by \$59,500 based on the industry and current year activity. Also fees impacted from the industry slowdown such as Handling Fees, Harbor Fees, Security Fees and Stevedore Fees decreased \$27,800. Offsetting these decreases is a combined increase of \$61,300 in Wharfage and Dockage Fees which are based on the anticipated vessels coming to the Port of Pensacola and a \$16,200 increase in property rental. Fiscal year 2019 appropriations decreased by \$158,800 over fiscal year 2018 budgeted totals primarily due to a decreases in operating cost such as liability insurance, utilities and repairs and maintenance.

Pensacola International Airport

The City of Pensacola owns the 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 2018, 1.9 million passengers utilized the scheduled service of six airlines to eighteen non-stop destinations making Pensacola the 98th largest airport out of over 400 commercial service airports in the United States in terms of the total number of domestic passengers served.

The Airport had operating income before depreciation of \$9,232,733; a \$1,107,585 increase over last fiscal year. The Airport Fund's operating revenues increased by \$1,603,731 (7.4%) in fiscal year 2018. Airline revenues account increased by \$48,292 and non-airline revenues increased by \$1,555,439. The primary reason for the increase in non-airline revenues is attributed to parking and rental car revenues. The Airport Fund's operating expenses increased by \$496,146 (3.7%). The increase in expense can be linked to an increase in contractual services.

Fiscal year 2019 operating revenues are budgeted at \$20.6 million, \$226,000 (1.1%) higher than the prior fiscal year budget. Anticipated increases in non-airline revenues and rental car customer facility charges account for the increase. Fiscal year 2019 operating appropriations increased by approximately \$2.6 million over fiscal year 2018 budgeted totals primarily due to a \$1.7 million increase in capital outlay and a \$2.0 million increase in debt service payments related to the Customer Facility Charges Revenue Note. Offsetting those increases was a reduction of \$1.4 million in operating expenses.

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 Events and Future Year Plans

The Pensacola City Council approved a fiscal year 2018 budget of \$228,848,000, an increase of \$10,856,800 from the 2017 budget. Overall appropriated fund balance increased by \$9,421,400 and overall revenue estimates increased by \$1,435,400. The General Fund anticipated an increase in revenues of \$834,000 (1.6%) due to a \$582,400 increase in property taxes as a result of a 5.79% increase in property valuation, \$30,300 increase in Communication Service Tax based on prior year receipts, \$191,800 increase in Public Services Tax and franchise fees in anticipation of a normal winter as well as the cost of energy, \$101,800 decrease in intergovernmental revenue based on prior year State Revenue Sharing receipts and \$163,900 in charges for services. The Debt Service Funds anticipated an increase of \$760,500 (16.1%) mainly due to increased transfers to cover debt service. The Special Revenue Funds anticipated a decrease in revenues of \$268,100 (0.7%) mainly due to decreased intergovernmental revenues based on available grant funding. The Enterprise Funds anticipated an increase in revenues of \$407,500 (0.5%). Natural gas sales were projected at \$50,394,500, an increase of \$1,351,000 or 2.8% from the fiscal year 2017 budget. The increase is attributed to increases in the Consumer Price Index which is a component of Pensacola Energy's rate structure as well as infrastructure recovery revenues which allows infrastructure replacement costs to be collected through rates the year following the infrastructure expenses. Offsetting the increase in natural gas sales is decrease of \$627,100 in anticipated CNG rebates. Sanitation revenues were projected at

\$7,818,400, an increase of \$495,800 or 6.7% from the fiscal year 2017 budget. The increase is attributed to a rate increase of \$1.26 per month as well as a \$1.00 per month Sanitation Equipment Surcharge (which increased to \$2.00 in fiscal year 2018) approved by City Council effective June 1, 2017. Port revenues were projected at \$1,627,900, a decrease of \$441,600 or 21.3% from the fiscal year 2017 budget based historical trend information on vessel activity as well as current lease agreements. Fiscal year 2018 Airport budgeted revenues remained fairly consistent with fiscal year 2017 budget. Pensacola International Airport revenues were projected at \$20,333,000, an increase of \$238,200 or 1.2% from the fiscal year 2017 budget.

Departmental events and plans

Planning Services provides the public the opportunity to obtain input from the administrators of Planning Services, Inspection Services, Public Works and Engineering by coordinating a standing weekly development review meeting. Planning Services continues to maintain the City's Comprehensive Plan, which was updated in 2010, and will be coordinating the update of the Comprehensive Plan with other City Departments in 2019. Planning Services also maintains the current Land Development Code (LDC) and continues to work towards encouraging mixed-use development, and implementing form-based, sustainable development guidelines to create a more walkable-built environment.

The Pensacola Police Department continued its efforts through community policing strategies to improve communication and relationships between officers and the public by fostering a closer police-community relationship during fiscal year 2018. In an effort to achieve this goal, the department participated in numerous town hall meetings to discuss concerns within the community, worked with neighborhood groups to inform residents about problems in their areas, how to try to make their neighborhoods safer and also offer another Citizen's Police Academy, increasing intentional face-to-face contact with the public to open lines of communication and continued periodic Coffee with a Cop days held at various locations.

The department also pursued additional funding sources that would allow the department to improve ways in which police services were provided and further prevent crime. During the past fiscal year, the department received \$48,024 in local, state and federal grants to purchase items necessary to further crime prevention goals as well as improve officer safety. Grant funds were used to purchase items such as Bullet Proof Vests, as well as provide overtime specifically designated for addressing gun crimes and enforcing DUI laws. In addition, the department received \$37,694 for overtime reimbursement through multi-jurisdictional task forces through the U.S. Marshal's Office; Bureau of Alcohol, Tobacco, Firearms and Explosives; Organized Crime Drug Enforcement Task Force; and the Internet Crimes against Children Task Force and other miscellaneous revenues.

In fiscal year 2019, the department will continue its efforts to reduce crime by increase concentrated patrols in known problem areas for burglaries, drugs, etc. as well as partner with neighborhood associations to educate them about crime in their areas as a means of helping share information with residents and encourage them to watch for criminal activities.

The Pensacola Fire Department maintained its Insurance Services Organization (ISO) Class 2 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, 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 2018, two fire engines were replaced, the new Fire Station 3 continued construction, and the design of a grant-funded live fire training simulator began. The Fire Cadet Program has been tremendously productive and continues to elevate departmental recruiting, improve staffing, and promote diversity. Thermal Imaging Cameras are now on all apparatus, enhancing our ability to search for victims and hazards in low visibility. Incident reporting and record management continues to advance allowing us to accurately monitor, evaluate, and improve what is occurring within the department. Employee training and development continues to evolve with Training Division coordination which promotes uniformity in all-hazards training exercises and response readiness.

In fiscal year 2019, the department will strive to continue the advancement of the Fire Cadet Program through development of renewed recruitment strategies. New Fire Station 3 will finish construction and become response ready. Community outreach and fire prevention/education initiatives will continue and new programs are being implemented including the “Escape Fire in the Home” program. New employee and supervisor drills, training and development programs will be implemented. Training exercises and increased aircraft rescue firefighting (ARFF) response drills will further develop response readiness. Upgrades to the City Emergency Coordination Center including connectivity and communications with the Escambia County EOC will continue. Equipment upgrades, including extrication airbags, will provide fire companies with more options during rescue operations. The Pensacola Fire Department will continue to provide a wide range of services and programs designed to protect the lives and property of the citizens and visitors to the City of Pensacola from adverse effects of fires, sudden medical emergencies or exposure to dangerous conditions created by either man or nature.

The Parks and Recreation Department continued its committed 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 93 parks and open spaces, along with 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.

Numerous park improvements occurred in fiscal year 2018. Bill Gregory park received a major renovation by converting a portion of the park into a storm water management facility while also rebuilding the two game fields from the ground up. Additional park projects included: refurbishment of Belvedere, Aviation, and Eastgate Parks; repairs and refurbishment of Tippin Park playground; countless volunteer cleanup days at Chimney Park and Bay Bluffs Natural Area; repaving of Bayou Texar boat launch parking lot and the awarding of a contract to rebuild Bayview Community Resource Center; refurbished the gazebo at Alabama Square and opened the Chappie James Museum and Flight Academy; and installed three new outdoor fitness courts throughout the city, including two at Maritime Park and Legion Field. The department will continue to develop the park master plan based on a parks needs assessment report from

University of West Florida (UWF). Fricker Center, Bayview Senior Center, and Gull Point Center are all receiving some much needed improvements during fiscal year 2019.

Events at the Community Maritime Park continued to increase its participation in fiscal year 2018 with UWF Football returning for all home games this football season of an attendance of over 6,000. Seasonal events such as Blues on the Bay Concert series and the Hill-Kelly Movies at the Park series stayed constant with participation numbers varying from 700 to 2,500 in attendance. The department ended the year with 58 events with a total attendance of 62,000 which is constant with 2017.

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.

Parks and Recreation has been active in Americans with Disabilities Act (ADA) improvements to the City's parks in the past fiscal years by having an ADA assessment done on each park to identify deficiencies in each Park. Parks and Recreation plans to use this information to make additional ADA improvements in fiscal year 2019.

The Public Works and Facilities Department continued to meet its mission statement of providing courteous and quality service, while maintaining the City's current infrastructure and constructing new infrastructure. The department maintains 332 miles of roadway, 53 stormwater ponds, 85 various underground stormwater treatment units, 18 ditches, 2,193 drainage inlets and 15 major stormwater outfalls. Approximately 2,300 miles of roadway were swept and approximately 3,423 tons of road debris were removed during fiscal year 2018.

During fiscal year 2018, the department completed Phase II and Phase III of the resurfacing project which resurfaced 1,200 city blocks of asphalt roadway, repaired/replaced approximately 4,393 feet of existing sidewalk, installed 111 handicap ramps, repaired over 423 potholes, addressed 218 traffic signal issues, and repaired over 104 City owned streetlights. The department converted over 450 City owned street lights to LED for energy savings mainly in the downtown core area. In addition, the department installed 12 new video detection systems and 10 uninterrupted power supplies to traffic signals owned by the City and State. Several significant capital stormwater projects were also completed that provided enhanced treatment and flooding abatement in numerous areas of the City. Major capital stormwater projects included the installation of a new stormwater vault at a project titled "R" Street at Maggie's Ditch Stormwater Treatment Enhancement Project, installation of a large stormwater treatment vault in a project titled Clematis Street at Carpenters Creek Stormwater Treatment Enhancement Project, two large scale flood remediation projects which included installation of four stormwater treatment units (one titled 19th Avenue and Blackshear Avenue Stormwater Treatment Enhancement Project and the other titled L Street and Zaragossa Street Stormwater Treatment Enhancement Project), construction of the Bayou Chico Restoration - Bill Gregory Park Regional Treatment Facility, installation of the new Gaberone Swamp/Pensacola Bay

Watershed Improvements - Spanish Trail Retention Pond, and construction of a major pipe rehabilitation project on “A” Street.

In fiscal year 2019, the department will complete several large stormwater capital improvement projects including Woodcliff Drive at Livingston Outfall Stormwater Treatment Enhancement Project, Raintree, Stow, and Menendez Outfalls at Bayou Texar Stormwater Treatment Enhancement Project, East Cross Street, Yates, Escambia and Osceola Outfalls at Bayou Texar Stormwater Treatment Enhancement Project, Davis Highway at Carpenter Creek Outfall Stormwater Treatment Enhancement Project, Texar Drive and 18th Avenue Bayou Texar Outfall Stormwater Treatment Enhancement Project, as well as two large grant-funded stormwater projects including 12th Avenue and Cross Street HMPGP Stormwater Improvement Project and Lee Street Area-A HMGP Stormwater Improvement Project. In addition, the department will complete replacement of the Jefferson Street Cobra head lighting to new LED historical replica lighting and start the replacement of Spring Street, Baylen Street, Intendencia Street, and Rues Street lighting to match Jefferson Street. The department also will be replacing 210 City owned street lights with LED lights along Summit Blvd, Spanish Trail, Wright Street, and Palafox.

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, that encompasses the entire City from 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 brought a variety of public and private sector redevelopment improvements since its inception. Most recently, public improvements to a 27-acre waterfront parcel on Pensacola Bay in the downtown area which created the Vince Whibbs, Sr. Community Maritime Park, a multi-use athletic stadium, amphitheater, public promenade, and parcels available for private development. In order to make the public improvements the City issued the Redevelopment Revenue Bonds, Series 2009. The majority of future tax increment revenues are currently set aside to pay debt service on the Redevelopment Revenue Bonds, Series 2009 and fund the operations of the CRA.

With the recent growth in tax increment revenues, the City was able to issue the Urban Core Redevelopment Revenue Bond, Series 2017. These bonds focus on several community redevelopment projects aimed at encouraging neighborhood livability and blight removal. These and other CRA initiatives, slated for implementation during fiscal year 2019, will include residential and commercial improvement programs, streetscape enhancements and the adoption of urban design standards.

The Eastside Community Redevelopment Area was established in 2005. In fiscal year 2017 the Eastside Redevelopment Revenue Bonds, Series 2017, were issued to fund the reconstruction of the historic birth site of General Daniel “Chappie” James, Jr., America’s first African American four star general. The project accommodates the operation of a commemorative museum and youth flight academy at the site, which is listed on the National Register of Historic Places. The

CRA completed construction of the museum and flight academy facilities in early 2018. Construction of additional parking to support the facility is anticipated to be completed during the upcoming year. In addition to paying debt service, Eastside tax increment revenues will fund the implementation of affordable housing programs and public improvement projects during fiscal year 2019.

The Westside Community Redevelopment Area was established in 2007. Tax increment revenues were not received for many years due to the 2008 decline in property values. In order to remedy this, City Council, reaffirmed/redeclared 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 fiscal year 2017 the Westside Redevelopment Revenue Bonds, Series 2017, were issued to fund critical Westside redevelopment initiatives supporting blight removal and neighborhood livability. Projects include streetscape enhancements along the “A” Street corridor and infrastructure improvements in the West Moreno district. In addition to paying debt service, Westside tax increment revenues will fund the implementation of commercial façade improvement and affordable housing programs during fiscal year 2019.

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 Division focused on continuing to meet the community’s need for supportive services including providing decent, safe, and affordable housing to enhance the quality of life for all area residents.

In support of the Mayor’s initiative to enhance the appearance of the community, 27 families had their homes rehabilitated through the City’s Community Development Block Grant (CDBG) Housing Rehabilitation Program during fiscal year 2018. The services of this program include project development and administration to aid moderate and low income homeowners in repairing their homes. The program’s successful outcomes include fostering affordable workforce housing and neighborhood reinvestment, providing jobs, and reducing blight while spending program funds with local businesses. The HOME Reconstruction Program provided two families with newly reconstructed homes on their own lots after demolition of their existing substandard homes. Funds received through the State Housing Initiatives Partnership (SHIP) program supported six families with repairs to their home.

Additionally, CDBG funds supported code enforcement inspections at 248 individual addresses within the CDBG target area; the delivery of 16,588 meals for elderly and/or disabled city residents through the Council on Aging of West Florida, Inc.’s nutritional service programs; and counseling, guidance, and educational information for 130 families through Homebuyers Club and Foreclosure Prevention Program. This counseling resulted in 71 families purchasing homes within the community.

SHIP funds were used to assist 118 families in the community reach the goal of homeownership. The HOME Homebuyer Program assisted 9 families in the community reach the goal of homeownership. In January 2017, City Council supported the establishment of the Housing Initiatives Fund and the City of Pensacola Housing Incentive Program, reported in the City's General Fund, to offer homebuyer assistance to families interested in purchasing homes within the city. During 2018, utilizing a combination of homebuyer programs, 20 families successfully purchased homes within the city.

The Section 8 Housing Choice Voucher (HCV) Program provided rental assistance for approximately 2,285 extremely and very low income families each month during fiscal year 2018. This reflects approximately \$1.3 million in monthly rental housing assistance in our community, paid out to an estimated 650 local landlords. Housing Division completed 3,532 inspections of rental units ensuring that families were residing in decent and safe living conditions. The HCV Program stabilizes families and allows them to fulfill their other household obligations, pursue jobs and continue their education, while offering steady monthly rental income to area property owners.

An average of 169 homeless veterans received rental assistance each month through the Veterans Affairs Supportive Housing Program (HUD-VASH). Participants received VA case management services as well as rental assistance from the City to secure housing. During fiscal year 2017 and 2018, the Housing Division submitted letters of interest to U.S. Department of Housing and Urban Development requesting additional HUD-VASH vouchers and was awarded 21 new vouchers. Since the initial allocation of 25 HUD-VASH vouchers received in 2009, the Housing Division has made application and been awarded 178 additional vouchers to address the housing needs of homeless veterans in the community.

In partnership with Opening Doors Northwest Florida, Inc., utilizing an allocation of funds from the Florida Housing Finance Corporation's state administered federal HOME Investment Partnerships Act, the City was able to provide rental assistance to 13 formerly homeless families offering them the opportunity to stabilize their living conditions and employment opportunities.

Pensacola Energy made great strides in 2018 in the areas of infrastructure replacement and system expansion. Fifty-one miles of main installation was completed to replace aging cast iron main and an additional nine miles of main installation was completed to replace steel main in existing downtown neighborhoods and along Nine Mile Road. Ten miles of natural gas main was installed in eight new subdivisions serving over 480 lots. Commercial activity has also significantly increased downtown and in the area surrounding the Navy Federal Credit Union campus with a new elementary school built along with numerous retail and restaurant establishments.

Pensacola Energy's last rate increase of 6.9% occurred in fiscal year 2012. 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 comprised of three separate activities, including Sanitation Services, Code Enforcement and Fleet Management. In fiscal year 2018, Sanitation Services collected 28,923 tons of solid waste and 4,370 tons of curbside 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 once per year. The ten neighborhood cleanups completed in fiscal year 2017 resulted in the removal of 484 tons of bulk waste, 1,389 old tires and 5,942 cans of old paint.

In 2009, the City began a citywide recycling program in conjunction with a change to once-a-week garbage collection. The City's curbside recycling program would have achieved a 21% diversion rate in fiscal year 2018 if the 4,370 tons of materials collected, that would have previously been disposed of in the county landfill, been recycled. Unfortunately, during fiscal year 2018, the City's recycling vendor underwent bankruptcy and until the City was able to secure a new vendor, the materials collected under the recycling program was disposed of in the county landfill. Had the City been able to recycle the full 4,370 tons of materials collected, the City's total recycling rate would have been 50%. That rate combines materials recovered from the curbside recycling program with the 13,280 tons of yard trash collected. In July 2018 the City contracted with Escambia County Utility Authority (ECUA) to provide recyclable processing.

In March 2015, the City of Pensacola and Escambia County entered into an Interlocal Agreement that provides for exchange of services that benefit each entity. The agreement provides the City with no-cost yard trash disposal in exchange for providing ten county neighborhood cleanups.

The Port of Pensacola's fiscal year 2018 cargo tonnage was up nearly 5% to 2017. The number of vessel calls nearly doubled but vessel stays were generally shorter than in 2017, with total vessel dockage days up just 23%. The slight uptick in cargo volumes is the result of the port securing its first ever regularly-scheduled containerized cargo liner shipping service. World Direct Shipping began this new shipping service between Pensacola and the Yucatan region of Mexico in February 2018. For fiscal year 2019, the Port anticipates continuation of its existing base book of business. Additionally, a new vessel conversion/modification contract secured by one of the port's tenants, Offshore Inland Marine and Oilfield Services, will result in an increase in vessel dockage revenue, which should continue for at least the next two years.

The Pensacola International Airport had 1.9 million passengers in fiscal year 2018 utilized the scheduled service of six airlines to eighteen non-stop destinations. In fiscal year 2018, the Pensacola International Airport completed three large projects, began one project, and continued with the update of the Master Plan.

The rehabilitation and expansion of the cargo apron utilized by United Parcel Service Co. located to the north of the terminal facility was the first project completed in fiscal year 2018. The project was funded with grants from the Federal Airport Improvement Plan and the Florida Department of Transportation Strategic Intermodal System Plan. Local matching funds came from the Airport's Capital Improvement Account. It entailed not only the complete reconstruction of the existing portions of the ramp utilized for cargo operations, but also an expansion to add capacity.

In 2004, the Airport began to acquire property abutting the northwest quadrant of the facility. The acquisitions were necessary to protect the Airport from the possibility of future incompatible development and to provide area to expand Airport activity. Since commencement of activity, the Airport has acquired 94 residential and 26 commercial parcels. The final purchases were completed in 2018, and all remaining unused structures were demolished. The acquisitions were funded through grants from the Florida Department of Transportation and the Department of Economic Opportunity. The estimated 65 acres of land is now ready for development.

Construction for the Airport's first large scale Maintenance Repair Overhaul (MRO) facility, located in the northeast quadrant off of Runway 17/35, was completed in June 2018. This 173,000 square foot hangar facility is now in operation, providing approximately \$260,000 in annual rent to the airport, and providing hundreds of jobs for local residents. Pooled funding for the project was provided by Florida Department of Transportation, Escambia County, City of Pensacola, Department of Economic Opportunity, and the tenant.

The Airport's most current Master Plan was completed in 1999. In fiscal year 2015, the Airport solicited qualifications from firms experienced in airport master planning services. Beginning in fiscal year 2016, the selected consultant reviewed the existing conditions of the Airport and analyzed the future passenger, aircraft, and facility development demands. The consultant developed alternatives to ensure the future demands can be met from both a financial and an operational standpoint. The project is now substantially complete with City Council approval expected in January 2019. The master planning services are funded through Passenger Facility Charges that have already been collected.

For fiscal year 2019, the Airport will continue with the development of the facility with the expansion of the MRO campus, the construction of a Customs and Border Protection General Aviation Facility, the design process of which began in 2018, the expansion of public parking facilities, and the implementation of projects outlined in the Master Plan to accommodate the forecast needs of the Airport for the next five years.

Citywide topics

In fiscal year 2018, the City lost three (3) key staff employees: the City Administrator, Inspection Services Administrator, and Sanitation & Fleet Management Director. Keith Wilkins was appointed to the vacant City Administrator on August 3, 2018. Jonathan Bilby was appointed to the vacant Inspection Services Administrator on August 20, 2018. Dennis Fleming was appointed to the vacant Sanitation & Fleet Management Director position on August 27, 2018. The City experienced an 11.35% turnover rate in fiscal year 2018, a slight decrease over the fiscal year 2017 rate of 13.8%. Based on exit interviews, employees cited increased compensation from other job opportunities and retirement as the main reason for their separations.

In August 2009, the CRA entered into an agreement with the Emerald Coast Utilities Authority (ECUA) as a financial commitment to demolishing the Main Street Waste Water Treatment Plant located in the downtown area. The City committed up to \$19.5 million for the project with installments commencing in fiscal year 2013. The City pledged water and sewer franchise fees and beverage license tax revenues in the agreement and subsequently entered in to an agreement

with the CRA wherein the annual installments to ECUA will be paid from Tax Increment Financing (TIF) revenues generated by the CRA. If there are insufficient TIF revenues, the City will make the payment and CRA will reimburse the City when funds become available.

The City has five unions and negotiated pension reform over the past few years. The American Federation of State County and Municipal Employees (AFSCME) union and the City entered into a three year agreement on September 19, 2018 for fiscal years October 1, 2018 through September 30, 2021. The contract provides for the AFSCME members to receive a 3% pay increase effective October 1, 2018, October 1, 2019 and October 1, 2020. The City and the three police unions entered into a three year agreement on September 13, 2018 for fiscal years October 1, 2018 through September 30, 2021. The Police Officers' contract provides for the members to receive a 10% pay increase effective October 1, 2018, and 4% pay increase effective October 1, 2019 and October 1, 2020. The Police Sergeants' contract provides for the members to receive a 3% pay increase effective October 1, 2018, and 4% pay increase effective October 1, 2019 and October 1, 2020. The Police Lieutenants' contract provides for the members to receive a 3% pay increase effective October 1, 2018, October 1, 2019 and October 1, 2020. The City and International Firefighters' Association (IFFA) entered into an agreement July 25, 2017 for fiscal years October 1, 2017 through September 30, 2020. The IFFA contract provides for the members to receive a 3% pay increase effective October 1, 2017, October 1, 2018 and October 1, 2019.

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 2018 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 comprehensive annual financial report for the fiscal year ended September 30, 2017. 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 thirty-seven of its last thirty-eight fiscal years.

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,



Grover C. Robinson, IV
Mayor



Richard Barker, Jr.
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Pensacola
Florida**

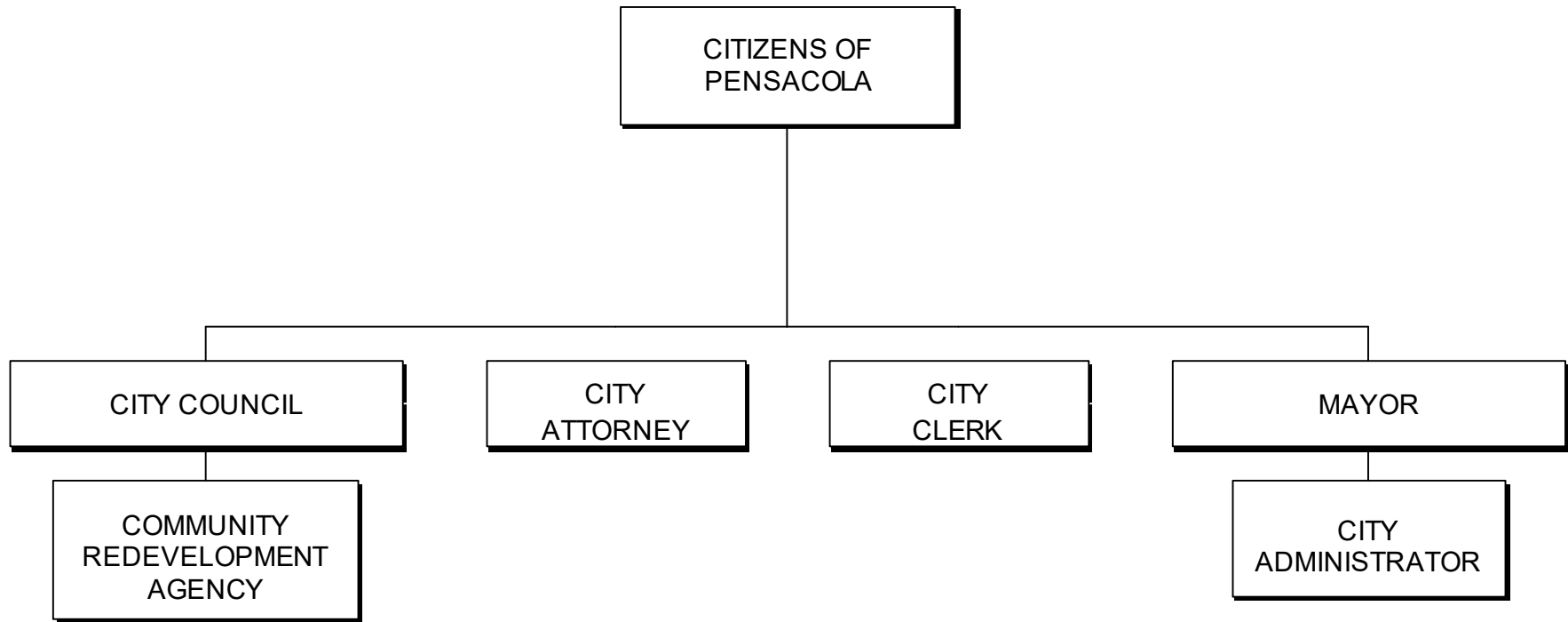
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

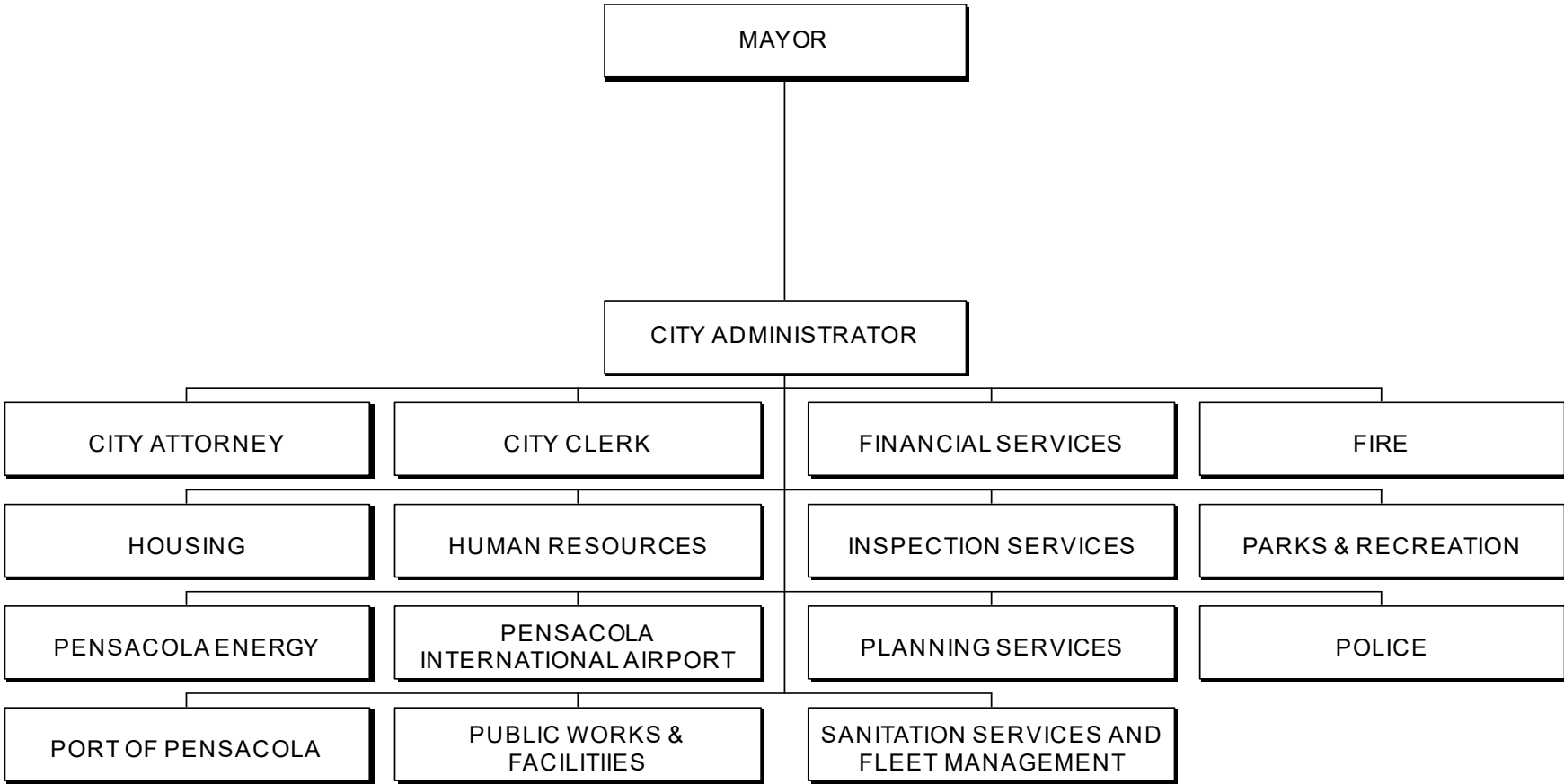
Christopher P. Morill

Executive Director/CEO

**CITY OF PENSACOLA
FISCAL YEAR 2018
ORGANIZATIONAL CHART**



CITY OF PENSACOLA FISCAL YEAR 2018 CITY FUNCTIONAL CHART



CITY OF PENSACOLA, FLORIDA
LISTING OF ELECTED AND APPOINTED OFFICIALS

ELECTED OFFICIALS
FY 2018 MAYOR & CITY COUNCIL



Ashton J. Hayward, III
Mayor



Sherri F. Myers
Council Vice President
District 2



P. C. Wu, Ph.D.
District 1



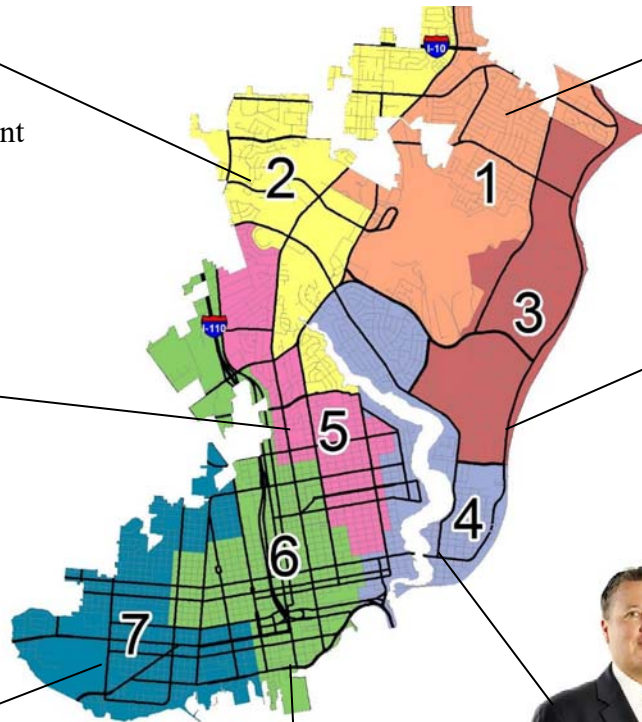
Gerald Wingate
Council President
District 5



Andy Terhaar
District 3



Jewel Cannada-Wynn
District 7



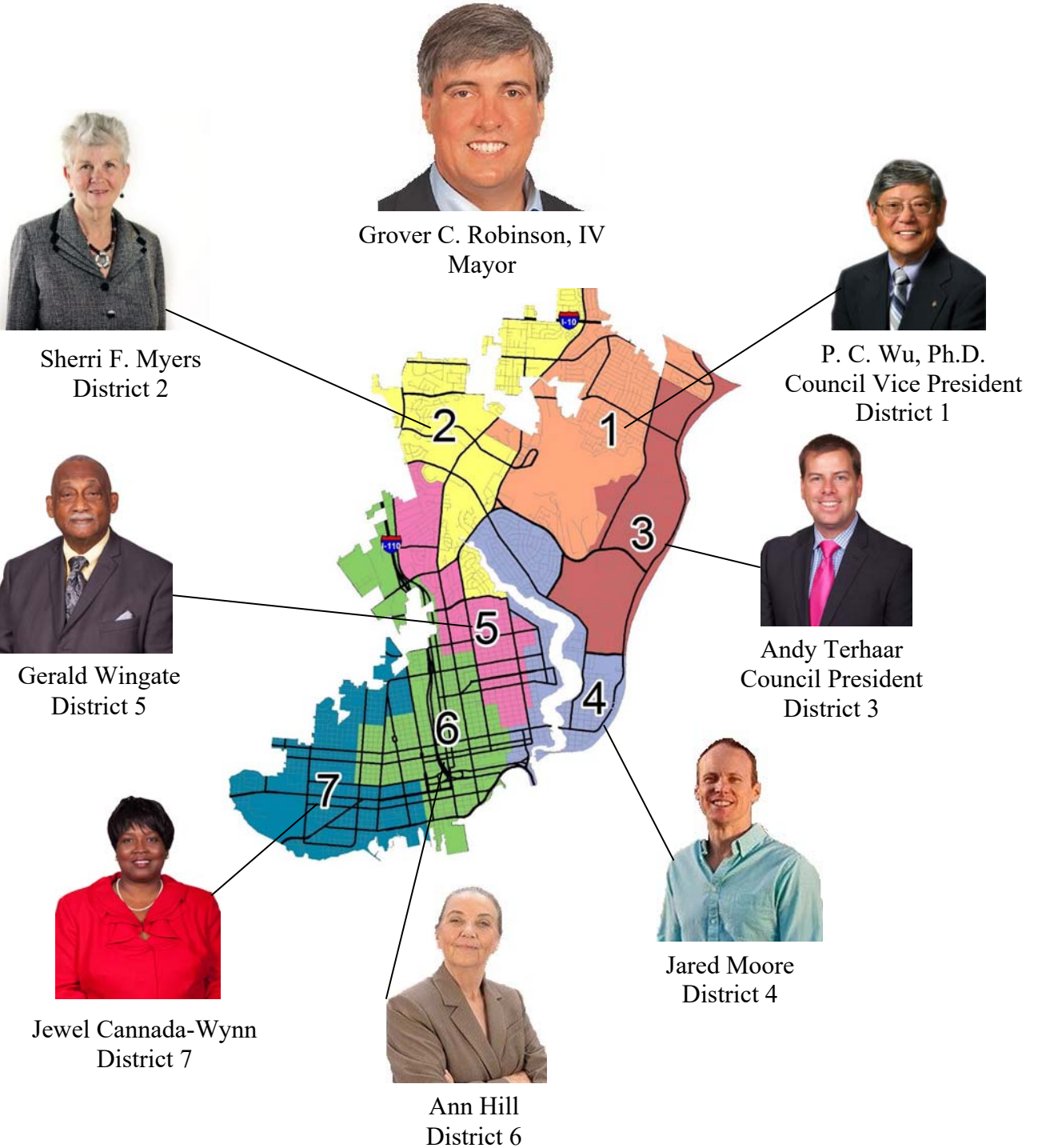
Larry B. Johnson
District 4



Brian Spencer
District 6

CITY OF PENSACOLA, FLORIDA
LISTING OF ELECTED AND APPOINTED OFFICIALS

ELECTED OFFICIALS
FY 2019 MAYOR & CITY COUNCIL





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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



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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and
Members of the City Council
City of Pensacola, Florida

Report on Financial Statements

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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pensacola, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, the Community Redevelopment Agency Fund, the Urban Core Redevelopment Trust Fund, the Eastside Tax Increment Financing District Fund, the Westside Tax Increment Financing District Fund, and the Housing Assistance Payments Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note III, G, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Reporting for Postemployment Benefits Other Than Pensions, as of October 1, 2017. These standards significantly changed the accounting for the City's other postemployment benefits liability and related disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules related to pension and other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pensacola, Florida's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, statistical section, 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 of Pensacola, Florida.

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 also not a required part of the financial statements.

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 of Pensacola, Florida.

The combining and individual fund financial statements, the financial data schedule, the schedule of receipts and expenditures of funds related to the Deepwater Horizon Oil Spill, and schedule of expenditures of federal awards, passenger facility charges, and state financial assistance 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.

The introductory section and statistical section have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 1, 2019, 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.

Warren Averett, LLC

Pensacola, Florida
February 1, 2019



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Management's Discussion and Analysis

This section will provide a comparative analysis between fiscal year 2018 and 2017. The comparison amounts are shown at a summary level with additional detail provided for explanation. The format is designed to provide the reader a narrative overview of the City's financial activity for the fiscal year ended September 30, 2018. 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, 2018 by \$383,773,237. Of this amount, the net investment in capital assets totaled \$377,428,652, which is unavailable, and restricted net position totaled \$35,931,176 resulting in a negative unrestricted net position of \$29,586,591. Unrestricted net position is negative primarily due to the implementation of GASB Statement No. 68, which reduced governmental activities unrestricted net position by \$64,086,437 and business-type activities by \$17,637,048 for a total reduction of \$81,723,485. 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 GASB Statement No. 68 refer to the Government-Wide Financial Analysis section of Management's Discussion and Analysis.
- The City's total net position of \$383,773,237 increased \$30,263,151 (8.6%) over the fiscal year 2017 restated net position of \$353,510,086. Governmental activities increased by \$3,393,761 (2.2%) and business-type activities increased by \$26,869,390 (13.4%). 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, 2018, the City's governmental funds reported combined fund balances of \$79,097,597, an increase of \$21,507,317 (37.35%) over the prior fiscal year. The increase can be attributed to the issuance of the \$8,000,000 Urban Core Redevelopment Revenue Bond, Series 2017 and the \$25,000,000 Infrastructure Sales Surtax Revenue Bond, Series 2017 which combined had a net effect of \$24,363,460 on total fund balance related to unspent bond proceeds. 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 General Fund is \$208,800. 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 decreased by \$23,313 (0.03%) over the prior fiscal year total of \$88,092,755. The major increase in governmental funds' revenues stems from increases of \$2,377,578 in General Fund revenues, \$378,273 in Section 8 Housing Choice Vouchers program funding, \$662,071 in Local Option Sales Tax revenues,

\$365,422 in tax increment revenues and a \$454,137 increase in reimbursements related to the Natural Disaster Fund. Offsetting the increases was \$3,076,572 in intergovernmental revenues and donations recorded in the Special Grants Fund, a \$428,631 decrease in Community Development Block Grant funding and an \$818,128 decrease in interest revenues.

Governmental funds' expenditures increased by \$8,147,519 (8.0%) over the prior fiscal year total of \$101,910,610. The major increase in governmental funds' expenditures stems from a \$5,113,638 increase in capital expenditures primarily related to an increase in the Local Option Sales Tax Project Fund which was offset by a decrease in the Special Grants Fund and a \$1,930,830 increase in debt service payments primarily related to the first payment on the City's Capital Lease, Series 2015 and the an increase in scheduled debt service payments on the City's Local Option Gas Tax Revenue Bond, Series 2016.

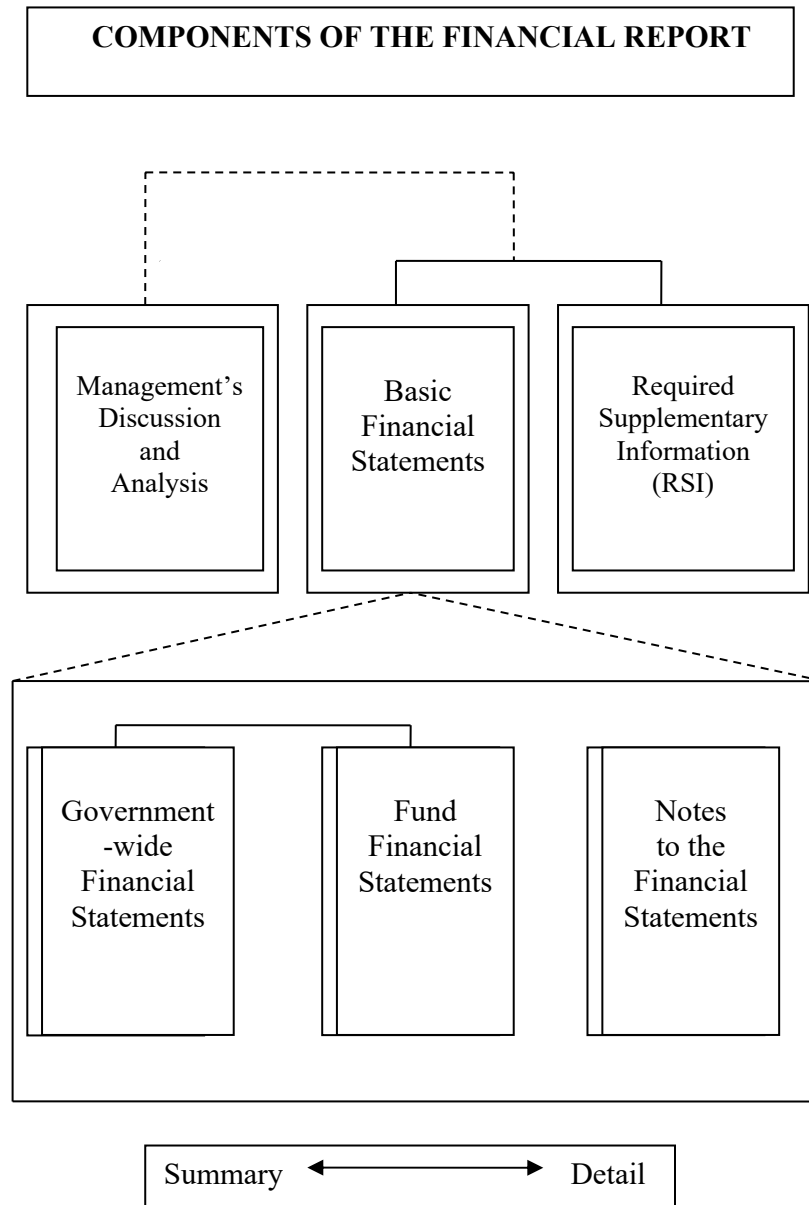
- The City's General Fund fund balance, excluding restricted fund balance, increased by \$2,708,536 from \$16,108,958 to \$18,817,494 in fiscal year 2018 of which \$2,213,622 was due to an increase to the City's Council reserves. Included in the committed fund balance is Council Reserves of \$13,522,262. The Council Reserve balance represents 25.18% of fiscal year 2019 beginning budgeted General Fund appropriations which exceeds 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 \$146,738 related to an increase in contractual obligations. Total fund balance increased by \$2,855,274 (16.8%) from fiscal year 2017.

General Fund revenues increased over fiscal year 2017 by \$2,377,578 (5.5%) mainly related to an \$857,425 increase in ad valorem tax revenues related to increases in property valuations. Increases in public service tax, communications services tax, franchise fees and intergovernmental revenues also occurred. Expenditures increased by \$1,598,099 (3.6%) mainly as a result of increased public safety cost.

- The City's enterprise funds reported combined ending net position of \$227,469,743, an increase of \$26,869,390 (13.4%) in comparison to the prior fiscal year. Of the total net position amount, \$186,225,485 represents net investment in capital assets which increased \$18,056,496 (10.7%). Operating revenues increased by \$7,312,909 (9.7%) from last fiscal year and operating expenses before depreciation increased by \$1,234,036 (2.2%). 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 CAFR.



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 CAFR 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, Community Redevelopment Agency Fund, Urban Core Redevelopment Trust Fund, Eastside Tax Increment Financing District Fund, Westside Tax Increment Financing District Fund, CRA Debt Service Fund, Housing Assistance Payments Fund, and CRA Project 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, 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 and the City's net pension liability 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. 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, 2018 and 2017 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*, was implemented during fiscal year 2015. GASB Statement No. 68 requires governments that offers defined pension benefits to its employees to report on the face of its financial statements the unfunded pension obligation (the "Net Pension Liability"). In the past, the Net Pension Liability was shown in the notes to the financial statements only.

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. In the past, governments did not directly report information about their proportionate share of these pension obligations. Instead, governments only reported a liability to the extent that they failed to make their required contributions.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than pensions*, was implemented during fiscal year 2018. GASB Statement No. 75 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”). In the past, the Total OPEB Liability report on the face of the financial statements represented only the unfunded annual required contributions since implementation of GASB Statement No. 45 in fiscal year 2008.

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. The governmental fund-level statements are not affected by this pronouncement 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 Statement of Net Position As of September 30, 2018

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 83,382,179	\$ 67,893,744	\$ 66,616,175	\$ 66,936,632	\$ 149,998,354	\$ 134,830,376
Internal balances	1,228,438	835,662	(1,228,438)	(835,662)	0	0
Noncurrent assets	16,786,541	11,562,762	13,483,259	12,008,031	30,269,800	23,570,793
Capital assets	258,648,045	248,834,253	257,865,074	236,934,358	516,513,119	485,768,611
Total assets	<u>360,045,203</u>	<u>329,126,421</u>	<u>336,736,070</u>	<u>315,043,359</u>	<u>696,781,273</u>	<u>644,169,780</u>
Total deferred outflows of resources	<u>25,646,532</u>	<u>35,356,032</u>	<u>7,052,328</u>	<u>8,352,960</u>	<u>32,698,860</u>	<u>43,708,992</u>
Current and other liabilities	16,570,829	18,692,713	10,605,738	15,531,202	27,176,567	34,223,915
Noncurrent liabilities	203,421,755	186,735,040	104,390,073	104,918,293	307,811,828	291,653,333
Total liabilities	<u>219,992,584</u>	<u>205,427,753</u>	<u>114,995,811</u>	<u>120,449,495</u>	<u>334,988,395</u>	<u>325,877,248</u>
Total deferred inflows of resources	<u>9,395,657</u>	<u>1,297,733</u>	<u>1,322,844</u>	<u>448,979</u>	<u>10,718,501</u>	<u>1,746,712</u>
Net position:						
Net investment in capital assets,	191,203,167	190,491,657	186,225,485	168,168,989	377,428,652	358,660,646
Restricted	23,754,264	29,751,412	12,176,912	10,497,398	35,931,176	40,248,810
Unrestricted	(58,653,937)	(62,486,102)	29,067,346	23,831,458	(29,586,591)	(38,654,644)
Total net position	<u>\$ 156,303,494</u>	<u>\$ 157,756,967</u>	<u>\$ 227,469,743</u>	<u>\$ 202,497,845</u>	<u>\$ 383,773,237</u>	<u>\$ 360,254,812</u>

The total City's net investment in capital assets, such as land, roads, parks, buildings, machinery and equipment, is greater than the total net position. The City's net investment in capital assets 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 12.8% of total net position for business-type activities. Unrestricted net position for governmental activities is negative primarily due to the unfunded pension obligations totaling \$64,086,437 and unfunded OPEB obligations of \$16,130,894. These unfunded obligations 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) of \$10,725,000. In March 2007, the CRA approved an amended plan and assisted in the funding of the relocation of the Main Street wastewater treatment plant. The \$19.5 million contribution resulted in a long-term liability which was recognized in fiscal year 2012 and as of the September 30, 2018 has \$11.7 million remaining. Of this commitment \$975,000 is reserved as restricted net position. Since the commitment is a long-term liability and future revenue sources have been pledged for the annual payment of \$1.3 million which began in fiscal year 2013 with the last payment in fiscal year 2027, it is expected that this commitment will continue to negatively impact unrestricted net position for future periods.

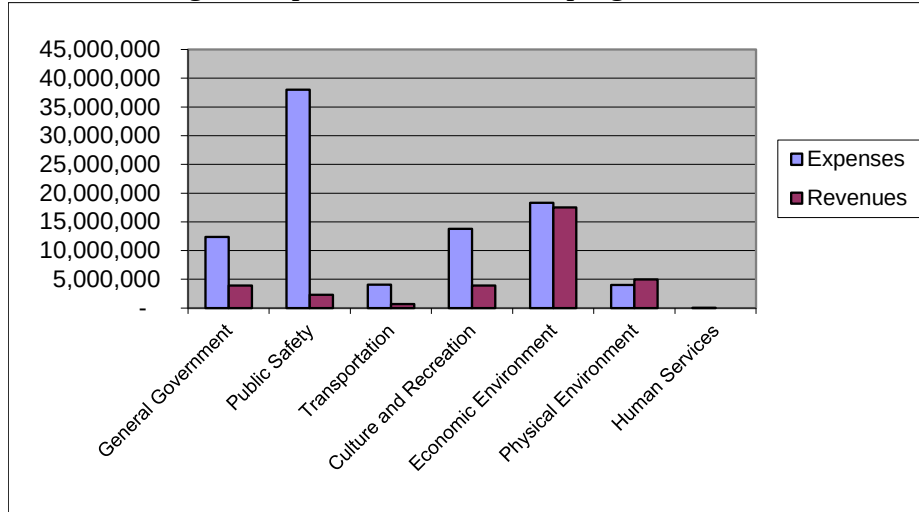
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Changes in Net Position Year Ended September 30, 2018

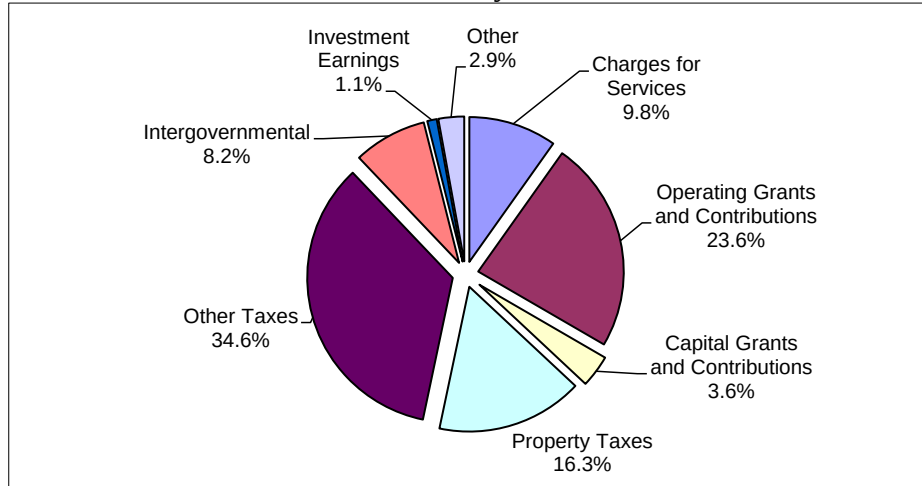
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 8,788,795	\$ 9,446,482	\$ 82,108,892	\$ 74,630,268	\$ 90,897,687	\$ 84,076,750
Operating grants and contributions	21,219,767	20,751,603			21,219,767	20,751,603
Capital grants and contributions	3,239,646	5,952,566	24,610,034	28,704,147	27,849,680	34,656,713
General revenues:						
Property taxes	14,638,449	13,781,024			14,638,449	13,781,024
Other taxes	31,123,533	29,083,854			31,123,533	29,083,854
Intergovernmental	7,330,410	6,999,518			7,330,410	6,999,518
Investment earnings	946,252	1,780,315	837,949	467,169	1,784,201	2,247,484
Gain on sale of capital asset	2,529,358	1,496,281	29,531	64,870	2,558,889	1,561,151
Other	35,573	139,669	753,915	919,630	789,488	1,059,299
Total revenues	89,851,783	89,431,312	108,340,321	104,786,084	198,192,104	194,217,396
Expenses						
General government	12,382,833	13,421,994			12,382,833	13,421,994
Public safety	37,978,435	41,001,683			37,978,435	41,001,683
Transportation	4,057,926	2,896,355			4,057,926	2,896,355
Culture and recreation	13,787,334	13,651,877			13,787,334	13,651,877
Economic environment	18,318,018	17,947,509			18,318,018	17,947,509
Physical environment	4,033,681	4,218,895			4,033,681	4,218,895
Human services	30,000	30,000			30,000	30,000
Unallocated depreciation	2,025,235	4,139,867			2,025,235	4,139,867
Interest on long-term debt	4,324,860	4,514,339			4,324,860	4,514,339
Utility			34,940,330	33,575,070	34,940,330	33,575,070
Sanitation			6,901,117	7,385,517	6,901,117	7,385,517
Port			2,615,462	2,869,779	2,615,462	2,869,779
Airport			26,533,722	25,102,535	26,533,722	25,102,535
Total expenses	96,938,322	101,822,519	70,990,631	68,932,901	167,928,953	170,755,420
Increase (decrease) in net position before transfers and other items	(7,086,539)	(12,391,207)	37,349,690	35,853,183	30,263,151	23,461,976
Transfers in (out)	10,480,300	10,458,900	(10,480,300)	(10,458,900)	0	0
Special items		14,266,276			0	14,266,276
Increase (decrease) in net position	3,393,761	12,333,969	26,869,390	25,394,283	30,263,151	37,728,252
Net position at beginning of year	157,756,967	145,422,998	202,497,845	177,103,562	360,254,812	322,526,560
Change in accounting principle - Implementation of GASB 75	(4,847,234)		(1,897,492)		(6,744,726)	0
Net position as restated	152,909,733	145,422,998	200,600,353	177,103,562	353,510,086	322,526,560
Net position at end of year	\$ 156,303,494	\$ 157,756,967	\$ 227,469,743	\$ 202,497,845	\$ 383,773,237	\$ 360,254,812

Governmental Activities Fiscal Year 2018

Program expenses matched with program revenues



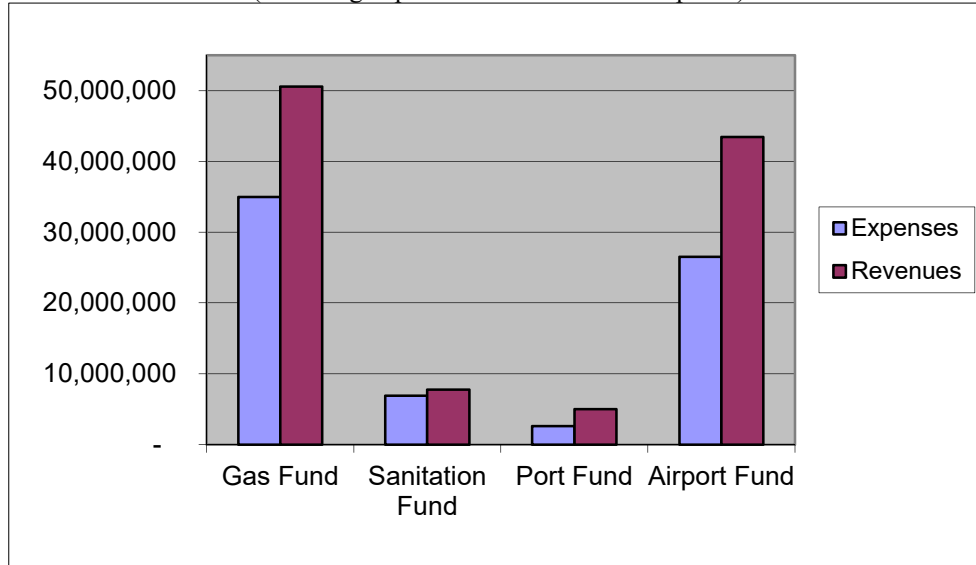
Revenues by source



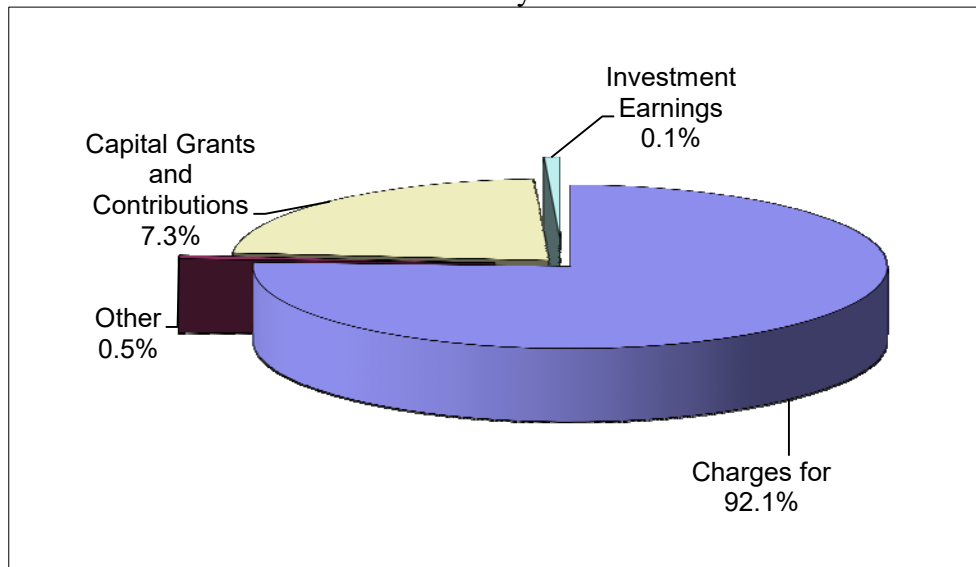
GASB Statement No. 34 reporting requires that functional expenses are matched with revenues that directly support the function. The increase in current year net position for Governmental Activities on the Statement of Activities equaled \$3,393,761. The majority of this increase can be attributed to the Pension Expense recognized in association with GASB Statement No. 68. Pension Expense is an actuarial determined number which can fluctuate greatly from year to year as it is calculated based on actual verses expected market experience, benefit changes and changes in actuarial assumptions. Pension expense recognized in fiscal year 2018 was significantly lower than fiscal year 2017 resulting in a decrease in overall functional expenses. The bar chart above gives a clear indication of which functions are dependant on general revenues to support their operations. Excluding General Government, 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. Taxes continue to be the largest revenue source for governmental activities.

Business-type Activities Fiscal Year 2018

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 \$26,869,390. The majority of the increase was in the in the Utility Fund, totaling \$6,994,338, and Airport Fund, totaling \$16,919,743. All funds charged fees sufficient to cover operations when excluding depreciation, bad debt expense and other post-employment benefits (OPEB) except for the Port Fund.

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, 2018, the City's governmental funds reported combined fund balances of \$79,097,597, an increase of \$21,507,317 (37.35%) over the prior fiscal year. The increase can be attributed to the issuance of the \$8,000,000 Urban Core Redevelopment Revenue Bond, Series 2017 and the \$25,000,000 Infrastructure Sales Surtax Revenue Bond, Series 2017 which combined had a net effect of \$24,363,460 on total fund balance related to unspent bond proceeds.

Non-spendable and restricted governmental funds balance of \$54,641,972 are available to meet current commitments in the next fiscal year; \$40,575 of non-spendable for prepaids and inventory; \$334,378 for Saenger capital reserve; \$5,238,817 for debt service requirements; \$17,452,679 for community development projects and \$31,575,523 for other purposes leaving a remaining unrestricted fund balance of \$24,455,625.

Below is a comparative chart for the City's "major" funds; General Fund, Community Redevelopment Agency Fund, Urban Core Redevelopment Trust Fund, Eastside Tax Increment Financing District Fund, Westside Tax Increment Financing District Fund, CRA Debt Service Fund, Housing Assistance Payments Fund and CRA Project Fund.

Major Fund Information

	<u>General Fund</u>	<u>Community Redevelopment Agency Fund</u>	<u>Urban Core Redevelopment Trust Fund</u>	<u>Eastside Tax Increment Financing District Fund</u>
Fiscal Year 2018				
Revenues and other sources	\$ 53,675,020	\$ 4,216,636	\$ 5,260,081	\$ 128,377
Expenditures and other outlays	(50,819,746)	(2,694,352)	(5,260,081)	(88,577)
Increase (decrease) in fund balance	<u>\$ 2,855,274</u>	<u>\$ 1,522,284</u>	<u>\$ 0</u>	<u>\$ 39,800</u>
Fiscal Year 2017				
Revenues and other sources	\$ 51,538,403	\$ 4,732,212	\$ 4,799,391	\$ 608,411
Expenditures and other outlays	(49,120,461)	(43,423,862)	(4,799,391)	(632,180)
Increase (decrease) in fund balance	<u>\$ 2,417,942</u>	<u>\$ (38,691,650)</u>	<u>\$ 0</u>	<u>\$ (23,769)</u>

Major Fund Information (continued)

	Westside Tax Increment Financing District Fund	CRA Debt Service Fund	Housing Assistance Payments Fund	CRA Project Fund
Fiscal Year 2018				
Revenues and other sources	\$ 308,215	\$ 4,582,896	\$ 16,970,694	\$ 8,144,473
Expenditures and other outlays	(350,703)	(4,620,963)	(16,850,659)	(951,131)
Increase (decrease) in fund balance	\$ (42,488)	\$ (38,067)	\$ 120,035	\$ 7,193,342
Fiscal Year 2017				
Revenues and other sources	\$ 196,036	\$ 3,767,423	\$ 16,597,741	\$ 5,417,265
Expenditures and other outlays	(205,429)	(4,020,306)	(16,862,190)	(573,230)
Increase (decrease) in fund balance	\$ (9,393)	\$ (252,883)	\$ (264,449)	\$ 4,844,035

The General Fund is the main operating fund of the City. At September 30, 2018, total fund balance in the General Fund was \$19,879,428, an increase of \$2,855,274 (16.77%) from beginning fund balance. The unrestricted portion of fund balance was \$18,817,494, however \$13,522,262 is committed for the Council Reserve, \$103,559 is committed for park purchases, \$391,414 is committed for the tree planting trust fund, \$3,045,463 is assigned for general government, \$933,580 is assigned for economic development incentives, \$25,407 is assigned for assessments, \$146,519 is assigned for housing initiatives and \$440,490 is assigned for inner city housing initiatives leaving an unassigned fund balance of \$208,800.

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 43.49% and 41.16%, 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 41.16% of unrestricted fund balance, this provides more than four months of coverage.

The Community Redevelopment Agency Fund was created to account for the development projects in the Urban Core Community Redevelopment Area as well as administrative cost associated with running the program. The Community Redevelopment Agency had a total fund balance at fiscal year-end of \$4,679,942, an increase of \$1,522,284 (48.21%). The increase can be attributed to the sale of CRA owned land totaling \$2,222,907 which proceeds will be used to fund future projects. All funds are restricted to be spent on CRA operations, community development projects in the Urban Core CRA district and repayment of debt.

The Urban Core Redevelopment Trust Fund was created to account for the tax increment receipts collected in the Urban Core Community Redevelopment Area. The receipts collected throughout the year are transferred to the Community Redevelopment Agency Fund and the CRA Debt Service Fund in order to pay for CRA operations, debt service and community development projects in the Urban Core CRA district. The Urban Core Redevelopment Trust Fund had a total fund balance at year-end of \$0.

The Eastside Tax Increment Financing District Fund was created to account for the tax increment receipts and development projects in the Urban Infill and Redevelopment Area as well as administrative cost associated with running the program. The Eastside Tax Increment Financing District Fund had a total fund balance at fiscal year-end of \$654,563, an increase of \$39,800. All funds are restricted to be spent on operations, community development projects and repayment of debt in the Eastside CRA district.

The Westside Tax Increment Financing District Fund was created to account for the tax increment receipts and development projects in the Urban Infill and Redevelopment Area as well as administrative cost associated with running the program. The Westside Tax Increment Financing District Fund had a total fund balance at fiscal year-end of \$80,904, a decrease of \$42,488. All funds are restricted to be spent on operations, community development projects and repayment of debt in the Westside CRA district.

The CRA Debt Service Fund had a total fund balance at fiscal year-end of \$3,622,273 which is restricted for debt service payments on the Redevelopment Revenue Bonds, Series 2009, Eastside Redevelopment Revenue Bond, Series 2017, Westside Redevelopment Revenue Bond, Series 2017 and Urban Core Redevelopment Revenue Bond, Series 2017. The fund balance decrease of \$38,067 is related to a planned drawdown of fund balance to cover current year debt payments.

The Housing Assistance Payments Fund had a total fund balance at year-end of \$3,306,083, an increase of \$120,035 (3.77%). Fund balance of \$523 is nonspendable and \$3,305,560 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 CRA Project Fund had a total fund balance at fiscal year-end of \$12,037,377. The fund was created to account for the cost of certain community redevelopment capital improvements in the Eastside Neighborhood Redevelopment Area, the Westside Neighborhood Redevelopment Area and the Urban Core Redevelopment Area. The \$1,307,000 Eastside Redevelopment Revenue Bond, Series 2017, the \$4,082,000 Westside Redevelopment Revenue Bond, Series 2017 were issued on August 15, 2017 and the \$8,000,000 Urban Core Redevelopment Revenue Bond, Series 2017 were issued on November 15, 2017.

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 total net position of \$50,561,093 at fiscal year-end, an increase of \$5,985,217 (13.4%) over the prior fiscal year. Pensacola Energy operated at a profit of \$16,452,057 before depreciation expense of \$2,083,467 and an \$8,000,000 transfer to the General Fund; an increase from last fiscal year by \$3,906,500. Operating revenue increased by \$5,145,605 (11.4%) during fiscal year 2018 and operating expenses increased by \$1,239,105 (3.8%). The primary reason for the increase in operating revenue and operating expense is a result of increases in natural gas sales, increases in Infrastructure Cost Recovery as well as increases 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 2018, the cost of natural gas increased by \$1,200,718. Excluding the cost of gas, operating expenses increased by \$38,387.

The Sanitation Fund had total negative net position of \$1,570,356 at fiscal year-end, an increase of \$736,755 (31.9%) over the prior fiscal year. Sanitation Services operated at a profit of \$1,008,003 before depreciation expense of \$286,801; an increase from last fiscal year by \$571,400. Operating revenue increased by \$363,071 (4.7%) during fiscal year 2018 and expenses decreased by \$208,329 (2.9%). The primary reason for the increase in operating revenue over the prior fiscal year is attributed to the monthly Sanitation rate increase of \$1.26 per month as well as a \$1.00 per month Sanitation Equipment Surcharge (which increased to \$2.00 in fiscal year 2018) approved by City Council effective June 1, 2017. The primary decrease in expense can be linked to decreased personal costs.

The Port Fund had total net position of \$13,262,130 at fiscal year-end, an increase of \$2,218,554 (20.0%) from the prior fiscal year due to federal and state grants. The Port operated at a loss of \$366,538 before depreciation expense of \$1,124,406; a decrease from last fiscal year by \$493,388. Operating revenues increased \$200,502 (18.9%) and expenses decreased by \$292,886 (15.3%). The primary reason for the increase in operating revenue can be linked to a decrease in write-off activity on delinquent accounts. The decrease in expense can be linked to a decrease in salaries, repairs and maintenance and office and utilities.

The Airport Fund had total net position of \$165,216,876 at fiscal year-end, an increase of \$16,919,743 (11.4%) over the prior fiscal year. The Airport operated at a profit of \$9,232,733 before depreciation expense of \$9,991,414; an increase from last fiscal year of \$1,107,585. The Airport Fund's operating revenues increased by \$1,603,731 (7.4%) in fiscal year 2018. Airline revenues increased by \$48,292 and non-airline revenues increased by \$1,555,439. The primary reason for the increase in non-airline revenues is attributed to parking and rental car revenues. The Airport Fund's operating expenses increased by \$496,146 (3.7%). The increase in expense can be linked to an increase in contractual services. The Airport has an operating agreement with the airlines which provides for revenues sufficient to meet operating expenses, debt service payments and fund a capital reserve account. 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.

The chart below shows the operating income of each enterprise fund. The chart includes depreciation, bad debt expense and other post-employment benefits.

	<u>Operating Income (Loss)</u>	
	<u>2018</u>	<u>2017</u>
Utility Fund	\$ 14,368,590	\$ 10,702,299
Sanitation Fund	721,202	175,158
Port Fund	(1,490,944)	(1,936,355)
Airport Fund	(758,681)	(1,397,539)
Total	<u>\$ 12,840,167</u>	<u>\$ 7,543,563</u>

Internal Service Funds

The internal service funds are designed to recover the internal costs of general services provided to other city departments. The increase in total net position for all internal service funds was \$618,806. The City's Insurance Retention Fund decreased by \$2,575 and the Central Services Fund increased by \$621,381. The increases in the Central Services Fund was related to a planned recoupment of the prior year negative net position and recoupment related to the implementation of GASB Statement No. 75.

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 Statue. 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 as 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 \$1,555,219 (3.55%) during fiscal year 2018. The majority of the increase was made up of \$817,122 in taxes, \$101,006 in franchise fees, \$386,342 in intergovernmental revenues and \$187,238 in interest income.

The final appropriations in the General Fund as compared with the original budget increased by \$1,714,179 (3.64%) in fiscal year 2018. The primary reason for the increase relates to:

- An increase in appropriations for general government of \$566,732 is primarily related to carryforwards from the prior fiscal year budget to cover open encumbrances and projects. Offsetting the increase was additional overhead cost recovery received by the general fund.
- An increase in appropriations for public safety in the amount of \$512,941 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 \$199,903 is primarily related to the carryforward from the prior fiscal year budget to cover open encumbrances and projects.
- An increase in appropriations for culture and recreation in the amount of \$11,761 is related to the carryforward from the prior fiscal year budget to cover open encumbrances and projects. Offsetting the increase was a decrease related to the tree trust fund program which had no expenditures fiscal year 2018.
- An increase in appropriations for economic environment in the amount of \$366,451 is primarily related to the carryforward from the prior fiscal year budget to cover open encumbrances and projects as well as an increase in funding for the City's housing initiatives program.
- An increase in appropriations for physical environment in the amount of \$56,391 is primarily related to increased costs for demolition special assessments.

The final budget as compared with the original budget for the General Fund other financing sources (uses) increased by \$294,556 during fiscal year 2018. The primary reason for the increase was an increase in the sale of capital assets of \$253,097 as a decrease in transfers to the Stormwater Capital Fund totaling \$41,403.

Capital Asset and Debt Administration

Capital Assets. As of year-end, the City had \$377,428,652 net investment in capital assets. Governmental activities accounted for \$191,203,167 and business-type activities accounted for \$186,225,485. 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:

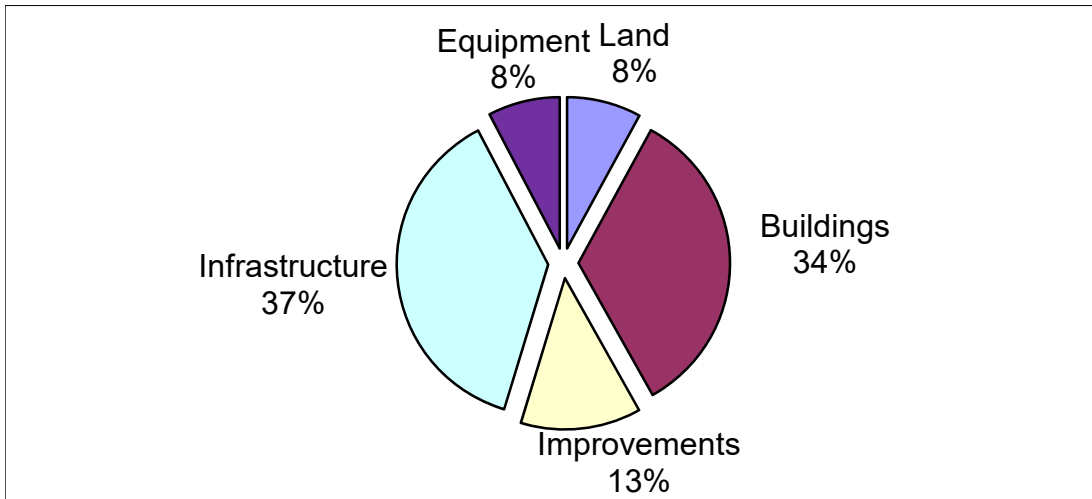
Governmental Activities

- Stormwater, street and sidewalk capital projects \$25,045,101
- Athletic facility, resource center and park improvements \$1,661,613
- Chappie James Museum \$1,161,461
- Fire Trucks \$823,188
- Police vehicles \$777,257
- HVAC controls City Hall and Field Service Center \$243,006
- Land purchase \$200,141

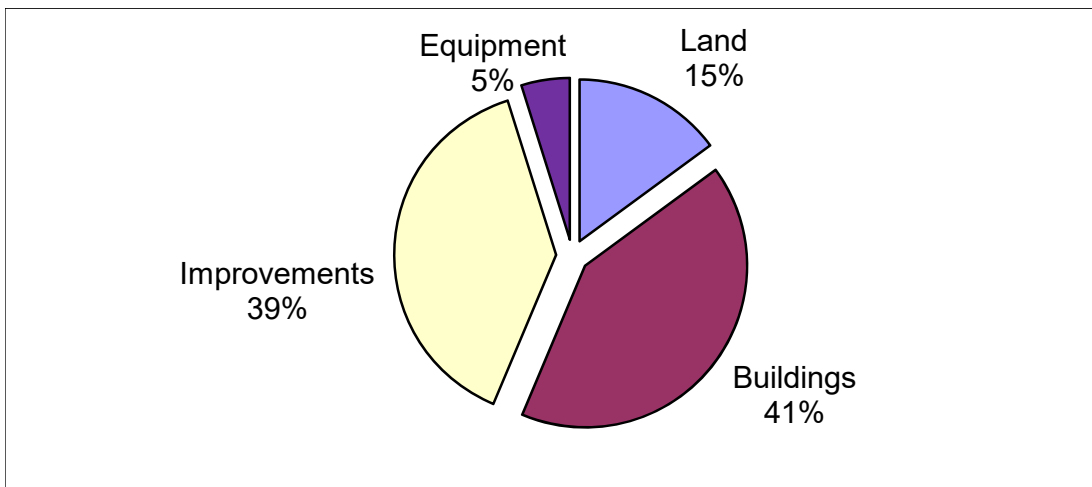
Business-type Activities

- Pensacola Energy natural gas utility improvements \$9,062,018
- Pensacola Energy vehicles \$300,129
- Pensacola Energy large equipment \$516,986
- Pensacola Energy SCADA upgrade \$159,919
- Sanitation vehicles \$47,512
- Sanitation garbage trucks \$705,318
- Airport maintenance repair and overhaul hangar (VT MAE) \$41,579,341
- Airport maintenance repair and overhaul hangar taxiway (VT MAE) \$1,055,505
- Airport land and building acquisitions for Airport expansion \$1,001,745
- Airport upgrade to baggage handling system \$338,647
- Technology Resources network equipment \$212,529

**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 the same amount as the Stormwater Utility Fee collections. The second is referred to as the Penny for Progress Plan or 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 2018, the City had total non-self-supporting bonded debt of \$91,832,416. Governmental activities have notes payable in the amount of \$50,758,000 and bonds payable in the amount of \$41,074,416 which includes the unamortized discount of \$155,584. The City also has self-supporting bonded debt of \$76,817,600. Business-type activities have notes payable in the amount of \$75,532,600 and bonds payable in the amount of \$1,285,000. 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 54,583) as of September 30, 2018 is as follows:

Local Option Sales Tax Debt	\$ 25,000,000	Per capita \$	458
Maritime Community Park Debt	41,230,000	Per capita	755
Local Option Gas Tax Debt	12,750,000	Per capita	234
Eastside Redevelopment Area Debt	1,245,000	Per capita	23
Westside Redevelopment Area Debt	3,888,000	Per capita	71
Urban Core Redevelopment Area Debt	7,875,000	Per capita	144
Total	\$ 91,988,000	\$	1,685

The Local Option Sales Tax Debt is supported by local option sales tax collections and is payable through October 2028.

The Maritime Community Park Debt is supported with 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 to pay debt service, the loan is furthered secured by a covenant to budget and appropriate from non-ad valorem revenues of the City and is payable through 2040.

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 further secured by certain non-ad valorem revenues budgeted and appropriated therefore pursuant to a Covenant to Budget and Appropriate and is payable through 2040.

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.

Prior to July 2008 insurance was purchased for all bonded debt issued by the City of Pensacola. The insured rating for the City's debt will fluctuate because it is dependent on the rating of the insurance provider.

On March 22, 2017 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.

Also, on March 22, 2017 Fitch affirmed a long-term rating of "AA" on the City's Redevelopment Revenue Bonds, Series 2009A and Series 2009B (the "Series 2009 Redevelopment Bonds") and on February 23, 2018 Standard & Poor's upgraded its rating on the Series 2009 Redevelopment Bonds to "AA" from "AA-".

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 2019 budget totals \$239,718,600. Of this, \$54 million is for the General Fund, \$96 million is for enterprise funds, and the remaining \$90 million is for various special revenue, debt service, capital projects, and internal services funds. The fiscal year 2019 \$53,693,400 proposed General Fund budget is \$1,811,800, or 3.49% percent greater than last year's beginning budget. The estimated 6.9% growth in property valuations will amount to an additional \$1,088,200 in Property Tax revenue. The fiscal year 2019 \$53,693,400 General Fund budget is \$1,811,800, or 3.49% percent greater than last year's beginning budget. The estimated 6.90% growth in property valuations will amount to an additional \$1,088,200 in Property Tax revenue. The Half-Cent Sales Tax is anticipated to increase \$500,000 or 11.16%, which is based on amounts collected during fiscal year 2018. Franchise Fees and Public Service Tax Revenues are projected to increase 1.17% or \$194,300 in anticipation of a normal winter as well as the cost of energy. Based on the most recent agreement the State Street Light and Traffic Signal Maintenance revenue will increase \$15,600 or 2.48%. Municipal Revenue sharing is projected to increase \$23,600 or 1.03% from the fiscal year 2018 budgeted level based on the trends experienced during fiscal year 2018 as well as estimates provided by the State of Florida. With the improved economy, interest income has begun to show growth and is estimated to increase \$95,000 over the fiscal year 2018 level. Offsetting these increases is a decrease of \$100,000 in Miscellaneous Revenue and a decrease of \$7,400 in the Communication Services Tax based on amounts collected during fiscal year 2018. Other various revenues resulted in a net increase of \$2,500. No fund balance drawdown is necessary in fiscal year 2018. The General Fund consists of governmental services such as general administration, public safety, parks and recreation, and public works.

The Utility, Sanitation and Airport Funds are expected to be self-supporting, on a cash-flow basis, from user fees for services. As mentioned in the Letter of Transmittal, uses for the 50+ acres currently occupied by the Port of Pensacola was be reviewed in fiscal year 2018. The review was structured to bring forth a plan of action aimed at providing an optimal return on the Port's assets. Depending on the outcome of the review and implementation of the plan of action, the Port may not be self-supporting, on a cash-flow basis, based on user fees for services alone. A plan for the future of the Port is expected to be presented to City Council in early 2019.

Personnel costs account for \$65,115,500 of the City's fiscal year 2019 budget (27.16%). The fiscal year 2019 budget maintains the same overall level of executive branch positions as in the fiscal year 2018 budget. Two additional Police Officer positions have been added in the Airport Department and are offset with the deletion of one Airport Properties Manager position and an Airport Maintenance Technician Position.

Beginning with fiscal year 2007 funding for General Fund capital items was programmed for funding in the Local Option Sales Tax Series III (also known as Penny for Progress) which will end on December 31, 2018. The fiscal year 2019 budget provides Local Option Sales Tax Series IV funding of \$1,786,300 in capital equipment for General Fund departments, including Fire, Police, Public Works and Parks & Recreation. Fiscal year 2019 revenues project a 2.35% growth from the fiscal year 2018 beginning budget. Though revenues have not grown as initially

anticipated, the budget for capital items remains on target because of conservative estimates put in place at the beginning of the Local Option Sales Tax plans.

Property tax revenues are based upon historical trends, projected increase (decrease) in assessed values and any change in the adopted millage rate. The fiscal year 2019 approved budget maintained the same millage rate as fiscal year 2018 and estimating a 6.9% increase in property valuation based on the Property Appraiser's July 1st estimated valuation. The increase in growth will result in estimated property tax revenue of \$15.46 million, an additional \$1,088,200 in Property Tax Revenue for fiscal year 2019. For the first time since fiscal year 2007, property tax revenue of \$15.46 million for fiscal year 2019 has exceeded the fiscal year 2007 level of \$15.33 million. Property tax revenues began to decline in fiscal year 2008 when the State Legislature began Property Tax Reform measures. Further reductions were experienced when Amendment 1 was approved by referendum in January 2008. The millage rate would need to be 4.4663 to collect the same Property Tax revenue as was collected in fiscal year 2008. The State of Florida mandated a formula to determine the maximum millage rate that a governmental entity can levy by a majority vote. Based on that calculation and the estimated property valuation, the maximum millage rate that the City could impose could be 7.3179 which equates to an additional \$10.84 million in potential Property Tax Revenue. However, the maximum millage rate that the City of Pensacola can levy is 10 mills (including the Downtown Improvement District's 2.0 mills) which requires a unanimous vote of the City Council. The fiscal year 2019 budget has been prepared maintaining the same millage rate since fiscal year 2012 budget. The proposed millage rate of 4.2895 is below the calculated projected maximum millage rate allowed of 7.3179 mills.

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. 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 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") increased from \$11.3 million to \$13.5 million in fiscal year 2018. The \$13.5 million balance represents 25.18% of fiscal year 2019 budgeted General Fund appropriations. This marks the eleventh consecutive year the minimum reserve has been accomplished since the initial adoption of the reserve policy.

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 Chief Financial Officer, PO Box 12910, Pensacola, Florida 32521. The City of Pensacola's website address is www.cityofpensacola.com.

BASIC FINANCIAL STATEMENTS

CITY OF PENSACOLA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Primary Government			Component Unit
	Governmental	Business-type		Downtown
	Activities	Activities	Total	Improvement
				Board
ASSETS				
Current assets				
Cash and cash equivalents	\$ 16,810,140	\$ 7,648,679	\$ 24,458,819	\$ 469,768
Other cash	45,474		45,474	
Investments	41,507,775	18,941,772	60,449,547	
Accrued interest	849,685	125,571	975,256	
Receivables (net of allowances)				
Accounts	3,127,659	7,385,710	10,513,369	90,289
Demolition assessments	16,937		16,937	
Internal balances	657,290	(657,290)	0	
Due from other governments	1,922,504	5,256,377	7,178,881	161
Inventory	997,658	15,750	1,013,408	
Capital lease receivable		302,641	302,641	
Prepays and deposits	474,043	146,386	620,429	14,849
Restricted assets				
Restricted cash and cash equivalents	4,290,031	7,706,630	11,996,661	
Other cash	25,596		25,596	
Investments	10,624,925	19,086,659	29,711,584	
Due from other governments	2,689,752		2,689,752	
Total current assets	<u>84,039,469</u>	<u>65,958,885</u>	<u>149,998,354</u>	<u>575,067</u>
Noncurrent assets				
Internal balances	571,148	(571,148)	0	
Intangible asset		46,899	46,899	
Capital lease receivable		1,157,801	1,157,801	
Interest rate swap asset		101,647	101,647	
Restricted assets				
Cash and cash equivalents	4,507,870	3,502,479	8,010,349	
Investments	11,164,436	8,674,433	19,838,869	
Notes receivable	1,114,235		1,114,235	
Capital assets				
Non-depreciable	28,680,959	42,740,012	71,420,971	
Depreciable (net)	<u>229,967,086</u>	<u>215,125,062</u>	<u>445,092,148</u>	<u>438,055</u>
Total noncurrent assets	<u>276,005,734</u>	<u>270,777,185</u>	<u>546,782,919</u>	<u>438,055</u>
Total assets	<u>360,045,203</u>	<u>336,736,070</u>	<u>696,781,273</u>	<u>1,013,122</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on early retirement debt	254,171	758,446	1,012,617	
Deferred pension	22,293,673	5,080,873	27,374,546	
Deferred OPEB	<u>3,098,688</u>	<u>1,213,009</u>	<u>4,311,697</u>	
Total deferred outflows of resources	<u>25,646,532</u>	<u>7,052,328</u>	<u>32,698,860</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, 2018

	Primary Government			Component Unit
	Governmental	Business-type		Downtown
	Activities	Activities	Total	Improvement
				Board
LIABILITIES				
Current liabilities				
Accounts payable	\$ 895,585	\$ 2,356,295	\$ 3,251,880	\$ 82,152
Contracts payable	2,235,431	869,402	3,104,833	
Contracts payable - retainage	512,442	182,641	695,083	
Due to other governments	134,242		134,242	634
Wages and benefits payable	1,211,267		1,211,267	
Compensated absences payable	268,229	49,509	317,738	
Deposits	229,227	398,550	627,777	
Notes payable			0	5,878
Unearned revenue	1,452,638		1,452,638	5,000
Capital lease payable	1,591,419		1,591,419	
Loans payable	20,000		20,000	
Payable from restricted assets				
Due to other governments	1,300,000		1,300,000	
Notes payable	3,591,000	4,633,600	8,224,600	
Revenue bonds payable	1,130,000	1,285,000	2,415,000	
Accrued interest payable	1,999,349	830,741	2,830,090	
Total current liabilities	<u>16,570,829</u>	<u>10,605,738</u>	<u>27,176,567</u>	<u>93,664</u>
Noncurrent liabilities				
Due to other governments	10,400,000	3,200,000	13,600,000	
Compensated absences payable	2,878,176	1,381,386	4,259,562	
Claims and judgments payable	3,435,011		3,435,011	
Notes payable	47,167,000	70,899,000	118,066,000	3,897
Revenue bonds payable	39,944,416		39,944,416	
Capital lease payable	3,323,117		3,323,117	
Loans payable	60,000		60,000	
Interest rate swap liability		670	670	
Net Pension liability	77,179,731	21,471,520	98,651,251	
Total OPEB liability	19,034,304	7,437,497	26,471,801	
Other liabilities			0	1,000
Total noncurrent liabilities	<u>203,421,755</u>	<u>104,390,073</u>	<u>307,811,828</u>	<u>4,897</u>
Total liabilities	<u>219,992,584</u>	<u>114,995,811</u>	<u>334,988,395</u>	<u>98,561</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension	9,200,379	1,246,401	10,446,780	
Deferred OPEB	195,278	76,443	271,721	
Total deferred outflows of resources	<u>9,395,657</u>	<u>1,322,844</u>	<u>10,718,501</u>	<u>0</u>
NET POSITION				
Net investment in capital assets	191,203,167	186,225,485	377,428,652	428,280
Restricted for				
Capital projects	3,397,283		3,397,283	
Debt service	7,707,333	3,835,912	11,543,245	
Community redevelopment	1,134,243		1,134,243	
Federal housing program	3,306,083		3,306,083	
Other purposes	5,564,999		5,564,999	
Disaster recovery	2,644,323		2,644,323	
Renewal and replacement		5,506,000	5,506,000	
Operations and maintenance		2,835,000	2,835,000	
Unrestricted	<u>(58,653,937)</u>	<u>29,067,346</u>	<u>(29,586,591)</u>	<u>486,281</u>
Total net position	<u>\$ 156,303,494</u>	<u>\$ 227,469,743</u>	<u>\$ 383,773,237</u>	<u>\$ 914,561</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

<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	\$ 12,382,833	\$ 296,437	\$ 3,605,318	\$
Public safety	37,978,435	2,191,063	62,831	26,146
Transportation	4,057,926	695,121		
Culture and recreation	13,787,334	2,826,837	127,847	962,099
Economic environment	18,318,018		17,341,015	143,484
Physical environment	4,033,681	2,779,337	82,756	2,107,917
Human services	30,000			
Unallocated depreciation	2,025,235			
Interest on long-term debt	4,324,860			
Total governmental activities	<u>96,938,322</u>	<u>8,788,795</u>	<u>21,219,767</u>	<u>3,239,646</u>
Business-type activities:				
Utility	34,940,330	49,914,141		634,167
Sanitation	6,901,117	7,744,185		
Port	2,615,462	1,259,626		3,711,490
Airport	26,533,722	23,190,940		20,264,377
Total business-type activities	<u>70,990,631</u>	<u>82,108,892</u>	<u>0</u>	<u>24,610,034</u>
Total primary government	<u>\$ 167,928,953</u>	<u>\$ 90,897,687</u>	<u>\$ 21,219,767</u>	<u>\$ 27,849,680</u>
Component unit:				
Downtown Improvement Board	\$ 1,483,652	\$ 953,397	\$ 216,580	\$
Total component units	<u>\$ 1,483,652</u>	<u>\$ 953,397</u>	<u>\$ 216,580</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, 2018

	Net (Expenses) Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Governmental	Business-type	Total	Downtown Improvement Board
Function/Programs	Activities	Activities		
Primary government				
Governmental activities:				
General government	\$ (8,481,078)		\$ (8,481,078)	
Public safety	(35,698,395)		(35,698,395)	
Transportation	(3,362,805)		(3,362,805)	
Culture and recreation	(9,870,551)		(9,870,551)	
Economic environment	(833,519)		(833,519)	
Physical environment	936,329		936,329	
Human services	(30,000)		(30,000)	
Unallocated depreciation	(2,025,235)		(2,025,235)	
Interest on long-term debt	(4,324,860)		(4,324,860)	
Total governmental activities	(63,690,114)		(63,690,114)	
Business-type activities:				
Utility		\$ 15,607,978	15,607,978	
Sanitation		843,068	843,068	
Port		2,355,654	2,355,654	
Airport		16,921,595	16,921,595	
Total business-type activities		35,728,295	35,728,295	
Total primary government	(63,690,114)	35,728,295	(27,961,819)	
Component unit:				
Downtown Improvement Board				\$ (313,675)
Total component units				
General revenues:				
Property taxes	14,638,449		14,638,449	377,687
Public service taxes	8,494,568		8,494,568	
Franchise fees	8,727,806		8,727,806	
Communication service tax	3,095,646		3,095,646	
Local business tax	915,792		915,792	
Local option gasoline tax	1,365,613		1,365,613	
Local option sales tax	8,524,108		8,524,108	
Unrestricted intergovernmental revenues	7,330,410		7,330,410	
Unrestricted investment earnings	946,252	837,949	1,784,201	
Gain on sale of capital asset	2,529,358	29,531	2,558,889	
Miscellaneous	35,573	753,915	789,488	5,749
Transfers	8,000,000	(8,000,000)	0	
Overhead transfers	2,480,300	(2,480,300)	0	
Total general revenues, transfers, and other items	67,083,875	(8,858,905)	58,224,970	383,436
Change in net position	3,393,761	26,869,390	30,263,151	69,761
Net position at beginning of year	157,756,967	202,497,845	360,254,812	844,800
Change in accounting principle - Implementation of GASB 75	(4,847,234)	(1,897,492)	(6,744,726)	
Net position at beginning of year, as restated	152,909,733	200,600,353	353,510,086	844,800
Net position September 30, 2018	\$ 156,303,494	\$ 227,469,743	\$ 383,773,237	\$ 914,561

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	<u>General Fund</u>	<u>Community Redevelopment Agency</u>	<u>Urban Core Redevelopment Trust</u>	<u>Eastside Tax Increment Financing District</u>	<u>Westside Tax Increment Financing District</u>
ASSETS					
Cash and cash equivalents	\$ 4,808,579	\$ 1,126,677	\$	\$	\$
Other cash					
Investments	11,784,050	2,790,385			
Accrued interest	849,685				
Accounts receivable	1,401,505	629			
Demolition assessments receivable	16,937				
Due from other funds	780,795				
Due from other governments	998,523				
Prepays and deposits	23,422	107			
Inventories					
Restricted assets					
Cash and cash equivalents	683,228	285,557		188,624	23,994
Other cash					
Investments	1,692,119	707,226		467,155	59,426
Due from other funds					
Due from other governments					
Notes receivable					
Total assets	\$ 23,038,843	\$ 4,910,581	\$ 0	\$ 655,779	\$ 83,420
LIABILITIES					
Accounts payable	\$ 431,183	\$ 215,168	\$	\$ 652	\$ 99
Contracts payable	258,057	6,402			
Contracts payable - retainage	2,719				
Due to other funds		8,069		564	2,417
Due to other governments					
Compensated absences payable	231,098				
Wages and benefits payable	1,211,267				
Unearned revenue	834,935				
Deposits	78,868	1,000			
Total liabilities	3,048,127	230,639	0	1,216	2,516
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	111,288				
Total deferred inflows of resources	111,288	0	0	0	0

(continued)

The accompanying notes are an integral part of these financial statements.

**CITY OF PENSACOLA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018**

	<u>General Fund</u>	<u>Community Redevelopment Agency</u>	<u>Urban Core Redevelopment Trust</u>	<u>Eastside Tax Increment Financing District</u>	<u>Westside Tax Increment Financing District</u>
FUND BALANCE (DEFICITS)					
Non-spendable	23,422	107			
Restricted					
Saenger capital	334,378				
Community development projects		4,679,835		654,563	80,904
Debt service payments					
Other restricted	704,134				
Committed					
Park purchases	103,559				
Tree landscape	391,414				
Council reserve	13,522,262				
Other committed					
Assigned	4,591,459				
Unassigned	208,800				
Total fund balances	<u>19,879,428</u>	<u>4,679,942</u>	<u>0</u>	<u>654,563</u>	<u>80,904</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ <u>23,038,843</u>	\$ <u>4,910,581</u>	\$ <u>0</u>	\$ <u>655,779</u>	\$ <u>83,420</u>

(continued)

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	CRA Debt Service	Housing Assistance Payments	CRA Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$	\$ 832,748	\$	\$ 8,200,586	\$ 14,968,590
Other cash		45,474			45,474
Investments		2,062,429		20,310,023	36,946,887
Accrued interest					849,685
Accounts receivable		420,505		498,405	2,321,044
Special assessments receivable					16,937
Due from other funds					780,795
Due from other governments				912,636	1,911,159
Prepays and deposits		523		13,345	37,397
Inventories				3,178	3,178
Restricted assets					
Cash and cash equivalents	1,173,286	119,200	3,473,848	1,501,189	7,448,926
Other cash				25,596	25,596
Investments	2,905,824	295,218	8,603,523	3,717,926	18,448,417
Due from other funds				1,628,248	1,628,248
Due from other governments				2,689,752	2,689,752
Notes receivable				1,114,235	1,114,235
Total assets	\$ 4,079,110	\$ 3,776,097	\$ 12,077,371	\$ 40,615,119	\$ 89,236,320
LIABILITIES					
Accounts payable	\$	\$ 4,797	\$ 300	\$ 184,493	\$ 836,692
Contracts payable		5,044	39,694	1,838,770	2,147,967
Contracts payable - retainage				509,723	512,442
Due to other funds		16,767		1,676,029	1,703,846
Due to other governments		6,201		128,041	134,242
Compensated absences payable		16,700		19,876	267,674
Wages and benefits payable					1,211,267
Unearned revenue	456,837			160,866	1,452,638
Deposits				133,799	213,667
Total liabilities	456,837	49,509	39,994	4,651,597	8,480,435
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue		420,505		1,126,495	1,658,288
Total deferred inflows of resources	0	420,505	0	1,126,495	1,658,288

(continued)

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	CRA Debt Service	Housing Assistance Payments	CRA Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCE (DEFICITS)					
Non-spendable		523		16,523	40,575
Restricted					
Saenger capital					334,378
Community development projects			12,037,377		17,452,679
Debt service payments	3,622,273			1,616,544	5,238,817
Other restricted		3,305,560		27,565,829	31,575,523
Committed					
Park purchases					103,559
Tree landscape					391,414
Council reserve					13,522,262
Other committed				5,181,575	5,181,575
Assigned				716,721	5,308,180
Unassigned				(260,165)	(51,365)
Total fund balances	<u>3,622,273</u>	<u>3,306,083</u>	<u>12,037,377</u>	<u>34,837,027</u>	<u>79,097,597</u>

**Total liabilities, deferred inflows of
resources and fund balances (deficits)**

\$ 4,079,110 \$ 3,776,097 \$ 12,077,371 \$ 40,615,119

Capital assets used in governmental activities are not financial resources to the governmental funds. The cost of the assets is \$386,283,671 and the accumulated depreciation is \$129,484,114. 256,799,557

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. 1,658,288

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 7,016,606

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. (14,806,578)

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. (60,530,720)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Loans payable	(80,000)
Notes payable	(50,758,000)
Bonds payable	(41,230,000)
Unamortized bond premium	(90,658)
Unamortized bond discount	246,242
Deferred loss on early retirement	254,171
Due to other governments	(11,700,000)
Compensated absences	(2,659,126)
Capital lease	(4,914,536)
Accrued interest payable	(1,999,349)
	<u>(112,931,256)</u>

Net position of governmental activities

\$ 156,303,494

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, 2018

	General Fund	Community Redevelopment Agency	Urban Core Redevelopment Trust	Eastside Tax Increment Financing District	Westside Tax Increment Financing District
Revenues:					
Taxes	\$ 27,144,455	\$	\$	\$	\$
Licenses and permits	78,588				
Franchise fees	8,727,806				
Intergovernmental	7,330,410		3,276,393	73,103	186,278
Charges for services	1,121,830	16,157			
Fines and forfeits	115,724				
Assessments	52,326				
Interest income	237,238	60,491		7,881	1,173
Donations					
Other	563,546				
Total revenues	45,371,923	76,648	3,276,393	80,984	187,451
Expenditures:					
Current -					
General government	5,437,292	2,694,352		73,577	70,703
Public safety	31,070,819				
Transportation	2,359,078				
Culture and recreation	6,354,816				
Economic environment	461,358				
Physical environment	942				
Human services	30,000				
Capital outlay					
Debt service -					
Principal retirement					
Interest				15,000	
Issuance Cost					
Total expenditures	45,714,305	2,694,352	0	88,577	70,703
Excess (deficiency) of revenues over (under) expenditures	(342,382)	(2,617,704)	3,276,393	(7,593)	116,748
Other financing sources (uses):					
Transfers in	8,000,000	1,917,081	1,983,688	47,393	120,764
Transfers (out)	(5,105,441)		(5,260,081)		(280,000)
Sale of capital assets	303,097	2,222,907			
Bonds issued					
Total other financing sources (uses)	3,197,656	4,139,988	(3,276,393)	47,393	(159,236)
Net Change in fund balances	2,855,274	1,522,284	0	39,800	(42,488)
Fund balances at beginning of year	17,024,154	3,157,658	0	614,763	123,392
Fund balances at end of year	\$ 19,879,428	\$ 4,679,942	\$ 0	\$ 654,563	\$ 80,904

(continued)

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, 2018

	CRA	Housing	CRA	Nonmajor	Total
	Debt Service	Assistance	Project Fund	Governmental	Governmental
		Payments		Funds	Funds
Revenues:					
Taxes	\$	\$	\$	\$ 9,889,721	\$ 37,034,176
Licenses and permits				1,514,900	1,593,488
Franchise fees					8,727,806
Intergovernmental	912,208	16,696,479		2,407,961	30,882,832
Charges for services				5,483,656	6,621,643
Fines and forfeits				51,056	166,780
Assessments					52,326
Interest income	47,688	60,414	144,473	435,206	994,564
Donations				1,125,245	1,125,245
Other		213,801		63,235	840,582
Total revenues	<u>959,896</u>	<u>16,970,694</u>	<u>144,473</u>	<u>20,970,980</u>	<u>88,039,442</u>
Expenditures:					
Current -					
General government				1,118,286	9,394,210
Public safety				1,877,274	32,948,093
Transportation				125,060	2,484,138
Culture and recreation				2,852,925	9,207,741
Economic environment		16,843,264		308,466	17,613,088
Physical environment				3,232,986	3,233,928
Human services					30,000
Capital outlay		7,395	883,269	22,433,939	23,324,603
Debt service -					
Principal retirement	1,466,000			6,274,418	7,740,418
Interest	3,154,963			764,047	3,934,010
Issuance Cost			67,862	80,038	147,900
Total expenditures	<u>4,620,963</u>	<u>16,850,659</u>	<u>951,131</u>	<u>39,067,439</u>	<u>110,058,129</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,661,067)</u>	<u>120,035</u>	<u>(806,658)</u>	<u>(18,096,459)</u>	<u>(22,018,687)</u>
Other financing sources (uses):					
Transfers in	3,623,000			2,953,596	18,645,522
Transfers (out)				0	(10,645,522)
Sale of capital assets				0	2,526,004
Bonds issued			8,000,000	25,000,000	33,000,000
Total other financing sources (uses)	<u>3,623,000</u>	<u>0</u>	<u>8,000,000</u>	<u>27,953,596</u>	<u>43,526,004</u>
Net Change in fund balances	<u>(38,067)</u>	<u>120,035</u>	<u>7,193,342</u>	<u>9,857,137</u>	<u>21,507,317</u>
Fund balances at beginning of year	<u>3,660,340</u>	<u>3,186,048</u>	<u>4,844,035</u>	<u>24,979,890</u>	<u>57,590,280</u>
Fund balances at end of year	<u>\$ 3,622,273</u>	<u>\$ 3,306,083</u>	<u>\$ 12,037,377</u>	<u>\$ 34,837,027</u>	<u>\$ 79,097,597</u>

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, 2018

Net change in fund balances - total governmental funds			\$ 21,507,317
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	23,324,603	
	Less current year depreciation	<u>(11,924,371)</u>	11,400,232
Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the statement of net position.			(33,000,000)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.			6,194,000
Repayment of capital lease payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.			1,546,418
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.			(864,087)
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.			(207,776)
Accrued interest expense, reported in the statement of activities, does not require the use of current financial resources in governmental funds. Included is the amortization of bond discounts and premiums of \$336,900.			(390,850)
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.			(1,252,652)
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.			(1,993,151)
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.			618,806
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.			
	Donations of capital assets	6,289	
	Net book value of capital assets disposed	<u>(1,470,785)</u>	<u>(1,464,496)</u>
Change in net position of governmental activities			\$ 3,393,761

The accompanying notes are an integral part of these financial statements.



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CITY OF PENSACOLA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 26,340,900	\$ 27,158,022	\$ 27,144,455	\$ (13,567)
Licenses and permits	78,500	78,570	78,588	18
Franchise fees	8,626,800	8,727,806	8,727,806	0
Intergovernmental	6,940,800	7,327,142	7,330,410	3,268
Charges for services	1,110,100	1,121,781	1,121,830	49
Fines and forfeits	109,500	102,022	115,724	13,702
Assessments	0	52,326	52,326	0
Interest income	50,000	237,238	237,238	0
Other	585,000	591,912	563,546	(28,366)
Total revenues	<u>43,841,600</u>	<u>45,396,819</u>	<u>45,371,923</u>	<u>(24,896)</u>
Expenditures:				
Current -				
General government	5,869,000	6,435,732	5,437,292	998,440
Public safety	31,539,800	32,052,741	31,070,819	981,922
Transportation	2,367,200	2,567,103	2,359,078	208,025
Culture and recreation	6,900,700	6,912,461	6,354,816	557,645
Economic environment	325,000	691,451	461,358	230,093
Physical environment	3,000	59,391	942	58,449
Human services	30,000	30,000	30,000	0
Capital outlay	0	0	0	0
Total expenditures	<u>47,034,700</u>	<u>48,748,879</u>	<u>45,714,305</u>	<u>3,034,574</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,193,100)</u>	<u>(3,352,060)</u>	<u>(342,382)</u>	<u>3,009,678</u>
Other financing sources (uses):				
Transfers in	8,000,000	8,000,000	8,000,000	0
Transfers (out)	(5,146,900)	(5,105,441)	(5,105,441)	0
Sale of capital assets	50,000	303,097	303,097	0
Total other financing sources (uses)	<u>2,903,100</u>	<u>3,197,656</u>	<u>3,197,656</u>	<u>0</u>
Net change in fund balances	<u>\$ (290,000)</u>	<u>\$ (154,404)</u>	<u>2,855,274</u>	<u>\$ 3,009,678</u>
Fund balances at beginning of year			<u>17,024,154</u>	
Fund balances at end of year			<u>\$ 19,879,428</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive/(Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 12,800	\$ 16,003	\$ 16,157	\$ 154
Interest income	5,000	60,491	60,491	0
Other	5,100	0	0	0
Total revenues	<u>22,900</u>	<u>76,494</u>	<u>76,648</u>	<u>154</u>
Expenditures:				
Current -				
General government	2,452,800	4,088,120	2,694,352	1,393,768
Public safety				
Transportation				
Culture and recreation				
Economic environment				
Physical environment				
Human services				
Capital outlay				
Total expenditures	<u>2,452,800</u>	<u>4,088,120</u>	<u>2,694,352</u>	<u>1,393,768</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,429,900)</u>	<u>(4,011,626)</u>	<u>(2,617,704)</u>	<u>1,393,922</u>
Other financing sources (uses):				
Transfers in	2,429,900	1,917,081	1,917,081	0
Sale of capital assets	0	2,222,907	2,222,907	0
Total other financing sources (uses)	<u>2,429,900</u>	<u>4,139,988</u>	<u>4,139,988</u>	<u>0</u>
Net change in fund balances	<u>\$ 0</u>	<u>\$ 128,362</u>	<u>1,522,284</u>	<u>\$ 1,393,922</u>
Fund balances at beginning of year			<u>3,157,658</u>	
Fund balances at end of year			<u>\$ 4,679,942</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
URBAN CORE REDEVELOPMENT TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues:				
Intergovernmental	\$ 3,276,500	\$ 3,276,393	\$ 3,276,393	\$ 0
Total revenues	<u>3,276,500</u>	<u>3,276,393</u>	<u>3,276,393</u>	<u>0</u>
Expenditures:				
Current -				
General government				
Public safety				
Transportation				
Culture and recreation				
Economic environment				
Physical environment				
Human services				
Capital outlay				
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,276,500</u>	<u>3,276,393</u>	<u>3,276,393</u>	<u>0</u>
Other financing sources (uses):				
Transfers in	1,983,700	1,983,688	1,983,688	0
Transfers (out)	<u>(5,260,200)</u>	<u>(5,260,081)</u>	<u>(5,260,081)</u>	<u>0</u>
Total other financing sources (uses)	<u>(3,276,500)</u>	<u>(3,276,393)</u>	<u>(3,276,393)</u>	<u>0</u>
Net change in fund balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
Fund balances at beginning of year			<u>0</u>	
Fund balances at end of year			<u>\$ 0</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
EASTSIDE TAX INCREMENT FINANCING DISTRICT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive/(Negative)
	Original	Final	Actual Amounts	
Revenues:				
Intergovernmental	\$ 73,200	\$ 73,103	\$ 73,103	\$ 0
Interest income	0	7,881	7,881	0
Total revenues	73,200	80,984	80,984	0
Expenditures:				
Current -				
General government	30,600	586,300	73,577	512,723
Public safety				
Transportation				
Culture and recreation				
Economic environment				
Physical environment				
Human services				
Capital outlay				
Debt service -				
Principal retirement				
Interest	0	60,000	15,000	45,000
Total expenditures	30,600	646,300	88,577	557,723
Excess (deficiency) of revenues over (under) expenditures	42,600	(565,316)	(7,593)	557,723
Other financing sources (uses):				
Transfers in	47,400	47,393	47,393	0
Transfers (out)	(90,000)	0	0	0
Total other financing sources (uses)	(42,600)	47,393	47,393	0
Net change in fund balances	\$ 0	\$ (517,923)	39,800	\$ 557,723
Fund balances at beginning of year			614,763	
Fund balances at end of year			\$ 654,563	

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
WESTSIDE TAX INCREMENT FINANCING DISTRICT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues:				
Intergovernmental	\$ 186,300	\$ 186,278	\$ 186,278	\$ 0
Interest income	0	1,173	1,173	0
Total revenues	<u>186,300</u>	<u>187,451</u>	<u>187,451</u>	<u>0</u>
Expenditures:				
Current -				
General government	32,100	150,781	70,703	80,078
Public safety				
Transportation				
Culture and recreation				
Economic environment				
Physical environment				
Human services				
Capital outlay				
Total expenditures	<u>32,100</u>	<u>150,781</u>	<u>70,703</u>	<u>80,078</u>
Excess (deficiency) of revenues over (under) expenditures	<u>154,200</u>	<u>36,670</u>	<u>116,748</u>	<u>80,078</u>
Other financing sources (uses):				
Transfers in	120,800	120,764	120,764	0
Transfers (out)	<u>(275,000)</u>	<u>(280,000)</u>	<u>(280,000)</u>	<u>0</u>
Total other financing sources (uses)	<u>(154,200)</u>	<u>(159,236)</u>	<u>(159,236)</u>	<u>0</u>
Net change in fund balances	<u>\$ 0</u>	<u>\$ (122,566)</u>	<u>(42,488)</u>	<u>\$ 80,078</u>
Fund balances at beginning of year			<u>123,392</u>	
Fund balances at end of year			<u>\$ 80,904</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
HOUSING ASSISTANCE PAYMENTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Final Budget -</u> <u>Positive/(Negative)</u>
Revenues :				
Intergovernmental	\$ 17,811,400	\$ 17,845,837	\$ 16,696,479	\$ (1,149,358)
Interest income	10,200	10,200	60,414	50,214
Other	<u>20,000</u>	<u>20,000</u>	<u>213,801</u>	<u>193,801</u>
Total revenues	<u>17,841,600</u>	<u>17,876,037</u>	<u>16,970,694</u>	<u>(905,343)</u>
Expenditures :				
Current -				
Economic environment	17,824,200	17,927,441	16,843,264	1,084,177
Capital outlay	<u>17,400</u>	<u>15,400</u>	<u>7,395</u>	<u>8,005</u>
Total expenditures	<u>17,841,600</u>	<u>17,942,841</u>	<u>16,850,659</u>	<u>1,092,182</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>0</u>	<u>(66,804)</u>	<u>120,035</u>	<u>186,839</u>
Net change in fund balances	\$ <u>0</u>	\$ <u>(66,804)</u>	<u>120,035</u>	\$ <u>186,839</u>
Fund balances at beginning of year			<u>3,186,048</u>	
Fund balances at end of year			\$ <u>3,306,083</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF PENSACOLA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2018

	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	\$ 4,264,742	\$ 594,271	\$	\$ 2,789,666	\$ 7,648,679	\$ 1,841,551
Investments	10,562,290	1,471,804		6,907,678	18,941,772	4,560,888
Interest receivable				125,571	125,571	
Accounts receivable (net)	4,190,436	694,679	283,124	2,217,471	7,385,710	806,615
Due from other funds	267,634				267,634	141,400
Due from other governments			559,603	4,696,774	5,256,377	11,345
Prepaid expenses	52,601	803	12,368	80,614	146,386	236,646
Inventory	15,750				15,750	994,480
Capital lease receivable	302,641				302,641	
Restricted assets						
Cash and cash equivalents	1,575,382	91,582	106,307	5,933,359	7,706,630	
Investments	3,901,676	226,817	263,285	14,694,881	19,086,659	
Total current assets	<u>25,133,152</u>	<u>3,079,956</u>	<u>1,224,687</u>	<u>37,446,014</u>	<u>66,883,809</u>	<u>8,592,925</u>
Noncurrent assets						
Intangible asset	46,899				46,899	
Prepaid expenses					0	200,000
Advances to other funds	419,640				419,640	592,791
Capital lease receivable	1,157,801				1,157,801	
Interest rate swap asset				101,647	101,647	
Restricted assets						
Cash and cash equivalents	134,123			3,368,356	3,502,479	1,348,975
Investments	332,177			8,342,256	8,674,433	3,340,944
Capital assets						
Non-depreciable	454,245	41,093	6,781,167	35,463,507	42,740,012	27,455
Depreciable (net)	54,696,735	2,005,098	7,471,717	150,951,512	215,125,062	1,821,033
Total noncurrent assets	<u>57,241,620</u>	<u>2,046,191</u>	<u>14,252,884</u>	<u>198,227,278</u>	<u>271,767,973</u>	<u>7,331,198</u>
Total assets	<u>82,374,772</u>	<u>5,126,147</u>	<u>15,477,571</u>	<u>235,673,292</u>	<u>338,651,782</u>	<u>15,924,123</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on early retirement				758,446	758,446	
Deferred pension	2,375,437	1,259,922	225,130	1,220,384	5,080,873	1,182,179
Deferred OPEB	645,100	237,088	49,623	281,198	1,213,009	248,115
Total deferred outflows of resources	<u>3,020,537</u>	<u>1,497,010</u>	<u>274,753</u>	<u>2,260,028</u>	<u>7,052,328</u>	<u>1,430,294</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, 2018

	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	1,739,030	118,532	33,924	464,809	2,356,295	58,893
Contracts payable	251,218	726	244,850	372,608	869,402	87,464
Contracts payable - retainage			182,641		182,641	
Due to other funds	225,640	198,787	403,876	96,621	924,924	189,307
Deposits			368,592	29,958	398,550	15,560
Compensated absences payable	17,131			32,378	49,509	555
Payable from restricted assets						
Notes payable	1,725,000			2,908,600	4,633,600	
Revenue bonds payable				1,285,000	1,285,000	
Accrued interest payable	167,054			663,687	830,741	
Total current liabilities	<u>4,125,073</u>	<u>318,045</u>	<u>1,233,883</u>	<u>5,853,661</u>	<u>11,530,662</u>	<u>351,779</u>
Noncurrent liabilities						
Compensated absences payable	691,009	290,330	57,823	342,224	1,381,386	219,050
Advances from other funds	472,079	481,965		36,744	990,788	21,643
Due to other governments				3,200,000	3,200,000	
Claims and judgments payable						3,435,011
Notes payable	15,105,000			55,794,000	70,899,000	
Interest rate swap liability				670	670	
Net pension liability	10,152,150	5,296,821	856,728	5,165,821	21,471,520	4,558,658
Total OPEB liability	3,891,214	1,443,781	305,093	1,797,409	7,437,497	1,556,795
Total noncurrent liabilities	<u>30,311,452</u>	<u>7,512,897</u>	<u>1,219,644</u>	<u>66,336,868</u>	<u>105,380,861</u>	<u>9,791,157</u>
Total liabilities	<u>34,436,525</u>	<u>7,830,942</u>	<u>2,453,527</u>	<u>72,190,529</u>	<u>116,911,523</u>	<u>10,142,936</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred pension	357,037	347,630	33,540	508,194	1,246,401	179,239
Deferred OPEB	40,654	14,941	3,127	17,721	76,443	15,636
Total deferred outflows of resources	<u>397,691</u>	<u>362,571</u>	<u>36,667</u>	<u>525,915</u>	<u>1,322,844</u>	<u>194,875</u>
NET POSITION						
Net investment in capital assets	41,952,883	2,046,191	14,252,884	127,973,527	186,225,485	1,848,488
Restricted						
Debt service	466,300			3,369,612	3,835,912	
Renewal and replacement				5,506,000	5,506,000	
Operations and maintenance				2,835,000	2,835,000	
Unrestricted	<u>8,141,910</u>	<u>(3,616,547)</u>	<u>(990,754)</u>	<u>25,532,737</u>	<u>29,067,346</u>	<u>5,168,118</u>
Total net (deficit) position	<u>\$ 50,561,093</u>	<u>\$ (1,570,356)</u>	<u>\$ 13,262,130</u>	<u>\$ 165,216,876</u>	<u>\$ 227,469,743</u>	<u>\$ 7,016,606</u>

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, 2018

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Utility Fund	Sanitation Fund	Port Fund	Airport Fund	Total	
Operating revenues:						
Charges for services	\$ 49,914,141	\$ 7,744,185	\$ 1,259,626	\$ 23,190,940	\$ 82,108,892	\$ 5,260,308
Insurance					-	15,034,884
Other	325,720	363,984		64,211	753,915	265,381
Total operating revenues	<u>50,239,861</u>	<u>8,108,169</u>	<u>1,259,626</u>	<u>23,255,151</u>	<u>82,862,807</u>	<u>20,560,573</u>
Operating expenses:						
Gas purchases	17,540,361				17,540,361	
Salaries and employee benefits	7,489,524	3,364,681	806,076	4,318,772	15,979,053	3,235,471
Materials and supplies	1,360,862	440,440	14,373	210,336	2,026,011	137,637
Repairs and maintenance	403,769	945,456	28,511	1,539,795	2,917,531	174,570
Contractual services	4,068,339	203,145	194,131	5,261,787	9,727,402	917,868
Office and utilities	1,652,149	525,832	445,973	2,121,128	4,745,082	362,519
Land fill fees		1,120,812			1,120,812	
Overhead allocation	1,272,800	499,800	137,100	570,600	2,480,300	
Premiums and claims expense						14,878,240
Total operating expenses before depreciation	<u>33,787,804</u>	<u>7,100,166</u>	<u>1,626,164</u>	<u>14,022,418</u>	<u>56,536,552</u>	<u>19,706,305</u>
Operating income (loss) before depreciation	16,452,057	1,008,003	(366,538)	9,232,733	26,326,255	854,268
Depreciation	<u>2,083,467</u>	<u>286,801</u>	<u>1,124,406</u>	<u>9,991,414</u>	<u>13,486,088</u>	<u>379,597</u>
Operating income (loss)	<u>14,368,590</u>	<u>721,202</u>	<u>(1,490,944)</u>	<u>(758,681)</u>	<u>12,840,167</u>	<u>474,671</u>
Nonoperating revenues (expenses):						
Investment interest	303,980	29,432		504,537	837,949	140,781
Interest expense	(334,107)	(13,950)	(1,992)	(2,925,395)	(3,275,444)	
Amortization of bond expense	(3,291)			(16,123)	(19,414)	
Issuance Cost				(148,972)	(148,972)	
Gain (loss) on disposal of capital assets	24,999	71			25,070	3,354
Total nonoperating revenues (expenses)	<u>(8,419)</u>	<u>15,553</u>	<u>(1,992)</u>	<u>(2,585,953)</u>	<u>(2,580,811)</u>	<u>144,135</u>
Income (loss) before contributions and transfers	<u>14,360,171</u>	<u>736,755</u>	<u>(1,492,936)</u>	<u>(3,344,634)</u>	<u>10,259,356</u>	<u>618,806</u>
Contributions and transfers:						
Contributions						
Federal and state grants	634,167		3,711,490	9,801,781	14,147,438	
Passenger facility charge				3,757,120	3,757,120	
Passenger facility charge - Interest				118,829	118,829	
Donations				6,586,647	6,586,647	
Transfers in (out)	(8,000,000)				(8,000,000)	
Total contributions and transfers	<u>(7,365,833)</u>	<u>-</u>	<u>3,711,490</u>	<u>20,264,377</u>	<u>16,610,034</u>	<u>-</u>
Change in net position	<u>6,994,338</u>	<u>736,755</u>	<u>2,218,554</u>	<u>16,919,743</u>	<u>26,869,390</u>	<u>618,806</u>
Net position at beginning of year	44,575,876	(1,936,237)	11,121,200	148,737,006	202,497,845	6,785,924
Implementation of GASB 75	<u>(1,009,121)</u>	<u>(370,874)</u>	<u>(77,624)</u>	<u>(439,873)</u>	<u>(1,897,492)</u>	<u>(388,124)</u>
Net position at beginning of year, as restated	<u>43,566,755</u>	<u>(2,307,111)</u>	<u>11,043,576</u>	<u>148,297,133</u>	<u>200,600,353</u>	<u>6,397,800</u>
Net position at end of year	<u>\$ 50,561,093</u>	<u>\$ (1,570,356)</u>	<u>\$ 13,262,130</u>	<u>\$ 165,216,876</u>	<u>\$ 227,469,743</u>	<u>\$ 7,016,606</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, 2018

	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	\$ 49,143,101	\$ 8,018,685	\$ 1,306,282	\$ 23,573,129	\$ 82,041,197	\$ 21,072,637
Cash payments to suppliers for goods and services	(24,359,027)	(3,785,175)	(795,793)	(9,796,310)	(38,736,305)	(15,986,525)
Cash payments to employees for services	(7,044,967)	(3,380,276)	(415,638)	(4,402,124)	(15,243,005)	(3,067,159)
Net cash provided by (used for) operating activities	17,739,107	853,234	94,851	9,374,695	28,061,887	2,018,953
Cash flows from noncapital financing activities:						
Advance from (to) other funds	261,487	(119,076)		19,258	161,669	(161,669)
Net transfers	(8,000,000)				(8,000,000)	
Net cash provided by (used for) noncapital financing activities	(7,738,513)	(119,076)	0	19,258	(7,838,331)	(161,669)
Cash flows from capital and related financing activities:						
Acquisition of capital assets	(10,449,897)	(826,781)	(7,409)	(1,212,865)	(12,496,952)	(228,267)
Acquisition of capital assets with grant monies			(3,409,176)	(23,270,086)	(26,679,262)	
Rebate on prior year capital asset acquisition	634,167				634,167	
Proceeds from sale of assets	29,460	71			29,531	3,354
Contributions from other governments			3,356,405	20,416,383	23,772,788	
Donations from other entities					0	
Contributions from customers				3,891,045	3,891,045	
Principal paid on capital debt	(2,525,000)			(5,905,000)	(8,430,000)	
Interest paid on capital debt	(342,339)	(13,950)		(3,492,841)	(3,849,130)	
Proceeds from capital debt				6,299,600	6,299,600	
Proceeds from capital lease	296,387				296,387	
Other debt service				(1,215,972)	(1,215,972)	
Net cash provided by (used for) capital and related financing activities	(12,357,222)	(840,660)	(60,180)	(4,489,736)	(17,747,798)	(224,913)
Cash flows from investing activities:						
Sale (purchase) of investments	2,407,240	156,824	(9,605)	(2,241,948)	312,511	(877,267)
Interest on investments	303,980	29,432	(1,627)	378,966	710,751	140,781
Net cash provided by (used for) investing activities	2,711,220	186,256	(11,232)	(1,862,982)	1,023,262	(736,486)
Net increase (decrease) in cash and cash equivalents	354,592	79,754	23,439	3,041,235	3,499,020	895,885
Cash and cash equivalents at beginning of year	5,619,655	606,099	82,868	9,049,597	15,358,219	2,294,641
Cash and cash equivalents at end of year	\$ 5,974,247	\$ 685,853	\$ 106,307	\$ 12,090,832	\$ 18,857,239	\$ 3,190,526

(continued)

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, 2018

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Utility Fund	Sanitation Fund	Port Fund	Airport Fund	Total	
Operating income (loss)	\$ 14,368,590	\$ 721,202	\$ (1,490,944)	\$ (758,681)	\$ 12,840,167	\$ 474,671
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	2,083,467	286,801	1,124,406	9,991,414	13,486,088	379,597
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	(605,770)	(12,677)	50,286	360,117	(208,044)	322,147
(Increase) decrease in inventory	3,532				3,532	(191,832)
(Increase) decrease in due from other funds	(136,334)				(136,334)	185,675
(Increase) decrease in due from other governments					0	102,311
(Increase) decrease in prepaid expense	1,715,141	8	230	(24,459)	1,690,920	(189,155)
Increase (decrease) in accounts payable	224,112	(50,424)	(36,720)	(107,455)	29,513	(34,027)
Increase (decrease) in contracts payable	9,962	726	60,785	(228,854)	(157,381)	38,070
Increase (decrease) in due to other funds	26,155	(79,543)	395,142	25,687	367,441	4,855
Increase (decrease) in deposits		(105)	(3,630)	(42,139)	(45,874)	8,079
Increase (decrease) in claims and judgments					0	896,301
Increase (decrease) in deferred revenue					0	
Increase (decrease) in compensated absences	53,360	(23,696)	(3,535)	(9,489)	16,640	6,206
Increase (decrease) in net OPEB obligation	283,483	104,186	21,807	123,569	533,045	109,032
Increase (decrease) in net pension liability	(286,591)	(93,244)	(22,976)	44,985	(357,826)	(92,977)
Net cash provided by (used for) operating activities:	<u>\$ 17,739,107</u>	<u>\$ 853,234</u>	<u>\$ 94,851</u>	<u>\$ 9,374,695</u>	<u>\$ 28,061,887</u>	<u>\$ 2,018,953</u>
Noncash investing, capital, and financing activities:						
	Utility Fund	Sanitation Fund	Port Fund	Airport Fund	Total	Internal Service Funds
Amortization of bond expense	\$ 3,291	\$	\$	\$ (55,062)	\$ (51,771)	\$
Contribution of capital assets from other funds					-	
Gain (loss) on disposal of capital assets	(4,461)				(4,461)	
Debt Refunding				29,678,000	29,678,000	

The accompanying notes are an integral part of these financial statements.



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CITY OF PENSACOLA, FLORIDA
COMBINED STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2018

	<u>Total Pension Trust Funds</u>
ASSETS	
Other cash	\$ 285,784
Receivables:	
Employer	265
Employee	19,795
Total receivables	<u>20,060</u>
Investments:	
Short term investments	7,693,786
Debt Securities & Bond Mutual Funds	69,955,793
Convertible Corporate Bonds	23,499,304
Stock Mutual Funds	37,317,138
Mortgage Backed Securities	50,308,421
Commingled Trust Fund	7,537,279
Domestic Stocks	151,513,283
Preferred Stocks	2,468,100
Foreign Stocks	24,286,902
Total investments	<u>374,580,006</u>
Total assets	<u>\$ 374,885,850</u>
LIABILITIES	
Accounts payable	\$ 402,351
Total liabilities	<u>402,351</u>
NET POSITION	
Restricted for pension benefits	<u>\$ 374,483,499</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, 2018

	Total Pension Trust Funds
Additions:	
Contributions - city	\$ 12,191,651
Contributions - employee	995,165
Contributions - employee buy back	47,123
Commission recapture	7,541
Insurance proceeds - State of Florida	1,119,604
Total contributions	<u>14,361,084</u>
Investment income	
Net appreciation	
in fair value of investments	24,245,253
Interest and dividends	9,291,051
	<u>33,536,304</u>
Less investment expense	1,747,840
Net investment income	<u>31,788,464</u>
Total additions	<u>46,149,548</u>
Deductions:	
Pensions paid - employees	23,076,745
Pensions paid - widows	3,535,928
Pensions paid - children	6,607
Refunds to employees	70,615
Deferred retirement option plan	1,235,131
Health insurance assistance	120,036
Administrative expenses	353,823
Total deductions	<u>28,398,885</u>
Change in net position	17,750,663
Net position held in trust for pension benefits:	
Beginning of year	<u>356,732,836</u>
End of year	\$ <u><u>374,483,499</u></u>

The accompanying notes are an integral part of these financial statements.



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**NOTES TO
FINANCIAL STATEMENTS**

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

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CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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

On November 24, 2009 voters approved amendments to the City Charter that changed the form of government from a Council-Manager to a Mayor-Council structure commonly referred to as a “Strong Mayor” form of government. The amended Charter became effective January 2010. With the new structure, the Council shall be the governing body of the City with all legislative powers of the City vested therein, consisting of nine (9) Council Members, one (1) to be elected from each of the seven (7) election districts of the City, and two Council members to be elected at large. On June 11, 2013, voters approved amendments to the City Charter that eliminated the two at-large City Council seats, upon the completion of the current terms. The number of City Council seats was reduced to seven (7) with the elimination of the two at-large seats in November 2014 and November 2016. Members of Council and Mayor are limited to 3 consecutive 4 year terms. 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.

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. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The CRA is considered a blended component unit since the CRA and City has same governing body and management of the primary government has operational responsibility for 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 fund each fiscal year, and submission of a report of such audit. The City has presented the CRA as a major fund of the City to satisfy this requirement, simply due to the fact that the scope of an audit for a major fund is broader than that of a nonmajor fund.

Discretely Presented Component Unit

The component unit column in the combined financial statements include 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 is 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. Complete financial statements of the DIB can be obtained from their administrative office as follows: 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. The Commission is composed of nine members: four selected by the Escambia County Board of County Commissioners, four selected by the City Council, and one selected by the other eight members. There is no current or long-term debt nor does the City control the financial operations of the Commission.

Compiled financial statements of HRC can be obtained from their administrative office as follows: Escambia - Pensacola Human Relations Commission, 2257 North Baylen Street, Pensacola, Florida, 32501.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

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 the industrial, commercial and tourist potential of the County, increasing employment opportunities, improving the economic environment, and expanding the tax base. The nine member commission consists of representatives from the Escambia County Board of County Commissioners, the Pensacola City Council, the Pensacola Area Chamber of Commerce, and the Town of Century and Tourist Advisory Council. 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 as follows: Pensacola - Escambia County Promotion and Development Commission, 117 West Garden Street, Pensacola, Florida, 32502.

Summary financial statements including fiduciary funds of these entities are as follows:

Statement of Net Position September 30, 2018			
	HRC (Unaudited)		PEDC (Audited)
Assets	\$ 14,350	\$	7,530,104
Liabilities	6,031		3,062,247
Net Position:			
Restricted			61,198
Unrestricted	8,319		4,406,659
Total Net Position	8,319		4,467,857
Total Liabilities and Net Position	\$ 14,350	\$	7,530,104

Statement of Revenues, Expenses and Changes in Net Position for the Fiscal Year Ended September 30, 2018			
	HRC (Unaudited)		PEDC (Audited)
Revenue	\$ 127,051	\$	2,199,046
Expenses	138,484		2,186,974
Excess of revenue over (under) expenses	(11,433)		12,072
Net position Beginning of Year	19,752		4,455,785
Net position at End of Year	\$ 8,319	\$	4,467,857

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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, expenditures/expenses are recognized in the accounts and reported in the financial statements. 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, 2018

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.

Community Redevelopment Agency - to account for the tax increment development receipts and the expenditures thereof.

Urban Core Redevelopment Trust - to account for the tax increment development receipts and the expenditures thereof.

Eastside Tax Increment Financing District - to account for the tax increment revenues associated with programs and projects identified in Eastside Community Redevelopment Area.

Westside Tax Increment Financing District - to account for the tax increment revenues associated with programs and projects identified in Westside Community Redevelopment Area.

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.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

CRA 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.

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.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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, 2018

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 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 an intangible asset on the face of the financial statements of \$46,899. 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.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

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. 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has two items that qualify for reporting in this category.

One is the deferred charge on refunding reported in the proprietary statement of net position as well as the government-wide statement of net position. A deferred charge on refunding 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/or Other Postemployment Benefits (OPEB) contributions made by the employer after measurement date and changes in benefits, assumptions, and differences between actual and expected returns.

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 position that applies to a future period(s) and so will not be recognized 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 refunding reported in the proprietary statement of net position as well the government-wide statement of net position. A deferred gain on refunding 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 in changes benefits, assumptions, and differences between actual and expected returns.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. 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.

10. 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), 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, which can be paid to the employee upon separation from service. Employees who separate service in good standing can be paid the balance of their accrued PTO. 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.

11. Bond Discounts, Issuance Cost, and Refunding Gains and Losses

In the government-wide financial statements and proprietary fund types in the 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.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. 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.

13. Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position are 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.

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.

14. Method Used to Value 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.

15. New Accounting Pronouncements

GASB Statement No. 75. In June 2015, the GASB issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits other than pensions." This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures for post-employment benefits. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute the present value to periods of employee service. As such, implementation of the Statement occurred in the City's fiscal year ended September 30, 2018.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 82. In March 2016, the GASB issued Statement No. 82, "Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73." This Statement establishes accounting and financial reporting requirements for pensions provided to the employees of state or local government employers. This Statement also establishes financial reporting requirements for pension plans administered through trusts that meet a criteria. As such, implementation of the Statement occurred in the City's fiscal year ending September 30, 2018

NOTE II. – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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 Chief Financial Officer 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.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE II. – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

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.

NOTE III. - 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, 2018

NOTE III. - 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	\$ 3,597,305	N/A
Debt Securities & Bond Mutual Funds			
Corporate Bonds	5.18 years	7,807,945	A1 - A3
Corporate Bonds	5.15 years	8,445,433	Aaa
Corporate Bonds	2.81 years	1,140,200	Aa1 - Aa3
Corporate Bonds	4.92 years	4,349,393	Baa1 - Baa3
Corporate Bonds	4.86 Years	3,080,920	Rating Unavailable
Limited Partnerships	Current	697,714	N/A
Convertible Corporate Bonds			
Corporate Bonds	12.71 years	275,739	A1 - A3
Corporate Bonds	3.41 years	366,490	B1 - B3
Corporate Bonds	7.87 years	334,393	Ba1 - Ba3
Corporate Bonds	5.34 years	209,970	Baa1 - Baa3
Corporate Bonds	6.94 years	9,376,899	Rating Unavailable
Stock Mutual Funds	Current	24,503,622	N/A
Mortgage Backed Securities			
Mortgage Backed Securities	12.66 years	6,480,607	Aaa
Real Estate Investment Trust	Current	17,202,938	N/A
Domestic Stocks	Current	53,370,547	N/A
Commingled Trust Fund	Current	333,519	N/A
Preferred Stocks	Current	1,129,438	N/A
Foreign Stocks	Current	4,450,198	N/A
Total General Pension Investments		\$ 147,153,270	

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - 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	\$ 2,682,645	N/A
Debt Securities & Bond Mutual Funds			
Corporate Bonds	4.94 years	6,687,461	A1 - A3
Corporate Bonds	5.15 years	8,522,754	Aaa
Corporate Bonds	2.68 years	992,896	Aa1 - Aa3
Corporate Bonds	4.92 years	3,329,795	Baa1 - Baa3
Corporate Bonds	3.12 years	3,249,771	Rating Unavailable
Limited Partnerships	Current	800,040	N/A
Convertible Corporate Bonds			
Corporate Bonds	15.41 years	223,615	A1 - A3
Corporate Bonds	3.41 years	446,197	B1-B2
Corporate Bonds	7.87 years	412,784	Ba1-Ba3
Corporate Bonds	5.33 years	270,664	Baa1 - Baa3
Corporate Bonds	5.31 years	11,582,553	Rating Unavailable
Stock Mutual Funds	Current	12,813,516	N/A
Mortgage Backed Securities			
Mortgage Backed Securities	14.52 years	4,202,858	Rating Unavailable
Real Estate Investment Trust	Current	7,979,596	N/A
Commingled Trust Fund	Current	7,203,760	N/A
Domestic Stocks	Current	50,634,172	N/A
Preferred Stocks	Current	1,338,662	N/A
Foreign Stocks	Current	2,163,533	N/A
Total Fire Pension Investments		<u>\$ 125,537,272</u>	

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - 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	\$ 1,413,836	N/A
Debt Securities & Bond Mutual Funds			
Corporate Bonds	6.25 years	3,965,048	A1 - A3
Corporate Bonds	10.06 years	7,866,109	Aaa
Corporate Bonds	2.97 years	658,847	Aa1 -Aa3
Corporate Bonds	4.91 years	3,162,397	Baa1-Baa3
Corporate Bonds	4.41 years	2,651,113	Rating Unavailable
Bond Mutual Funds		2,676,642	Rating Unavailable
Mortgage Backed Securities			
Mortgage Backed Securities	15 years	4,521,549	Rating Unavailable
Real Estate Investment Trust	Current	9,920,873	N/A
Domestic Stocks	Current	47,508,565	N/A
Foreign Stocks	Current	17,673,171	N/A
Total Police Pension Investments		\$ 102,018,150	

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	\$ 14,283,370	\$ 13,227,335	\$ 10,325,517	\$ 37,836,222
Unrealized Losses	(12,608,365)	(10,706,725)	(8,995,487)	(32,310,577)
Net Unrealized Gains	\$ 1,675,005	\$ 2,520,610	\$ 1,330,030	\$ 5,525,645

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, 2018

NOTE III. - 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, 2018.

<u>General Pension Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>9/30/2018</u>
Investments by Fair Value Level				
Short Term Investments	\$ 3,597,305	\$	\$	3,597,305
Debt Securities & Bond Mutual Funds:				
Corporate Bonds		24,508,528	315,363	24,823,891
Limited Partnerships	697,714			697,714
Total Debt Securities & Bond Mutual Funds	<u>4,295,019</u>	<u>24,508,528</u>	<u>315,363</u>	<u>25,521,605</u>
Convertible Corporate Bonds	517,365	8,925,010	1,121,116	10,563,491
Stock Mutual Funds	22,007,827	2,495,795		24,503,622
Mortgage Backed Securities:				
Mortgage Backed Securities		5,973,827	506,780	6,480,607
Real Estate Investment Trust			17,202,938	17,202,938
Total Mortgage Baked Securities	<u>-</u>	<u>5,973,827</u>	<u>17,709,718</u>	<u>23,683,545</u>
Domestic Stocks	53,370,547			53,370,547
Commingled Trust Fund	333,519			333,519
Preferred Stocks	840,302	289,136		1,129,438
Foreign Stocks	4,450,198			4,450,198
Total Investments measured at fair value	<u>\$ 88,894,717</u>	<u>\$ 42,192,296</u>	<u>\$ 18,025,081</u>	<u>\$ 147,153,270</u>

Short term investments, debt and equity securities, convertible bonds, 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, stock mutual funds, mortgage backed securities and equity 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.

Debt and equity securities, convertible corporate bonds and mortgage backed securities 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, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

<u>Fire Pension Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>9/30/2018</u>
Investments by Fair Value Level				
Short Term Investments	\$ 2,682,645	\$	\$	2,682,645
Debt Securities & Bond Mutual Funds:				
Corporate Bonds		22,541,761	240,916	22,782,677
Limited Partnerships	800,040			800,040
Total Debt Securities & Bond Mutual Funds	<u>800,040</u>	<u>22,541,761</u>	<u>240,916</u>	<u>23,582,717</u>
Convertible Corporate Bonds	670,797	12,265,016		12,935,813
Stock Mutual Funds	10,683,979	2,129,537		12,813,516
Mortgage Backed Securities:				
Mortgage Backed Securities		3,737,617	465,241	4,202,858
Real Estate Investment Trust			7,979,596	7,979,596
Total Mortgage Baked Securities	<u>-</u>	<u>3,737,617</u>	<u>8,444,837</u>	<u>12,182,454</u>
Domestic Stocks	50,634,172			50,634,172
Commingled Trust Fund	7,203,760			7,203,760
Preferred Stocks	978,657	360,005		1,338,662
Foreign Stocks	2,163,533			2,163,533
Total Investments measured at fair value	<u>\$ 75,817,583</u>	<u>\$ 41,033,936</u>	<u>\$ 8,685,753</u>	<u>\$ 125,537,272</u>

Short term investments, debt and equity 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 and equity securities, convertible corporate bonds, mortgage backed securities and equity 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.

Debt and equity securities 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.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

<u>Police Pension Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>9/30/2018</u>
Investments by Fair Value Level				
Short Term Investments	\$ 1,413,836	\$	\$	\$ 1,413,836
Debt Securities & Bond Mutual Funds:				
Corporate Bonds		10,956,874		10,956,874
Government Obligations	4,862,583	2,355,372		7,217,955
Bond Mutual Funds			2,676,642	2,676,642
Total Debt Securities & Bond Mutual Funds	<u>4,862,583</u>	<u>13,312,246</u>	<u>2,676,642</u>	<u>20,851,471</u>
Mortgage Backed Securities:				
Mortgage Backed Securities		4,031,385	490,164	4,521,549
Real Estate Investment Trust			9,920,873	9,920,873
Total Mortgage Baked Securities	<u>-</u>	<u>4,031,385</u>	<u>10,411,037</u>	<u>14,442,422</u>
Domestic Stocks	47,508,564			47,508,564
Foreign Stocks	17,673,171			17,673,171
Total Investments by Fair Value	<u>\$ 71,458,154</u>	<u>\$ 17,343,631</u>	<u>\$ 13,087,679</u>	<u>\$ 101,889,464</u>

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 and equity 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

The City's investments of \$110,000,000 are in a money market account and certificates of deposits with maturities that range from November 2018 to September 2019 and have a weighted average maturity of one year. These investments are not subject to level disclosure in the fair value hierarchy.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE III. - 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 are property taxes. Stormwater revenues are recognized during the fiscal year in which it is billed.

3. Accounts Receivable

Accounts receivable are shown net of allowances for doubtful accounts as follows:

	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>Net</u>
Governmental activities:			
General Fund	\$ 1,401,505	\$	\$ 1,401,505
Housing Assistance Payments Fund	1,469,565	1,049,060	420,505
Community Redevelopment Agency	629		629
Nonmajor Governmental Funds	498,405		498,405
Internal Service Fund	806,615		806,615
Total governmental activities	<u>\$ 4,176,719</u>	<u>\$ 1,049,060</u>	<u>\$ 3,127,659</u>
Business-type activities:			
Utility Fund	\$ 4,867,771	\$ 677,335	\$ 4,190,436
Sanitation Fund	778,218	83,539	694,679
Port Fund	679,130	396,006	283,124
Airport Fund	2,217,471		2,217,471
Total business-type activities	<u>\$ 8,542,590</u>	<u>\$ 1,156,880</u>	<u>\$ 7,385,710</u>

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

4. 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:

	<u>Unavailable</u>	<u>Unearned</u>
General Fund		
Special assessments	\$ 16,937	\$
Leases – Land/ROW receivables	56,145	
Saenger - Capital Facility Fees	38,206	
Prepaid lease payments		236,945
Occupational license fees and fines received for subsequent year		597,990
Special Revenue Funds		
HUD – Fraud Recovery	420,505	
CDBG Housing Rehab Project notes receivable	400,497	
Golf Course- Lease receivables	1,500	
Tennis Center- Lease receivables	10,760	
Build America Bonds subsidy		456,837
CMP - Use Fee		71,875
CMP - Leases		13,096
CMP - Unearned office rent		34,538
Grant request and draws prior to meeting all requirements	713,738	41,357
	<u>\$ 1,658,288</u>	<u>\$ 1,452,638</u>

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CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for governmental activities for the fiscal year ended September 30, 2018 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Non-depreciable assets:				
Land	\$ 20,937,762	\$ 200,141	\$ (1,333,060)	\$ 19,804,843
Construction in progress	16,196,597	20,755,239	(28,075,720)	8,876,116
Total Non-depreciable assets	<u>37,134,359</u>	<u>20,955,380</u>	<u>(29,408,780)</u>	<u>28,680,959</u>
Depreciable assets:				
Buildings	116,870,962	1,863,305	(306,079)	118,428,188
Improvements	57,908,607	58,736	(171,219)	57,796,124
Infrastructure	111,854,419	25,167,016	(285,137)	136,736,298
Equipment	50,493,470	3,635,149	(1,376,493)	52,752,126
Total Depreciable assets	<u>337,127,458</u>	<u>30,724,206</u>	<u>(2,138,928)</u>	<u>365,712,736</u>
Less accumulated depreciation for:				
Buildings	31,456,082	2,500,084	(288,837)	33,667,329
Improvements	23,836,526	2,056,841	(146,648)	25,746,719
Infrastructure	38,707,511	4,202,320	(198,944)	42,710,887
Equipment	31,427,445	3,312,798	(1,119,528)	33,620,715
Total accumulated depreciation	<u>125,427,564</u>	<u>12,072,043</u>	<u>(1,753,957)</u>	<u>135,745,650</u>
Total depreciable assets net of depreciation	<u>211,699,894</u>	<u>18,652,163</u>	<u>(384,971)</u>	<u>229,967,086</u>
Governmental activities net capital assets	<u><u>\$ 248,834,253</u></u>	<u><u>\$ 39,607,543</u></u>	<u><u>\$ (29,793,751)</u></u>	<u><u>\$ 258,648,045</u></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 2018, the net book value of assets held by Internal Service Funds is \$1,848,488. Total depreciation expense for governmental activities for fiscal year 2018 is \$12,303,968. The difference between depreciation expense of \$12,303,968 and the \$12,072,043 increase in accumulated depreciation is \$231,925, which is result of capital assets transferred from business-type to governmental activities that are different from the assets transferred from governmental to business-type activities.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

Capital asset activity for business-type activities for the fiscal year ended September 30, 2018 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type activities:</u>				
Non-Depreciable Assets:				
Land	\$ 36,702,382	\$ 1,002,545	\$ 0	\$ 37,704,927
Construction in Progress	26,427,945	23,021,715	(44,414,575)	5,035,085
Total Non-depreciable assets	<u>63,130,327</u>	<u>24,024,260</u>	<u>(44,414,575)</u>	<u>42,740,012</u>
Depreciable Assets:				
Buildings	148,158,667	37,793,567	0	185,952,234
Improvements	191,237,027	12,258,042	(664,408)	202,830,661
Equipment	31,103,132	5,019,428	(446,166)	35,676,394
Total Depreciable assets	<u>370,498,826</u>	<u>55,071,037</u>	<u>(1,110,574)</u>	<u>424,459,289</u>
Less accumulated depreciation for:				
Building	75,997,818	5,168,439	0	81,166,257
Improvements	98,762,155	6,534,941	(656,236)	104,640,860
Equipment	21,934,822	2,014,633	(422,345)	23,527,110
Total accumulated depreciation	<u>196,694,795</u>	<u>13,718,013</u>	<u>(1,078,581)</u>	<u>209,334,227</u>
Total depreciable assets net of depreciation	<u>173,804,031</u>	<u>41,353,024</u>	<u>(31,993)</u>	<u>215,125,062</u>
Business-type activities net capital assets	\$ <u>236,934,358</u>	\$ <u>65,377,284</u>	\$ <u>(44,446,568)</u>	\$ <u>257,865,074</u>

Total depreciation expense for business-type activities for fiscal year 2018 is \$13,718,013. The difference between depreciation expense and the increase in accumulated depreciation is \$231,925, which is a result of capital assets transferred from governmental to business-type activities that are different from the assets transferred from business-type to governmental activities.

An intangible asset is reported in the Utility Fund representing the excess of the purchase price paid over the fair market value of assets acquired. The intangible asset is amortized on a straight-line basis over an estimated useful life of forty years.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General Government	\$ 709,094
Public Safety	2,179,729
Physical Environment	915,598
Transportation	1,586,961
Economic Environment	37,861
Culture and Recreation	4,469,893
Unallocated Infrastructure	2,025,235
Capital assets held by governmental type internal service funds are charged to the various functions based on their usage	<u>379,597</u>

Total depreciation expense- governmental activities	<u><u>\$ 12,303,968</u></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	\$ 2,330,712
Sanitation	271,481
Port	1,124,406
Airport	<u>9,991,414</u>

Total depreciation expense- business-type activities	<u><u>\$ 13,718,013</u></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 \$548,749 as reported in the governmental activities.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers

Interfund receivables/payables balances as of September 30, 2018, are as follows:

	<u>Due To</u>	<u>Due From</u>	<u>Advance To</u>	<u>Advance From</u>
Governmental activities:				
General Fund	\$	\$ 780,795	\$	\$
Housing Assistance Fund	16,767			
Community Redevelopment Agency	8,069			
Eastside TIF District	564			
Westside TIF District	2,417			
Nonmajor Governmental Funds	1,676,029	1,628,248		
Internal Service Funds	189,307	141,400	592,791	21,643
Total Governmental activities	<u>1,893,153</u>	<u>2,550,443</u>	<u>592,791</u>	<u>21,643</u>
Business-type activities:				
Utility Fund	225,640	267,634	419,640	472,079
Sanitation Fund	198,787			481,965
Port Fund	403,876			36,744
Airport Fund	96,621			
Total Business-type activities	<u>924,924</u>	<u>267,634</u>	<u>419,640</u>	<u>990,788</u>
Total governmental and business-type activities	<u>\$ 2,818,077</u>	<u>\$ 2,818,077</u>	<u>\$ 1,012,431</u>	<u>\$ 1,012,431</u>

Internal balances-current reported in the government-wide statement of net position in the amount of \$657,290 represents the amounts receivable/payable between government and business-type activities for end of year payroll liabilities, risk management claims and inter-fund transfers.

Internal balances-noncurrent reported in the government-wide statement of net position in the amount of \$571,148 represents the long-term portion of future claims payable by the governmental-type funds to the business type funds. The Insurance Retention Fund and the Central Service Fund are reported in the government-wide statement as governmental activities. Due to/from and Advance to/from are reported in fund financial statements as shown in the schedule above.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

For the year ended September 30, 2018, interfund transfers are as follows:

Governmental activities:			
<u>Major Governmental Funds</u>	Transfer In	Transfer Out	Purpose
General Fund	\$ 8,000,000	\$ 5,105,441	Transfer from Utility Fund Transfer to UCRT, Golf, Eastside TIF, Westside TIF, Stormwater Capital
Community Redevelopment Agency (CRA)	1,917,081		Transfer from UCRT
Urban Core Redevelopment Trust (UCRT)	1,983,688	5,260,081	City's required contribution Transfer to CRA and CRA Debt Service
Eastside Tax Increment Financing District	47,393		City's required contribution
Westside Tax Increment Financing District	120,764	280,000	City's required contribution Transfer to CRA Debt
CRA Debt Service	3,623,000		Transfer from UCRT and Eastside TIF
<u>Nonmajor Governmental Funds</u>			
Golf Course Fund	220,000		Transfer from General Fund
Stormwater Capital Fund	2,733,596		Transfer from General Fund
Business-type activities:			
Utility Fund		8,000,000	Transfer to General Fund
Total	\$ <u>18,645,522</u>	\$ <u>18,645,522</u>	

Transfers reported in the government-wide statement of activities in the amount of \$8,000,000 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 as on the prior page.

E. Fund Balance/Net Position Deficit

The Sanitation Fund has a negative fund balance of \$1,570,356 for the year ended September 30, 2018. This amount is the result of the implementation of GASB No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27." As an enterprise fund of the City, a combination of rate adjustments and transfers will be used to build up the fund balance in future years.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

F. Airport Fund Donation

The Airport Fund received \$6,586,647 in donations during fiscal year 2018 through the University of West Florida, Office of Economic Development and Engagement. Funding was for the VT Mobile Aerospace and Engineering, Inc. maintenance, repair and overhaul expansion at the Pensacola International Airport.

G. Change in Accounting Principle

As a result of the implementation of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits other than pensions", the City recorded an [additional](#) liability for other postemployment benefits. The beginning net position for the governmental and business type activities decreased by \$4,847,234 and \$1,897,492, respectively.

H. Long-term Debt

Individual Bond Issues and Notes Payable

Below are the City's individual long-term debt issues which were outstanding at September 30, 2018:

Governmental activities:

\$45,640,000 Redevelopment Revenue Bonds, Series 2009A and 2009B:

\$6,715,000 Redevelopment Revenue Bonds, Series 2009A, serial bonds have a fixed interest rate of 4% - 4.25% with annual principal installments beginning April 1, 2013. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Urban Core Community Redevelopment Area and in the event that these revenues are insufficient to pay debt service a covenant to budget and appropriate non-ad valorem revenues of the City. Final maturity of principal occurs on April 1, 2020.

\$ 2,305,000

\$38,925,000 Redevelopment Revenue Bonds, Series 2009B (federally taxable Build America Bonds), \$5,235,000 of term bonds with a fixed interest rate of 6.829% with annual principal installments beginning April 2021 and maturing April 2024, \$15,890,000 of term bonds with a fixed interest rate of 7.263% maturing April 2033 and \$17,800,000 of term bonds with a fixed interest rate of 7.21% maturing April 2040. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Urban Core Community Redevelopment Area, Federal Subsidy Payments and in the event that these revenues are insufficient to pay debt service a covenant to budget and appropriate non-ad valorem revenues of the City. Final maturity of principal occurs on April 1, 2040.

38,925,000 197

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

\$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. 1,245,000

\$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. 3,888,000

\$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. 7,875,000

Unamortized discounts and premiums	(155,584)
Total Major Fund Types	54,082,416

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

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.

12,750,000

\$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.

25,000,000

Total Nonmajor Fund Types

37,750,000

Total Governmental Activities

\$ 91,832,416

Business-type Activities:

Utility Enterprise

\$5,000,000 Gas System Revenue Note, Series 2011 was issued for the primary purpose of (i) financing the 2011 Project described in the authorizing resolution as including the purchase of five (5) compressed natural gas refuse trucks and the acquisition, construction and rehabilitation of capital improvements to the System and (ii) paying certain costs of issuance of the 2011 Gas System Note. The taxable note has a fixed interest rate of 2.09% with annual principal installments beginning October 1, 2012. Debt service payments are secured with Net Revenues of the Utility System. Final maturity of principal occurs on October 1, 2021.

2,130,000

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

\$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.

14,700,000

Total Utility Enterprise

16,830,000

Airport Enterprise

\$11,800,000 Airport Taxable Customer Facility Charge Revenue Note, Series 2008 was issued for the primary purpose of financing the construction and equipping of a rental car service center to serve the Airport. Proceeds were derived from a Bank of America loan. Interest is paid on the first of every month and is calculated using 30 day LIBOR plus .75% per annum. Debt service payments are secured with an additional \$2.50 Customer Facility Charge (CFC). The loan agreement calls for interest only payments through December 2021 at which point the loan expires and principal is due in full.

5,800,000

\$12,310,000 Airport Refunding Revenue Note, Series 2010 refunded the outstanding principal of the Airport Revenue Bonds, Series 1997B and Airport Revenue Refunding Bonds, Series 1998A. The 2010 bonds are all swap rate serial bonds with a rate of 2.39% with annual principal installments beginning October 1, 2011. Debt service payments are secured with Net Revenues of the Airport. Final maturity of principal occurs on October 1, 2018.

1,285,000

\$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.

10,625,000

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

\$6,299,000 Taxable Airport Facilities Grant Anticipation Note, Series 2016 was issued to finance a portion of the cost of the construction of a hanger and related facilities at the Pensacola International Airport in anticipation of the receipt of proceeds of a grant from the Florida Department of Transportation. Note has a floating rate equal to LIBOR plus 178 basis points commencing October 1, 2018, to and including October 1, 2019, payable October 1 of each year. Principal payments commenced on October 1, 2018, payable October 1 of each year. Debt service payments are secured with grant proceeds of the Airport. Final maturity of principal occurs on October 1, 2019.

6,299,600

\$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.

6,300,000

\$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.

29,678,000

Total Airport Enterprise

59,987,600

Total Business-type Activities

\$ 76,817,600

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - 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, 2018:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities					
Due to other governments	\$ 13,000,000	\$	\$ (1,300,000)	\$ 11,700,000	\$ 1,300,000
Bonds payable	45,567,094		(4,492,678)	41,074,416	1,130,000
Claims and judgments	2,538,710	2,683,783	(1,787,482)	3,435,011	
Compensated absences	2,733,781	2,768,442	(2,355,818)	3,146,405	268,229
Notes payable	19,432,000	33,000,000	(1,674,000)	50,758,000	3,591,000
Loans payable	100,000		(20,000)	80,000	20,000
Capital lease payable	6,460,954		(1,546,418)	4,914,536	1,591,419
OPEB	9,921,976	9,930,506	(818,178)	19,034,304	
Pension liability	95,967,975	2,586,485	(21,374,729)	77,179,731	
Governmental activity long-term liabilities	<u>\$ 195,722,490</u>	<u>\$ 50,969,216</u>	<u>\$ (35,369,303)</u>	<u>\$ 211,322,403</u>	<u>\$ 7,900,648</u>
Business-type activities					
Bonds payable	\$ 35,323,700	\$	\$ (34,038,700)	\$ 1,285,000	\$ 1,285,000
Notes payable	44,285,000	35,977,600	(4,730,000)	75,532,600	4,633,600
Compensated absences	1,414,255	949,192	(932,552)	1,430,895	49,509
OPEB	3,870,394	3,861,864	(294,761)	7,437,497	
Pension liability	25,486,084	729,522	(4,744,086)	21,471,520	
Business-type activity long-term liabilities	<u>\$ 110,379,433</u>	<u>\$ 41,518,178</u>	<u>\$ (44,740,099)</u>	<u>\$ 107,157,512</u>	<u>\$ 5,968,109</u>

Bonds payable for governmental activities includes \$246,242 of unamortized discounts and unamortized premium of \$90,658. Reductions of Bonds payable include principal payments and amortization of discounts.

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 Waste Water 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. Annual installments of \$1.3 million began in January 2013. 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 was 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, 2018

NOTE III. - 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 follows; includes both fixed and variable interest rate bonds/notes:

Governmental Long-Term Debt

Fiscal Year Ending September 30,	Principal	Interest	Total Principal and Interest
2019	\$ 4,721,000	\$ 4,082,335	\$ 8,803,335
2020	4,936,000	3,958,277	8,894,277
2021	5,062,000	3,826,822	8,888,822
2022	5,194,000	3,660,024	8,854,024
2023	5,329,000	3,487,791	8,816,791
2024-2028	27,593,000	14,626,846	42,219,846
2029-2033	15,885,000	9,973,944	25,858,944
2034-2038	16,283,000	5,411,258	21,694,258
2039-2040	6,985,000	689,970	7,674,970
Total	<u>91,988,000</u>	<u>49,717,267</u>	<u>141,705,267</u>
Less: Current	<u>(4,721,000)</u>	<u>-</u>	<u>(4,721,000)</u>
Total government debt	<u><u>\$ 87,267,000</u></u>	<u><u>\$ 49,717,267</u></u>	<u><u>\$ 136,984,267</u></u>

Principal is shown in gross, excluding unamortized discounts of \$155,584. Interest shown does not include the \$13,754,110 BAB subsidy on the Redevelopment Revenue Bonds, Series 2008.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

Business-Type Activities Long-Term Debt

Fiscal Year Ending September 30,	Principal	Interest	Total Principal and Interest
2019	\$ 5,918,600	\$ 2,067,527	\$ 7,986,127
2020	9,478,000	2,266,736	11,744,736
2021	4,400,000	1,995,465	6,395,465
2022	10,321,000	1,662,477	11,983,477
2023	4,644,000	1,433,758	6,077,758
2024-2028	23,190,000	5,243,155	28,433,155
2029-2033	7,590,000	2,984,521	10,574,521
2034-2038	9,215,000	1,338,656	10,553,656
2039	2,061,000	40,499	2,101,499
Total	<u>76,817,600</u>	<u>19,032,794</u>	<u>95,850,394</u>
Less: Current	<u>(5,918,600)</u>	<u>-</u>	<u>(5,918,600)</u>
Total business-type debt	<u><u>\$ 70,899,000</u></u>	<u><u>\$ 19,032,794</u></u>	<u><u>\$ 89,931,794</u></u>

Business-type activities long-term debt includes the 2008 Airport Taxable Customer Facility Charges Revenue Note dated February 4, 2008 for \$19,000,000. The note is variable rate debt with interest calculated on 30 day LIBOR plus .75% per annum. Interest is due through December 2021 with a one-time principal payment due at that time. For purposes of the Debt Service Requirement Summary, interest is computed at 5.55%; however, actual interest rates for fiscal year 2018 ranged between 1.99% and 2.86% resulting in interest expense of \$218,367. As of September 30, 2018 the outstanding balance of the Note is \$5,800,000.

Debt Issuances and Refundings

Issuance of the Urban Core Redevelopment Revenue Bond, Series 2017. On November 15, 2017, the City issued its \$8,000,000 Urban Core Redevelopment Revenue Bond, Series 2017 (the "2017 Urban Core Bond"). The 2017 Urban Core Bond was issued for the primary purpose of financing the acquisition of land, construction of certain streetscape projects, sidewalk enhancements, Jefferson Street Road Diet Project and Bay Ferry Project and certain other community redevelopment capital improvements to the Urban Core Community Redevelopment Area included in the Urban Core Community Redevelopment Area Plan. The 2017 Urban Core Bond matures on April 1, 2040 and has a fixed interest rate of 3.60%. Pledged revenues for the repayment of the principal and interest will be Tax Increment Revenues derived from the Urban Core Community Redevelopment Area. In the event that these revenues are insufficient to pay debt service, the 2017 Urban Core Bond is further secured by certain non-ad valorem revenues budgeted and appropriated therefor pursuant to a Covenant to Budget and Appropriate.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

Issuance of the Taxable Airport Facilities Grant Anticipation Note, Series 2016. On September 23, 2016 the City issued its \$6,299,600 Taxable Airport Facilities Grant Anticipation Note, Series 2016 (“2016 Grant Anticipation Note”) pursuant to a Loan Agreement dated as of September 23, 2016, between the City and Compass Bank (the “2016 Loan Agreement”). The 2016 Grant Anticipation Note was issued for the purpose of financing a portion of the cost of the construction of a hanger and related facilities at the Pensacola International Airport in anticipation of the receipt of proceeds of a grant from the Florida Department of Transportation. The 2016 Grant Anticipation Note matures on October 1, 2019 and has a floating rate equal to LIBOR plus 178 basis points as more fully described in the 2016 Loan Agreement. Pursuant to the SWAP Agreement (as defined in the 2016 Loan Agreement), the City entered into a variable to fixed interest rate swap transaction with Compass Bank, providing a synthetic fixed interest rate to the City of 3.01%. The payment of principal and interest on the 2016 Grant Anticipation Note and all obligations of the City under the SWAP Agreement are payable solely by a first priority lien upon and pledge of the Pledged Funds which consist primarily of the Grant Proceeds. Pursuant to the 2016 Loan Agreement, the City may draw principal during the Draw-Down Period which commenced on January 1, 2017, and shall end on January 1, 2018. On October 2, 2017, \$6,299,600 was drawn-down under the 2016 Loan Agreement and on November 1, 2018, the 2016 Grant Anticipation Note in the amount of \$6,299,600 was paid in full.

Issuance of the Infrastructure Sales Surtax Revenue Bond, Series 2017. On October 18, 2017, the City issued its \$25,000,000 Infrastructure Sales Surtax Revenue Bond, Series 2017 (the “2017 Infrastructure Bond”). The 2017 Infrastructure Bond was issued for the primary 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. The 2017 Infrastructure Bond matures on October 1, 2028 and has a fixed interest rate of 2.15%. Pledged revenues for the repayment of the principal and interest will be Infrastructure Sales Surtax revenues.

Refunding of the Airport Revenue Bonds, Series 2008. On July 18, 2018 the City issued its \$29,678,000 Airport Refunding Revenue Note, Series 2018 (“Airport 2018 Note”) and applied the proceeds, together with \$1,067,000 in surplus monies held in the Debt Service Reserve Fund, to refund all of the remaining outstanding Airport Revenue Bonds, Series 2008 (“2008 Airport Bonds”) through a loan from Compass Bank. The economic gain resulting from the refunding transaction, calculated on a present value basis, totaled \$6,082,434 and the cash flow savings totaled \$10,288,707. The outstanding par amount of the 2008 Airport Bonds was \$30,745,000 and had a fixed interest rate ranging from 5.5 percent to 6.25 percent. The newly issued Airport 2018 Note matures on October 1, 2038 and has a fixed rate of 3.93 percent. Pledged revenues for the repayment of the principal and interest on the Airport 2018 Note will be derived from the net revenues of the Pensacola International Airport. The Airport 2018 Note is further secured by certain PFC revenues, to the extent that such PFC revenues are deposited into the bond fund.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

Interest Rate Swap Agreements

Business-Type Activities

In compliance with GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, the following disclosure is made to highlight the key components of the derivative instrument used by the City to lock in interest rates. On September 29, 2010 the City issued \$12,310,000 Airport Revenue Refunding Bonds, Series 2010 (2010 Bonds) and on September 23, 2016 the City issued \$6,299,000 draw-down Airport Facilities Grant Anticipation Note, Series 2016 (2016 Note) both with a commitment from Compass Mortgage Corporation, an Alabama corporation and the "lender", to purchase the 2010 Bonds and 2016 Note. Compass Bank, an Alabama banking corporation and the "counterparty", entered into interest rate swap agreements with the City for the purpose of hedging the financial risk of increased interest costs attributable to a notional amount equal to the principal amounts of the 2010 Bonds and 2016 Note to enable the City to achieve the economic result of fixed interest rates on the 2010 Bonds and 2016 Note.

Objectives. The City's objective for entering into the swap agreements was to effectively change its new variable interest rate bonds/note to a synthetic fixed rate of 2.39% for the 2010 Bonds and 3.01% for the 2016 Note. The City issued variable rate debt and simultaneously entered into an interest rate swap agreements to serve as a hedge against swings in the cash flows that would be required for the 2010 Bonds and 2016 Note.

Terms. The significant terms of the interest rate swap agreements are as follows:

Swap Related To	Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Value at 9/30/2018	Termination Date
Series 2010	\$ 12,310,000	9/29/10	2.39%	65% of Libor + 98 bps	(\$670)	10/1/18
Series 2016	\$ 6,299,600	9/23/16	3.01%	Libor + 178 bps	\$101,647	10/1/19

Credit risk. The interest rate swap for the 2010 Bonds and the 2016 Note are held by a single counterparty whose credit rating is currently "Baa3" by Moody's Investors Service and "BBB+" by Standard & Poor's. The credit risk is also mitigated by the City's right to "set-off".

Interest rate risk. The city is not exposed to interest rate risk. If LIBOR decreases then the net swap payment increases while the loan interest decreases. As LIBOR increases the net swap payment decreases and loan interest increases. When the swap is in place there is a locked rate of interest subject to LIBOR being greater or equal to zero.

Early Termination risk. For the 2010 Bonds and the 2016 Note, the City has the right to "set off" which both eliminates the credit risk and termination risk. If the counterparty is unable to make their payment, then the City can withhold its payment on the loan for all amounts in excess of 2.39% for the 2010 Bonds and 3.01% for the 2016 Note.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

The following tables present the debt service obligation for the 2010 Bonds and the 2016 Note using the loan rate at September 30, 2018 and the net swap payment. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Airport Revenue Refunding Bonds, Series 2010				
Variable-Rate Bonds				
Fiscal Year Ending September 30,	Principal	Interest	Interest Rate Swaps, Net	Total
2019	\$ 1,285,000	\$ 16,026	\$ (670)	\$ 1,300,356
Total	\$ 1,285,000	\$ 16,026	\$ (670)	\$ 1,300,356

Airport Facilities Grant Anticipation Note, Series 2016				
Variable-Rate Bonds				
Fiscal Year Ending September 30,	Principal	Interest	Interest Rate Swaps, Net	Total
2019	\$ 1,099,600	\$ 134,182	\$ 55,436	\$ 1,289,218
2020	5,200,000	110,309	46,211	5,356,520
Total	\$ 6,299,600	\$ 244,491	\$ 101,647	\$ 6,645,738

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.

Disclosure Undertakings

On March 28, 2016, the City filed a Notice of Failure to File Annual Report, for Fiscal Year 2015, on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System (EMMA). Such Annual Report, including the City's audited financial statements for Fiscal Year 2015, was required to be filed on EMMA by March 28, 2016, pursuant to the City's continuing disclosure undertakings with its bond underwriters with respect to the below-named bonds. The City's late filing was caused by a delay in receiving required audit information from the State of Florida for pension disclosure under GASB 68.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

The required audit information was received in mid-April 2016 from the State, and the complete Annual Report, including audited financial statements for Fiscal Year 2015, was filed on EMMA simultaneously with the release of the audited financial statements for Fiscal Year 2015, which filed along with the above mentioned Notice cured the violation.

The bonds affected included the Airport Refunding Revenue Bonds, Series 2005A, Airport Revenue Bonds, Series 2008 (AMT), Redevelopment Revenue Bonds, Series 2009A, Redevelopment Revenue Bonds, Series 2009B.

Revenues Pledged for Debt Repayment

The City has pledged future Tax Increment Revenues derived from the Urban Core Redevelopment Area to repay \$45,640,000 in Bonds issued in 2009 and an \$8,000,000 Bond issued in 2017. Proceeds of the 2009 bonds provided financing for the construction of a Community Maritime Park and proceeds of the 2017 bond will provide 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 2040. Principal and interest paid for the current year on the 2009 bonds were \$4,018,506 and the 2017 bond was \$233,800 and Tax Increment Revenues and Federal Direct Payments for the current year were \$5,260,081 and \$912,208, respectively.

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 will provide 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 \$89,323 and Tax Increment Revenues for the current year were \$120,496.

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 \$279,334 and Tax Increment Revenues for the current year were \$307,042.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

The City has pledged future Infrastructure Sales Tax to repay \$18,190,000 in Bonds issued in 2010 and a \$25,000,000 Bond issued in 2017. Proceeds from the 2010 bonds were used to refinance its Capital Improvement Revenue Bond, Series 2000 and proceeds from the 2017 bond was 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 to the extent of any deficiency, Communications Services Tax revenues for the 2010 bonds. Principal and interest paid for the current year on the 2010 bonds were \$3,502,509 and the 2017 bond was \$243,368 and Infrastructure Sales Tax revenues for the current year were \$8,524,108.

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 will be 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 \$1,538,156 and LOGT revenues for the current year were \$1,365,613. 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 \$32,255,000 in Bonds and Notes issued in 2010, 2011 and 2016. Proceeds of the bonds were used to refinance its Gas System Revenue Bond, Series 1999 and 2008 as well as provided 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 \$1,147,339 and net revenues for the current year were \$16,664,258.

The City has pledged future Net Revenues of the Airport to repay \$37,795,000 in Bonds and Notes issued between 2008 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 2006 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 \$3,092,489 and net revenues for the current year were \$7,390,715. Net Revenues excludes CFC revenues of \$2,730,283 pledged towards the Airport Taxable Customer Facility Charge Revenue Note, Series 2008, operating expenses of \$711,231 and grant operating expenses of \$43,208.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

The City has pledged future Customer Facility Charge (CFC) Revenues of the Airport to repay \$11,800,000 in Notes issued in 2008. Proceeds of the bonds were used to finance the construction of a rental car service center. Debt service payments are secured with the Customer Facility Charge (CFC) Revenues through 2021. Principal and interest paid (cash basis) for the current year were \$227,565 and net revenues for the current year were \$2,019,052.

The City has pledged anticipated future grant proceeds of the Airport to repay up to \$6,299,600 in possible draw-downs for a Note issued in 2016. Proceeds of the note will be used to finance a portion of the cost of the construction of a hanger and related facilities at the Pensacola International Airport. Debt service payments are secured with the anticipated future grant proceeds through 2019. Principal and interest paid (cash basis) for the current year were \$0 as principal and interest payments commenced on October 1, 2018.

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 \$2,133,213 and net revenues for the current year were \$3,875,949.

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.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

The Loan Agreement entered into by the City provides that the City will repay its Loan solely from moneys due from the State Transportation Trust Funds. Pursuant to Section 320.20(4), Florida Statutes, \$10,000,000 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 Moneys"). Basic Payments under the Loan Agreement are payable solely from moneys 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 Moneys 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 moneys allocated to the City from State Moneys to the Trustee on behalf of the Commission, to pay its portion of debt service on the Bonds.

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 moneys 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 Moneys 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 moneys 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.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

The City has not recorded a liability for the loan since it does not have any obligation except for moneys due it from the State Transportation Trust Fund. As discussed above, all of such moneys 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 moneys 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.

Loans Payable

In February 2017, the Community Maritime Park Associates (CMPA) agreed to pay Northwest Florida Professional Baseball (NFPB) \$100,000 under a non-interest bearing promissory note to share costs associated with a new video scoreboard. With the dissolution of CMPA on June 1, 2017, all CMPA's contracts and leases were assigned to the City including the \$100,000 outstanding balance of the promissory note. Annual debt service payments are \$20,000 and the loan matures on October 1, 2021.

I. 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.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

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. 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.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

	Major Funds			
	General Fund	Community Redevelopment Agency	Urban Core Redevelopment Trust	Eastside Tax Increment Financing District
Fund Balance				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays	23,422	107		
Subtotal non-spendable fund balance	23,422	107	-	-
Restricted				
Wastewater treatment plant relocation				
Redevelopment Rev Bond(s) debt payments				
Stormwater projects				
Section 8 program administrative				
Natural disaster projects				
General government	282,690			
Transportation	95,818			
Physical Environment				
Saenger capital	334,378			
DOJ Equitable Sharing Agreement				
Public safety	137,358			
Community development projects		4,679,835		654,563
Culture and recreation	188,268			
Building inspections				
Local Option Sales Tax debt payment				
SHIP Program				
HOME Program				
Subtotal restricted fund balance	1,038,512	4,679,835	-	654,563
Committed				
Council Reserve	13,522,262			
Tree landscape	391,414			
Park purchases	103,559			
Stormwater projects				
Subtotal committed fund balance	14,017,235	-	-	-
Assigned				
General government	2,677,660			
Demolition	367,803			
Lien amnesty	25,407			
Housing Initiatives Fund	146,519			
Inner City Housing Initiatives	440,490			
Economic Development	933,580			
Culture and recreation				
Other assigned				
Subtotal assigned fund balance	4,591,459	-	-	-
Unassigned	208,800			
Total Fund Balance	\$ 19,879,428	\$ 4,679,942	\$ -	\$ 654,563

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

	Major Funds			
	Westside Tax Increment Financing District	CRA Debt Service	Housing Assistance Payments	CRA Project Fund
<i>Fund Balance</i>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays			523	
Subtotal non-spendable fund balance	-	-	523	-
Restricted				
Wastewater treatment plant relocation				
Redevelopment Rev Bond(s) debt payments		3,622,273		
Stormwater projects				
Section 8 program administrative			3,305,560	
Natural disaster projects				
General government				
Transportation				
Physical Environment				
Saenger capital				
DOJ Equitable Sharing Agreement				
Public safety				
Community development projects	80,904			12,037,377
Culture and recreation				
Building inspections				
Local Option Sales Tax debt payment				
SHIP Program				
HOME Program				
Subtotal restricted fund balance	80,904	3,622,273	3,305,560	12,037,377
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				
Economic Development				
Culture and recreation				
Other assigned				
Subtotal assigned fund balance	-	-	-	-
Unassigned				
<i>Total Fund Balance</i>	<u>\$ 80,904</u>	<u>\$ 3,622,273</u>	<u>\$ 3,306,083</u>	<u>\$ 12,037,377</u>

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

	Nonmajor Funds			
	Special Revenue Funds			
	Special Grants	Local Option Gasoline Tax	Community Development Block Grant	Stormwater Utility Fund
Fund Balance				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays				687
Subtotal non-spendable fund balance	-	-	-	687
Restricted				
Wastewater treatment plant relocation				
Redevelopment Rev Bond(s) debt payments				
Stormwater projects				302,766
Section 8 program administrative				
Natural disaster projects				
General government				
Transportation		1,463,134		
Physical Environment	365,243			
Saenger capital				
DOJ Equitable Sharing Agreement				
Public safety	38,599			
Community development projects			693	
Culture and recreation				
Building inspections				
Local Option Sales Tax debt payment				
SHIP Program				
HOME Program				
Subtotal restricted fund balance	403,842	1,463,134	693	302,766
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Stormwater projects				696,243
Subtotal committed fund balance	-	-	-	696,243
Assigned				
General government				
Demolition				
Lien amnesty				
Housing Initiatives Fund				
Inner City Housing Initiatives				
Economic Development				
Culture and recreation				
Other assigned				
Subtotal assigned fund balance	-	-	-	-
Unassigned	(259,472)		(693)	
Total Fund Balance	\$ 144,370	\$ 1,463,134	\$ -	\$ 999,696

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

	Nonmajor Funds			
	Special Revenue Funds			
	Law Enforcement Trust	Natural Disaster Fund	Golf Course Fund	Inspections Fund
Fund Balance				
Non-spendable				
Inventories	\$	\$	\$ 3,178	\$
Prepays			2,790	
Subtotal non-spendable fund balance	-	-	5,968	-
Restricted				
Wastewater treatment plant relocation				
Redevelopment Rev Bond(s) debt payments				
Stormwater projects				
Section 8 program administrative				
Natural disaster projects		2,644,323		
General government				
Transportation				
Physical Environment				
Saenger capital				
DOJ Equitable Sharing Agreement				
Public safety	138,387			
Community development projects				
Culture and recreation				
Building inspections				1,517,042
Local Option Sales Tax debt payment				
SHIP Program				
HOME Program				
Subtotal restricted fund balance	138,387	2,644,323	-	1,517,042
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				
Economic Development				
Culture and recreation			3	
Other assigned				
Subtotal assigned fund balance	-	-	3	-
Unassigned				
Total Fund Balance	<u>\$ 138,387</u>	<u>\$ 2,644,323</u>	<u>\$ 5,971</u>	<u>\$ 1,517,042</u>

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

	Nonmajor Funds			
	Special Revenue Funds			Debt Service Fund
			CMP Management Services Fund	Local Option Gasoline Tax Debt Service
<i>Fund Balance</i>	<u>Recreation Fund</u>	<u>Tennis Fund</u>		
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays	938	1,372	7,558	
Subtotal non-spendable fund balance	938	1,372	7,558	-
Restricted				
Wastewater treatment plant relocation				
Redevelopment Rev Bond(s) debt payments				
Stormwater projects				
Section 8 program administrative				
Natural disaster projects				
General government				
Transportation				1,616,544
Physical Environment				
Saenger capital				
DOJ Equitable Sharing Agreement				
Public safety				
Community development projects				
Culture and recreation	6,126		636,468	
Building inspections				
Local Option Sales Tax debt payment				
SHIP Program				
HOME Program				
Subtotal restricted fund balance	6,126	-	636,468	1,616,544
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				
Economic Development				
Culture and recreation	448,916	58,992	208,810	
Other assigned				
Subtotal assigned fund balance	448,916	58,992	208,810	-
Unassigned				
<i>Total Fund Balance</i>	<u>\$ 455,980</u>	<u>\$ 60,364</u>	<u>\$ 852,836</u>	<u>\$ 1,616,544</u>

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

	Nonmajor Funds			
	Capital Projects Funds			
	Local Option Sales Tax	Local Option Gas Tax Project Fund	Local Option Sales Tax Project Fund	Deeptwater Horizon Incident
<i>Fund Balance</i>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays				
Subtotal non-spendable fund balance	-			-
Restricted				
Wastewater treatment plant relocation				
Redevelopment Rev Bond(s) debt payments				
Stormwater projects				
Section 8 program administrative				
Natural disaster projects				
General government				
Transportation	1,367,998		4,001,630	
Physical Environment				
Saenger capital				
DOJ Equitable Sharing Agreement				
Public safety			2,368,779	
Community development projects				
Culture and recreation	512,352		9,156,306	
Building inspections				
Local Option Sales Tax debt payment	2,468,516			
SHIP Program				
HOME Program				
Subtotal restricted fund balance	4,348,866	-	15,526,715	-
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				
Economic Development				
Culture and recreation				
Other assigned				
Subtotal assigned fund balance	-			-
Unassigned				
<i>Total Fund Balance</i>	\$ 4,348,866	\$ -	\$ 15,526,715	\$ -

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)

	Nonmajor Funds		
	Capital Projects Funds		
	Stormwater Capital	CMPA Construction Fund	Total All Funds
Fund Balance			
Non-spendable			
Inventories	\$	\$	\$ 3,178
Prepays			37,397
Subtotal non-spendable fund balance	-	-	40,575
Restricted			
Wastewater treatment plant relocation			-
Redevelopment Rev Bond(s) debt payments			3,622,273
Stormwater projects	577,467		880,233
Section 8 program administrative			3,305,560
Natural disaster projects			2,644,323
General government			282,690
Transportation			8,545,124
Physical Environment			365,243
Saenger capital			334,378
DOJ Equitable Sharing Agreement			-
Public safety			2,683,123
Community development projects			17,453,372
Culture and recreation			10,499,520
Building inspections			1,517,042
Local Option Sales Tax debt payment			2,468,516
SHIP Program			-
HOME Program			-
Subtotal restricted fund balance	577,467	-	54,601,397
Committed			
Council Reserve			13,522,262
Tree landscape			391,414
Park purchases			103,559
Stormwater projects	4,485,332		5,181,575
Subtotal committed fund balance	4,485,332	-	19,198,810
Assigned			
General government			2,677,660
Demolition			367,803
Lien amnesty			25,407
Housing Initiatives Fund			146,519
Inner City Housing Initiatives			440,490
Economic Development			933,580
Culture and recreation			716,721
Other assigned			-
Subtotal assigned fund balance	-	-	5,308,180
Unassigned			(51,365)
Total Fund Balance	\$ 5,062,799	\$ -	\$ 79,097,597

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE IV. – 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 have remained relatively constant over the past five years.) The coverage limits and deductibles are as follows:

Primary Coverage	Coverage (in millions)	Deductible
Port operations	50	10,000
Airport operations	75	0
Law Enforcement	2	50,000
Public officials	2	50,000

Excess Liability Coverage	Coverage (in millions)	Self Insured Retentions
Workers' compensation (W/C)	Per Florida Statutory Limits	500,000 Per Occurrence
Gas Operation	35	200,000 Per Occurrence
Gas Operation - Pollution	35	500,000 Per Occurrence

The City has established reserves of \$1,989,098 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 \$3,435,011 at September 30, 2018 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, 2018**

NOTE IV. – 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.

At September 30, 2018, the claims liability for automobile, general and workers' compensation liability were \$135,150, \$668,042 and \$2,631,819 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, therefore unavailable for disclosure.

Changes in the Fund's claims liability amount in fiscal year 2017 and 2018 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2017	\$1,911,481	2,218,879	(1,591,650)	\$2,538,710
2018	\$2,538,710	2,683,783	(1,787,482)	\$3,435,011

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**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE IV. – OTHER INFORMATION (Continued)

B. Pension Plans

The financial statements for the General, Fire and Police Pension Plans are presented below:

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2018**

	General Pension and Retirement Fund	Firefighter's Relief and Pension Fund	Police Officers' Retirement Fund	Total Pension Trust Funds
ASSETS				
Other cash	\$ 47,336	\$ 102,526	\$ 135,922	\$ 285,784
Receivables:				
Employer	99	87	79	265
Employee	6,102	9,579	4,114	19,795
Total receivables	6,201	9,666	4,193	20,060
Investments :				
Short term investments	3,597,305	2,682,645	1,413,836	7,693,786
Debt Securities & Bond Mutual Funds	25,521,605	23,582,717	20,851,471	69,955,793
Convertible Corporate Bonds	10,563,491	12,935,813		23,499,304
Stock Mutual Funds	24,503,622	12,813,516		37,317,138
Mortgage Backed Securities	23,683,545	12,182,454	14,442,422	50,308,421
Commingled Trust Fund	333,519	7,203,760		7,537,279
Domestic Stocks	53,370,547	50,634,172	47,508,564	151,513,283
Preferred Stocks	1,129,438	1,338,662		2,468,100
Foreign Stocks	4,450,198	2,163,533	17,673,171	24,286,902
Total investments	147,153,270	125,537,272	101,889,464	374,580,006
Total assets	\$ 147,206,807	\$ 125,649,464	\$ 102,029,579	\$ 374,885,850
LIABILITIES				
Accounts payable	\$ 163,381	\$ 164,431	\$ 74,539	\$ 402,351
Total liabilities	163,381	164,431	74,539	402,351
NET POSITION				
Restricted for pension benefits	\$ 147,043,426	\$ 125,485,033	\$ 101,955,040	\$ 374,483,499

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE IV. – OTHER INFORMATION (Continued)

**STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	General Pension and Retirement Fund	Firefighter's Relief and Pension Fund	Police Officers' Retirement Fund	Total Pension Trust Funds
Additions:				
Contributions - city	\$ 6,200,956	\$ 1,462,151	\$ 4,528,544	\$ 12,191,651
Contributions - employee	305,534	480,066	209,565	995,165
Contributions - employee buy back			47,123	47,123
Commission recapture	4,780	2,225	536	7,541
Insurance proceeds - State of Florida		546,911	572,693	1,119,604
Total contributions	<u>6,511,270</u>	<u>2,491,353</u>	<u>5,358,461</u>	<u>14,361,084</u>
Investment income				
Net appreciation				
in fair value of investments	8,610,506	8,032,222	7,602,525	24,245,253
Interest and dividends	3,458,148	3,586,797	2,246,106	9,291,051
	<u>12,068,654</u>	<u>11,619,019</u>	<u>9,848,631</u>	<u>33,536,304</u>
Less investment expense	699,714	668,659	379,467	1,747,840
Net investment income	<u>11,368,940</u>	<u>10,950,360</u>	<u>9,469,164</u>	<u>31,788,464</u>
Total additions	<u>17,880,210</u>	<u>13,441,713</u>	<u>14,827,625</u>	<u>46,149,548</u>
Deductions:				
Pensions paid - employees	10,902,177	6,584,530	5,590,038	23,076,745
Pensions paid - widows	2,000,697	921,035	614,196	3,535,928
Pensions paid - children		6,607		6,607
Refunds to employees	14,721	46,773	9,121	70,615
Deferred retirement option plan	172,360	878,501	184,270	1,235,131
Health insurance assistance	120,036			120,036
Administrative expenses	116,263	145,140	92,420	353,823
Total deductions	<u>13,326,254</u>	<u>8,582,586</u>	<u>6,490,045</u>	<u>28,398,885</u>
Change in net position	4,553,956	4,859,127	8,337,580	17,750,663
Net position restricted for pension benefits:				
Beginning of year	<u>142,489,470</u>	<u>120,625,906</u>	<u>93,617,460</u>	<u>356,732,836</u>
End of year	\$ <u>147,043,426</u>	\$ <u>125,485,033</u>	\$ <u>101,955,040</u>	\$ <u>374,483,499</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, 2018

NOTE IV. – 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 Chief Financial Officer. 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.

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-employer 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 covers 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, 2018

NOTE IV. – 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, at September 30, 2016 as well as the Firefighters' Relief and Pension Plan and the Police Officers' Retirement plan as of September 30, 2017 consisted of the following:

	General Pension and Retirement	Firefighters' Relief and Pension	Police Officers' Retirement
Retirees and beneficiaries receiving benefits	611	172	159
Terminated plan members entitled to but not yet receiving benefits	60	2	14
DROP plan members	27	17	9
Active plan members	136	97	73
Total	834	288	255
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.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE IV. – OTHER INFORMATION (Continued)

Benefits Provided. For the HIS Plan, fiscal year ended June 30, 2018, 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	Age 62 with (w/o) 30 yrs of svc or 30 yrs of svc w/no age requirement	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 (highest 5 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 yr 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'l 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, 2018

NOTE IV. – OTHER INFORMATION (Continued)

Contributions. For the three contributory, defined benefit, single employer pension plans, the Boards of Trustees establishes 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 \$1,408,774 for the State's fiscal year ended June 30, 2018.

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 \$257,698 for the State's fiscal year ended June 30, 2018.

For the year ended September 30, 2018, 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	1.66%	111.63%	33.50%	112.37%
Regular Class	8.26%	N/A	N/A	N/A	N/A
Senior Mgmt	24.06%	N/A	N/A	N/A	N/A
Elect Officials	48.70%	N/A	N/A	N/A	N/A
DROP	14.03%	N/A	N/A	N/A	N/A
Special Risk	24.50%	N/A	N/A	N/A	N/A
Retired	5.16%	N/A	N/A	N/A	N/A
Sr.Mgmt Ret.	19.55%	N/A	N/A	N/A	N/A
Sp Risk Ret.	12.26%	N/A	N/A	N/A	N/A
State	N/A	N/A	N/A	12.53%	14.21%

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, 2018

NOTE IV. – 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, 2018 and the State Board of Administrations policy as of June 30, 2018.

	Florida Retirement System (FRS)	General Pension and Retirement	Firefighters' Relief and Pension	Police Officers' Retirement
Asset Class:				
Global Equity	54.0%			
Domestic Equity		40%	40%	45%
International Eq		15%	15%	15%
Master Limited Partnerships		5%	5%	
Real Estate	11.0%	8%	5%	
Convertible Sec		7%	10%	
Fixed Income	18.0%	25%	25%	25%
Private Equity	10.0%			
Strategic Investments				
Cash Equivalents/	6.0%			
Short Term	1.0%			
TIPS				5%
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, 2018, the annual money-weighted rate of return on pension plan investments for the General Pension and Retirement Plan was 11.1 percent, the Firefighters' Relief and Pension Plan was 11.14 percent and the Police Officers' Retirement Fund was 13.48 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, 2018

NOTE IV. – OTHER INFORMATION (Continued)

Reserves. The Police Officers' Retirement Fund has a small portion of funds deposited in a Contribution Surplus Account (\$775,007) as of September 30, 2018. 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. However, those in the Firefighters' Relief and Pension Plan hired after July 1, 1999 and who enter DROP on or after June 10, 2015, 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, 2018 for the General Pension and Retirement Plan, Firefighters' Relief and Pension Plan and Police Officers' Retirement Fund were \$2,324,137, \$3,154,996 and \$982,791, 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, 2017, the Firefighters' Relief and Pension Plan as of October 1, 2017, the Police Officers' Retirement Fund as of October 1, 2017, and the Florida Retirement System and HIS Plan as of June 30, 2018 are provided in the table on the following page.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE IV. – OTHER INFORMATION (Continued)

	<u>General Pension</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>FRS Plan</u>	<u>HIS Plan</u>	<u>Total</u>
Total Pension Liability	\$ 178,122,461	\$ 128,570,903	\$ 127,993,821	\$ 94,572,107	\$ 5,139,946	\$ 534,399,238
Plan Fiduciary Net Position	(142,489,470)	(120,622,681)	(93,617,461)	(79,682,918)	(110,464)	(436,522,994)
Less Reserve Accounts			775,007			
City Net Pension Liability	<u>35,632,991</u>	<u>7,948,222</u>	<u>35,151,367</u>	<u>14,889,189</u>	<u>5,029,482</u>	<u>98,651,251</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	93.82%	73.14%	84.26%	2.15%	

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 2017 and 2018 relative to the contributions of all participants.

At June 30, 2018 the City's FRS Plan proportionate share of net pension liability was .0494%, which was an increase of .0004% from its proportionate share of .0453% measured as June 30, 2017. The City's HIS proportionate share of net pension liability was .0475% which was an increase of .0037% from its proportionate share .0438% measured as of June 30, 2017.

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).

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE IV. – OTHER INFORMATION (Continued)

Differences between expected and actual earnings on pension plan investments – amortized over five years.

The actuarial recognized pension expense, calculated in accordance with GASB 68, for the year ended September 30, 2018 is as follows: General Pension and Retirement Plan \$4,054,412; Firefighters' Relief and Pension Plan \$3,723,274; and Police Officers' Retirement Fund \$4,993,766. For the year ended September 30, 2018, the City recognized pension expense of \$3,118,185 for its proportionate share of the FRS Plan and \$578,793 for its proportionate share of the HIS plan.

Contributions made after the measurement date for the year ended September 30, 2018 are as follows: General Pension and Retirement Plan \$6,200,845 (one year of contributions); Firefighters' Relief and Pension Plan \$2,008,975; Police Officers' Retirement Fund \$5,101,158; City's proportionate share of the FRS Plan \$413,175 and City's proportionate share of the HIS plan \$71,643. 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. At September 30, 2018, 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	\$		\$ 7,646	2,822,892	\$ 88,165	1,769,120	\$ 1,261,338	45,781	\$ 77,000	8,544	\$ 1,434,149	\$ 4,646,337
Changes of assumptions			2,671,009		1,352,629		4,865,063		559,341	531,759	9,448,042	531,759
Net difference between projected and actual investment earnings		795,422		360,013		2,962,878		1,150,371	3,036		3,036	5,268,684
Differences in Proportionate Share of Contributions							1,877,332		816,191		2,693,523	-
Total	\$ -	795,422	\$ 2,678,655	3,182,905	\$ 1,440,794	4,731,998	\$ 8,003,733	1,196,152	\$ 1,455,568	540,303	\$ 13,578,750	\$ 10,446,780

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 September 30:	General Pension	Fire Pension	Police Pension	FRS	HIS
2019	\$ 233,698	\$ 1,714,810	\$ 385,951	\$ 2,637,543	\$ 393,820
2020	1,258,449	286,587	(880,327)	1,800,014	392,362
2021	(1,288,966)	(1,731,003)	(1,669,195)	250,975	274,876
2022	(998,603)	(774,644)	(1,127,633)	1,198,573	61,738
2023				801,437	(383,227)
Thereafter				119,039	175,696
Total	\$ (795,422)	\$ (504,250)	\$ (3,291,204)	\$ 6,807,581	\$ 915,265

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE IV. – OTHER INFORMATION (Continued)

Actuarial assumptions. The General Pension and Retirement Plan as of September 30, 2016, the Firefighters' Relief and Pension Plan as of October 1, 2017, and the Police Officers' Retirement Fund as of October 1, 2017 total pension liability was determined by an actuarial valuation and the Florida Retirement System was determined by actuarial assumptions as of June 30, 2018, 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	3.00%	2.70%	2.50%	2.60%	2.60%
Salary increases	4.50% - 9.50%	5%-12.68%	4.00%	3.25%	3.25%
Investment rate of return	7.60%	7.75%	7.13%	7.00%	
Municipal bond rate					3.87%
Mortality	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	Generational RP- 2000 with Projection Scale BB tables	Generational RP- 2000 with Projection Scale BB tables

For the City 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 weighting 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	11.1%	7.0%	7.5%	N/A
International Equity	6.4%	3.7%	8.5%	N/A
Global Equity	N/A	N/A	N/A	6.3%
Private Equity	N/A	N/A	N/A	7.8%
Master Limited Partnerships	16.9%	9.7%	N/A	N/A
Real Estate	7.9%	4.8%	5.0%	6.0%
Convertible Sec	9.5%	6.0%	N/A	N/A
Strategic Investments	N/A	N/A	N/A	5.7%
Fixed Income	7.6%	4.0%	2.5%	4.3%
TIPS	N/A	N/A	2.5%	N/A
Cash	N/A	N/A	N/A	2.9%

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE IV. – OTHER INFORMATION (Continued)

Discount rate. The projection of cash flows used to determine the General Pension and Retirement Plan's 7.6% 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 7.00% discount rate assumed that contributions will 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 Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 09/30/17	\$ 178,562,608	\$ 134,865,141	\$ 43,697,467
Changes for the year:			
Service Cost	806,853		806,853
Interest	13,087,373		13,087,373
Differences between expected and Actual Experience			0
Contributions - employer		6,788,208	(6,788,208)
Contributions - employee		341,314	(341,314)
New investment income		14,963,864	(14,963,864)
Benefit payments, including refunds of employee contributions	(14,334,373)	(14,334,373)	
Administrative expense		(134,684)	134,684
Assumption changes			0
Other changes			0
Net changes	<u>(440,147)</u>	<u>7,624,329</u>	<u>(8,064,476)</u>
Balances at 09/30/18	<u>\$ 178,122,461</u>	<u>\$ 142,489,470</u>	<u>\$ 35,632,991</u>

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE IV. – OTHER INFORMATION (Continued)

Fire Pension			
Changes in the Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 09/30/17	\$ 128,507,886	\$ 113,883,891	\$ 14,623,995
Changes for the year:			
Service Cost	1,317,501		1,317,501
Interest	9,731,641		9,731,641
Differences between expected and Actual Experience	(3,442,328)		(3,442,328)
Changes of assumptions	967,856		967,856
Contributions - employer		2,336,545	(2,336,545)
Contributions - employee		449,131	(449,131)
New investment income		12,473,832	(12,473,832)
Benefit payments, including refunds of employee contributions	(8,511,653)	(8,511,653)	
Administrative expense		(90,536)	90,536
Other changes		81,471	(81,471)
Net changes	<u>63,017</u>	<u>6,738,790</u>	<u>(6,675,773)</u>
Balances at 09/30/18	<u>\$ 128,570,903</u>	<u>\$ 120,622,681</u>	<u>\$ 7,948,222</u>

Police Pension			
Changes in the Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 09/30/17	\$ 129,621,504	\$ 84,572,059	\$ 45,049,445
Changes for the year:			
Service Cost	761,793		761,793
Interest	8,977,910		8,977,910
Differences between expected and Actual Experience			-
Differences between expected and actual experience	(2,653,681)		(2,653,681)
Contributions - employer		4,873,467	(4,873,467)
Contributions - employee		218,457	(218,457)
Contributions - buy back	41,367	41,367	-
New investment income		11,614,044	(11,614,044)
Benefit payments, including refunds of employee contributions	(8,755,072)	(8,755,072)	
Administrative expense		(115,371)	115,371
Other changes		393,503	(393,503)
Net changes	<u>(1,627,683)</u>	<u>8,270,395</u>	<u>(9,898,078)</u>
Balances at 09/30/18	<u>\$ 127,993,821</u>	<u>\$ 92,842,454</u>	<u>\$ 35,151,367</u>

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE IV. – 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 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
City's net pension liability	\$	53,438,010	\$	35,632,991
				\$ 20,529,558

<u>Fire Pension</u>		1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
City's net pension liability	\$	22,836,457	\$	7,948,222
				\$ (4,337,384)

<u>Police Pension</u>		1% Decrease 6.13%	Current Discount Rate 7.13%	1% Increase 8.13%
City's net pension liability	\$	52,879,640	\$	35,151,367
				\$ 20,760,084

<u>FRS</u>		1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's net pension liability	\$	27,173,394	\$	14,889,189
				\$ 4,686,430

<u>HIS</u>		1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
City's net pension liability	\$	5,728,285	\$	5,029,482
				\$ 4,446,989

Payable to the Pension Plan

As of September 30, 2018, the City reported a payable of \$6,200 to the General Pension and Retirement Plan, \$9,666 to the Firefighters' Relief and Pension Plan, \$4,193 to the Police Officers' Retirement Fund, \$234,954 to the FRS Plan, and \$20,900 to HIS Plan for the outstanding amount of contributions to the pension plans required for the year ended September 30, 2018.

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.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE IV. – OTHER INFORMATION (Continued)

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 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.

Employees covered by benefit terms. At December 31, 2017, the valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving a benefit	279
Inactive employees entitled to but not yet receiving a benefit	0
Active employees	586
Total	<u>865</u>

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE IV. – OTHER INFORMATION (Continued)

Total OPEB Liability

The total OPEB liability of \$26,471,801 was measured as of December 31, 2017, 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, 2018 were as follows:

	<u>FISCAL YEAR 2018</u>
Valuation Date	12/31/2017
Inflation	3.00%
Municipal Bond Index Rate:	
Prior measurement date	3.86%
Measurement date	3.43%
Health Care Cost Trends:	
Pre-Medicare	7.50%
ultimate trend rate	5.50%
year of ultimate trend rate	2024
Post-Medicare	5.50%
ultimate trend rate	5.00%
year of ultimate trend rate	2024

The discount rate used to measure the total OPEB liability was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Mortality rates were based on the RP-2000 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, 2017 valuation were based on the results of an actuarial experience study for the period of January 1, 2017 through December 31, 2017.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE IV. – OTHER INFORMATION (Continued)

Changes to Total OPEB Liability

	Total OPEB Liability (a)
Balances at 12/31/16	\$ 20,866,889
Changes for the year:	
Service cost *	87,688
Interest	798,393
Differences between expected and actual experience	(368,076)
Changes in assumptions or other inputs	5,416,699
Benefit payments	(329,792)
Net changes	5,604,912
Balances at 12/31/17	\$ 26,471,801
* 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, 2017. An expected total OPEB liability is determined as of December 31, 2016, the Prior Measurement Date, using standard roll back techniques. The roll back calculation begins with the total OPEB liability, as of the Measurement Date, December 31, 2017, adds the expected benefit payments for the year, deducts interest at the Discount Rate for the year, and then subtracts the annual Normal Cost (also called the Service Cost).

The City actuary has assumed no significant changes, other than the change in the Municipal Bond Index Rate, have occurred between the Valuation Date and the Measurement Date.

Since the Prior Measurement Date, the Discount Rate has changed from 3.86% to 3.43% 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.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE IV. – OTHER INFORMATION (Continued)

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 2.43%	Current Discount Rate 3.43%	1% Increase 4.43%
City's total OPEB liability	\$ 31,399,302	\$ 26,471,801	\$ 22,600,421

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 7.5%, decreasing to 5% by 2024, and the post-medicare health care cost trend rate is 5.5%, decreasing to 5% by 2024. 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 Discount Rate Blended Rate	1% Increase Blended Rate
City's total OPEB liability	\$ 22,575,708	\$ 26,471,801	\$ 31,330,104

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the City recognized an OPEB Expense of \$2,207,710. Contributions made after the measurement date for the year ended September 30, 2018 were \$312,982. Contributions made after the measurement date are not included as a deferred outflow of resources in the table below. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 271,721
Changes of assumptions or other inputs	3,998,715	
Total	\$ 3,998,715	\$ 271,721

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE IV. – OTHER INFORMATION (Continued)

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:	
2018	\$ 1,321,629
2019	1,321,629
2020	1,083,736
2021	0
2022	0
Thereafter	0
Total	\$ 3,726,994

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. At September 30, 2018 there were 443 active plan members. The plan provisions and contribution requirements are established and may be amended by the City of Pensacola City Council. The following is a schedule of employee and employer contributions.

	Fire, General & Police Social Security Replacement Plan	Pension Replacement Plan	Non-Social Security Plan	Elected Officers & Part-time Employees Plan
Employee Contribution	1.0%, 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 9/30/18	\$1,184,774	\$60,135	\$434,396	\$248
City Contribution for 9/30/18	\$765,519	\$62,957	N/A	N/A

Employer and plan member contributions are recognized in the period that the contributions are due.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE IV. – OTHER INFORMATION (Continued)

As required by Internal Revenue Code Section 457, the assets are held in trust for the employees' benefit. The Chief Financial Officer, 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.

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 at September 30, 2018 were:

General Fund	\$	964,947
Housing Assitances Payments		18,924
Community Redevelopment Fund		28,429
Eastside TIF Fund		2,500
Westside TIF Fund		4,850
Community Redevelopment Project Fund		871,339
Utility Fund		2,895,762
Sanitation Fund		565,592
Port Fund		939,413
Airport Fund		3,910,891
Nonmajor Government		8,092,559
Internal Service Fund		105,615
Total	\$	<u>18,400,821</u>

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE IV. – OTHER INFORMATION (Continued)

I. Lease obligations

1. Compressed Natural Gas (CNG) station capital lease. In October 2012, the City, as lessor, entered into a ten year non-cancelable contract to lease the CNG Station to ECUA. The CNG station is financed for a principal amount of \$1,898,743 at 2.09% for ten years. In August 2014, the City and ECUA amended the agreement to finance an additional principal amount of \$96,400 at 2.09% for the remaining original lease term. The amendment was to fund the construction of a protective enclosure around the equipment at the CNG station. The monthly payments have been increased from \$17,548 to \$18,599 and are paid to the City at the beginning of each month until the end of the term, at which time ECUA will receive ownership of the building. As of September 30, 2018, the outstanding balance is \$872,786. This lease agreement qualifies as a capital lease for accounting purposes. The future minimum lease payments as of September 30, 2018, were as follows:

Year ended September 30,	Governmental Activities
2019	\$ 223,188
2020	223,188
2021	223,188
2022	241,752
Total minimum lease payments	911,316
Less amount representing interest	(38,530)
Present value of minimum lease payments	\$ 872,786

2. Compressed Natural Gas (CNG) station capital lease. In August 2014, the City, as lessor, entered into a ten year non-cancelable contract to lease a second CNG Station to ECUA. The CNG station is financed for a principal amount of \$965,655 at 2.09% for ten years. The monthly payments of \$8,924 are paid to the City at the beginning of each month until the end of the term, at which time ECUA will receive ownership of the building. As of September 30, 2018, the outstanding balance is \$587,656. This lease agreement qualifies as a capital lease for accounting purposes. The future minimum lease payments as of September 30, 2018, were as follows:

Year ended September 30,	Governmental Activities
2019	\$ 107,088
2020	107,088
2021	107,088
2022	107,088
2023	107,088
2024	89,280
Total minimum lease payments	624,720
Less amount representing interest	(37,064)
Present value of minimum lease payments	\$ 587,656

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE IV. – OTHER INFORMATION (Continued)

3. *Motorola capital lease.* In June 2015, the City entered into a lease agreement as lessee for financing the acquisition of technology related equipment valued at \$6,460,954 at 2.91% over six years. The equipment has a ten-year estimated useful life. Depreciation expense for the fiscal year 2018 totaled \$636,551. This lease agreement qualifies as a capital lease for accounting purposes. The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2018, were as follows:

Year ended September 30,	Governmental Activities
2019	\$ 1,734,432
2020	1,734,432
2021	1,734,432
Total minimum lease payments	5,203,296
Less: amount representing interest	(288,760)
Present value of minimum lease payments	\$ 4,914,536

J. 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. 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, 2018, the City abated real and tangible property taxes totaling \$40,493 under the EDATE program, including the following tax abatement agreement that exceed 10 percent of the total amount abated:

A 100% real property tax abatement to a real estate company for opening a location in the enterprise zone. The abatement amounted to \$31,221.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE IV. – OTHER INFORMATION (Continued)

K. Other Significant Commitments

1. City Land Lease – Port Royal. On May 1, 1997, the City entered into an agreement with Port Royal Phase II, Inc. (the Developer), a Florida corporation regarding real property known as the Baylen Street Property, Phase II. The Developer has entered into a lease term for a period of 86 years for the purpose of developing a residential project consisting of lots for sixteen single-family residences and eight carriage house units and parking areas. The Developer paid a lump sum of \$420,000 for the initial 50 year lease. Annual lease revenue will be recognized over the 50 year period. For years 51 through 86 the Developer will make annual installments not to be less than \$4,120 adjusted every five years by a factor of the Consumer Price Index. There is a renewal term of 100 years after the initial 86-year term.

2. 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, decide 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.

3. Port Leases. The Port of Pensacola has entered into several long term leases of land and warehouse space. Listed below is a summary of the current lease terms.

TENANT	TYPE OF PROPERTY	TERM	ANNUAL RENT
CEMEX Ready Mix Effective 10/25/03; Rent Effective 1/1/14	Warehouse	5 years with (3) 5 year renewals	\$222,394
Sine Qua Non Holdings Effective 11/07/2015	Parking Lots	3 years with (6) 3 year renewals	\$32,880
Offshore Inland Marine (WH1) Effective 5/1/10	Warehouse	2 years with (2) 5 year and (1) 2- year renewal	\$106,697
Siddiqi Investments, LLC Effective 11/7/15	Parking Lots	3 years with (6) 3-year renewals	\$32,880

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE IV. – OTHER INFORMATION (Continued)

While all lease payments due from Offshore Inland Marine are current as of the fiscal year end, dockage and other vessel fees (which Offshore Inland recovers from each customer then remits to the Port) had a past due balance of \$428,000. On November 9, 2017, City Council approved an amendment to the Offshore Inland Marine lease authorizing them to make monthly installment payments of \$10,000 until \$175,000 is repaid. The remaining balance of \$363,000 in invoices is being held in abeyance pending construction of an overhead crane facility in Port Warehouse 1 and final reconciliation of project-related grant expenses, including expenses incurred by Offshore Inland.

4. Airport Leases. Pensacola International Airport has entered into several long term leases of land and building space. Listed below is a summary of the current lease terms for those leases which are material to the financial statements.

TENANT	TYPE OF PROPERTY	TERM	ANNUAL RENT
Sandspur Development Effective 4/10/2013	Land Lease	50 years with (3) 10 year renewals	\$448,404
VT Mobile Aerospace Engineering, Inc. Effective 5/30/2018	Land Lease	30 years	\$259,269

5. City Land Lease – Master Lease Agreement. On March 27, 2006, the City entered into a Master Lease Agreement with Community Maritime Park Associates (CMPA) regarding 27 acres of waterfront property located at the 300 block of Main Street, for the purpose of developing the Community Maritime Park. Under the Master Lease Agreement, the CMPA entered into two ground sub-lease agreements for office buildings which provide for annual common area maintenance (CAM) charges relating to the Private Improvements. With the dissolution of the CMPA on June 1, 2017, the Master Lease Agreement as well as the two ground sub-lease agreements were assigned to the City.

6. 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 April 2015, NFPB exercised the option to purchase the naming rights to the multi-use facility. After payment of costs and expenses associated with the sale of the naming rights, CMPA was entitled to receive 50% of the revenue generated from the sale which totaled to \$787,500. CMPA will receive these funds over the course of 7 years in annual payments of \$112,500. With the dissolution of the CMPA on June 1, 2017, the Multi-Use Facility Agreement was assigned to the City.

**CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE IV. – OTHER INFORMATION (Continued)

Community Redevelopment Agency (CRA)

1. *CRA Interlocal Agreement – Redevelopment Revenue Bonds, Series 2009A and 2009B.* In March 27, 2006, the CRA of the City of Pensacola entered into an Interlocal Agreement in order to induce, encourage and assist the redevelopment of what is now known as the Community Maritime Park. As such, the CRA agreed to pay the debt service on the Redevelopment Revenue Bonds, Series 2009A and 2009B, which were used to finance the public improvements of the park. Debt service payments will be paid from Tax Increment Revenues derived from the Urban Core Redevelopment Area.

2. *CRA Interlocal Agreement - Main Street Wastewater Treatment Plant.* In March 2007, the CRA approved assisting in the funding of the relocation of the Main Street Wastewater Treatment Plant. The City committed to the Emerald Coast Utilities Authority \$19.5 million for the project and agreed to budget and appropriate franchise fees received from the Authority and the beverage license tax revenues for the project. 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. Related to this transaction, the City entered in an agreement with the CRA wherein 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 CRA when funds are available.

3. *CRA Interlocal Agreement – Eastside Redevelopment Loan.* In August 2017, City Council approved Resolution 17-34 authorizing an amended and restated interlocal agreement which changed the provisions of a loan from the City's Insurance Retention Fund of \$500,000 (the Loan) to the Community Redevelopment Agency's (CRA's) Eastside TIF District from an eight (8) year term to a thirty (30) year term. In addition, the repayment schedule of the Loan was extended 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 Insurance Retention Fund was recorded.

NOTE V. - SUBSEQUENT EVENTS

On November 1, 2018, the City paid in full the Airport Facilities Grant Anticipation Note, Series 2016 in the amount of \$6,299,600. On September 22, 2016, City Council authorized the Mayor to execute the financing with BBVA/Compass Bank to finance a portion of the cost of the construction of a hanger and related facilities at the Pensacola International Airport. In connection with the loan the City entered into a SWAP Agreement in order to hedge the financial risk of increased interest rate cost. With the current market rates, the payoff of the loan resulted in overall interest savings to the City totaling an approximately \$204,000. The early termination of the SWAP Agreement resulted in SWAP savings of approximately \$60,525. In addition, the City saved interest that was scheduled to be paid after the date of repayment through October 1, 2019 resulting in estimated interest savings of \$143,475.

CITY OF PENSACOLA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE V. - SUBSEQUENT EVENTS (Continued)

On November 1, 2018 the City entered into an interlocal agreement with the Escambia County Board of County Commissioners outlining the funding for the VT Mobile Aerospace and Engineering, Inc. maintenance, repair and overhaul expansion at the Pensacola International Airport. The agreement provides that Escambia County shall contribute funding towards the expansion project in the amount of \$10 million. The Agreement provides the City, on behalf of the County in lieu of repayment to the County under the March 6, 2014 Interlocal Agreement, shall contribute funding for the project in the amount of \$3.2 million. This will leave a balance of \$6.8 million due from Escambia County to fund the project. If the project is terminated at any time prior to the date of beneficial occupancy, the City will reimburse the County in the amount of \$3.2 million paid on behalf of the County and the full amount of any Local Funds contributed by the County to date.



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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

**CITY OF PENSACOLA, FLORIDA
GENERAL PENSION & RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS**

	Fiscal Year *			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability				
Service Cost (BOY)	\$ 806,853	\$ 960,937	\$ 875,872	\$ 875,872
Interest	13,087,373	13,265,393	13,080,194	13,039,418
Difference between Expected & Actual Experience		(6,829,727)		
Changes in Assumptions		8,088,948		
Changes of benefit terms			1,929,586	
Benefit payments, including refunds of member contributions	(14,334,373)	(13,902,080)	(13,007,151)	(13,664,554)
Refunds of contributions		(82,082)	(31,304)	(82,048)
Net change in total pension liability	(440,147)	1,501,389	2,847,197	168,688
Total pension liability - beginning	178,562,608	177,061,219	174,214,022	174,045,334
Total pension liability - ending (a)	<u>\$ 178,122,461</u>	<u>\$ 178,562,608</u>	<u>\$ 177,061,219</u>	<u>\$ 174,214,022</u>
Plan fiduciary net position				
Contributions - employer	\$ 6,788,208	6,788,559	\$ 6,586,144	\$ 6,586,424
Contributions - member	341,314	360,693	375,026	388,789
Net investment income	14,963,864	11,356,088	(2,230,201)	14,895,032
Benefit payments, including refunds of member contributions	(14,334,373)	(13,902,080)	(13,007,151)	(13,664,554)
Health insurance assistance				
Refunds of Contributions		(82,082)	(31,304)	(82,048)
Administrative expense	(134,684)	(102,605)	(126,054)	(103,765)
Other			2,149,812	
Net change in plan fiduciary net position	7,624,329	4,418,573	(6,283,728)	8,019,878
Plan fiduciary net position - beginning	134,865,141	130,446,568	136,730,296	128,710,418
Plan fiduciary net position - ending	142,489,470	134,865,141	130,446,568	136,730,296
Total plan fiduciary net position (b)	<u>\$ 142,489,470</u>	<u>\$ 134,865,141</u>	<u>\$ 130,446,568</u>	<u>\$ 136,730,296</u>
City's net pension liability - ending (a)-(b)	<u>\$ 35,632,991</u>	<u>\$ 43,697,467</u>	<u>\$ 46,614,651</u>	<u>\$ 37,483,726</u>
Plan fiduciary net position as a percentage of the total pension liability	80.00%	75.53%	73.67%	78.48%
Covered-employee payroll	6,174,853	6,347,558	6,901,570	6,757,461
City's pension liability as a percentage of covered-employee payroll	577.07%	688.41%	675.42%	554.70%
Annual money-weighted rate of return	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: Information is presented for those years in which information is available. 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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Fiscal Years *

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined employer contribution	\$ 6,200,956	\$ 6,788,208	\$ 6,788,560	\$ 7,515,167	\$ 7,448,089	\$ 7,157,167	\$ 7,157,167	\$ 7,162,033	\$ 7,094,735	\$ 6,942,271
Actual employer contribution	6,200,956	6,788,208	6,788,560	7,515,167	7,448,089	7,157,167	7,157,167	7,162,033	7,094,735	6,942,271
Annual contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered-employee payroll	\$ 5,555,158	\$ 6,174,853	\$ 6,347,558	\$ 6,901,570	\$ 6,757,461	\$ 6,961,827	\$ 7,834,617	\$ 11,280,207	\$ 12,090,613	\$ 13,546,116
Actual contributions as a % of covered-employee payroll	111.63%	109.93%	106.95%	108.89%	110.22%	102.81%	91.35%	63.49%	58.68%	51.25%

2014 actuarially determined employer contribution includes \$553,997 in prepaid reserves and excludes \$71,761 in health care contributions.

2018 covered-employee payroll is not actuarially determined therefore subject to change in future years.

* Based on contributions made during the fiscal year noted.

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:

	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Valuation Date	9/30/2016	9/30/2016	9/30/2015	9/30/2014
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed
Remaining Amortization Period	11 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
Actuarial Assumptions:				
Inflation	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%
Investment rate of return	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%
Mortality Rates	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

NOTE: Information is presented for those years in which information is available.

**CITY OF PENSACOLA, FLORIDA
FIREFIGHTER'S RELIEF & PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS**

	Fiscal year *			
	2018	2017	2016	2015
Total Pension Liability				
Service Cost (BOY)	\$ 1,317,501	\$ 1,340,661	\$ 1,189,882	\$ 1,578,578
Interest	9,731,641	9,595,671	9,016,289	9,116,288
Difference between Expected and Actual Experience	(3,442,328)	(482,293)	30,585	
Changes in Assumptions	967,856		7,780,467	
Changes in Benefit Terms		802,334	(4,080,439)	
Contributions - Buy Back		44,064		
Benefit payments, including refunds of member contributions	(8,511,653)	(8,929,344)	(6,788,324)	(8,163,106)
Net change in total pension liability	63,017	2,371,093	7,148,460	2,531,760
Total pension liability - beginning	128,507,886	126,136,793	118,988,333	116,456,573
Total pension liability - ending (a)	\$ 128,570,903	\$ 128,507,886	\$ 126,136,793	\$ 118,988,333
Plan fiduciary net position				
Contributions - employer	\$ 2,336,545	3,826,740	\$ 4,334,264	\$ 3,649,568
Contributions - member	449,131	421,774	474,193	457,362
Contributions - Buy Back		44,064		
Net investment income	12,473,832	9,928,990	(1,770,463)	10,980,094
Benefit payments, including refunds of member contributions	(8,511,653)	(8,929,344)	(6,788,324)	(8,163,106)
Administrative expense	(90,536)	(105,921)	(92,822)	(131,563)
Other	81,471			
Net change in plan fiduciary net position	6,738,790	5,186,303	(3,843,152)	6,792,355
Plan fiduciary net position - beginning	113,883,891	108,697,588	112,540,740	106,396,777
Plan fiduciary net position - ending	120,622,681	113,883,891	108,697,588	113,189,132
LESS RESERVE ACCOUNTS	\$ -	\$ -	\$ -	\$ 648,392
Total plan fiduciary net position (b)	\$ 120,622,681	\$ 113,883,891	\$ 108,697,588	\$ 112,540,740
City's net pension liability - ending (a)-(b)	\$ 7,948,222	\$ 14,623,995	\$ 17,439,205	\$ 6,447,593
Plan fiduciary net position as a percentage of the total pension liability	93.82%	88.62%	86.17%	94.58%
Covered-employee payroll	4,082,999	3,834,292	7,494,388	4,157,835
City's pension liability as a percentage of covered-employee payroll	194.67%	381.40%	232.70%	155.07%
Annual money-weighted rate of return	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**

FIREFIGHTERS' RELIEF & PENSION FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Last 10 Fiscal Years *										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined employer contribution	\$ 2,009,062	\$ 2,321,285	\$ 3,822,480	\$ 4,334,264	\$ 3,097,587	\$ 3,234,358	\$ 3,494,389	\$ 3,286,284	\$ 3,441,454	\$ 3,691,271
Actual employer contribution	2,009,062	2,336,545	3,826,740	4,334,264	3,097,587	3,234,358	3,562,977	3,321,453	3,441,454	3,699,133
Annual contribution deficiency (excess)	\$ 0	\$ (15,260)	\$ (4,260)	\$ 0	\$ 0	\$ 0	\$ (68,588)	\$ (35,169)	\$ 0	\$ (7,862)
Covered-employee payroll	\$ 4,364,236	\$ 4,082,999	\$ 3,834,292	\$ 7,494,388	\$ 4,157,835	\$ 4,574,063	\$ 4,847,354	\$ 4,695,857	\$ 5,009,434	\$ 5,175,498
Actual contributions as a % of covered-employee payroll	46.03%	57.23%	99.80%	57.83%	74.50%	70.71%	73.50%	70.73%	68.70%	71.47%
2014 actuarially determined employer contribution excludes \$551,981 in current year prepaid reserves.										
2018 covered-employee payroll is not actuarially determined therefore subject to change in future years.										
* Based on contributions made during the fiscal year noted.										

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:

	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Valuation Date	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
Amortization Method	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed
Remaining Amortization Period	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
Actuarial Assumptions:				
Inflation	2.70%	2.70%	3.00%	3.00%
Salary increase	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%	8.00%
Cost of living adjustments	2.875%	2.875%	2.875%	2.875%
Mortality:	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 *			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability				
Service Cost (BOY)	\$ 761,793	\$ 912,596	\$ 818,742	\$ 860,340
Interest	8,977,910	8,876,315	8,390,513	8,151,071
Differences between expected and actual experience	(2,653,681)		312,274	866,959
Changes of assumptions			6,217,609	3,431,350
Contributions - buy back	41,367			
Benefit payments, including refunds of member contributions	(8,755,072)	(7,539,629)	(6,446,003)	(5,994,107)
Net change in total pension liability	(1,627,683)	2,249,282	9,293,135	7,315,613
Total pension liability - beginning	129,621,504	127,372,222	118,079,087	110,763,474
Total pension liability - ending (a)	<u><u>\$ 127,993,821</u></u>	<u><u>\$ 129,621,504</u></u>	<u><u>\$ 127,372,222</u></u>	<u><u>\$ 118,079,087</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 4,331,190	3,830,736	\$ 3,830,839	\$ 3,825,656
Contributions - member	218,457	227,357	240,097	156,000
Net investment income	11,614,044	8,651,676	(2,362,487)	6,881,022
Benefit payments, including refunds of member contributions	(8,755,072)	(7,539,629)	(6,446,003)	(5,994,107)
Administrative expense	(115,371)	(93,853)	(82,441)	(69,051)
State Insurance	542,277	533,483	512,808	473,283
Member buybacks	41,367	-	-	12,024
Net change in plan fiduciary net position	7,876,892	5,609,770	(4,307,187)	5,284,827
Plan fiduciary net position - beginning	85,740,569	80,130,799	84,437,986	79,153,159
Plan fiduciary net position - ending	<u>93,617,461</u>	<u>85,740,569</u>	<u>80,130,799</u>	<u>84,437,986</u>
LESS RESERVE ACCOUNTS	<u>775,007</u>	<u>1,168,510</u>	<u>1,203,293</u>	<u>1,097,405</u>
Total Plan fiduciary net position (b)	<u><u>\$ 92,842,454</u></u>	<u><u>\$ 84,572,059</u></u>	<u><u>\$ 78,927,506</u></u>	<u><u>\$ 83,340,581</u></u>
City's net pension liability - ending (a)-(b)	<u><u>\$ 35,151,367</u></u>	<u><u>\$ 45,049,445</u></u>	<u><u>\$ 48,444,716</u></u>	<u><u>\$ 34,738,506</u></u>
Plan fiduciary net position as a percentage of the total pension liability	72.5%	65.2%	62.0%	70.6%
Covered-employee payroll	\$ 4,201,063	4,372,250	\$ 4,423,864	4,466,862
City's pension liability as a percentage of covered-employee payroll	836.7%	1030.3%	1095.1%	777.7%
Annual money-weighted rate of return	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: Information is presented for those years in which information is available. 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**

SCHEDULE OF EMPLOYER CONTRIBUTIONS										
Last 10 Fiscal Years *										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined employer contribution	\$ 5,101,237	\$ 4,873,467	\$ 4,364,219	\$ 4,343,647	\$ 4,298,939	\$ 2,832,155	\$ 3,356,717	\$ 4,017,967	\$ 3,133,416	\$ 3,278,441
Actual employer contribution	5,101,237	4,873,467	4,364,219	4,343,647	4,298,939	2,832,155	3,356,717	4,017,967	3,133,416	3,278,441
Annual contribution deficiency (excess)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Covered-employee payroll	\$ 4,030,089	\$ 4,201,063	\$ 4,372,250	\$ 4,423,864	\$ 4,466,862	\$ 4,870,112	\$ 5,296,929	\$ 6,766,158	\$ 6,966,752	\$ 7,093,224
Actual contributions as a % of covered-employee payroll	126.58%	116.01%	99.82%	98.19%	96.24%	58.15%	63.37%	59.38%	44.98%	46.22%
2018 covered-employee 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.										

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:

	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Valuation Date	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
Amortization method	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount
Remaining Amortization Period	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
Actuarial Assumptions:				
Inflation	2.50%	2.50%	2.50%	2.50%
Salary increase	4.00%	4.00%	4.00%	4.00%
Investment rate of return	7.125%	7.125%	7.125%	7.25%
Cost of living adjustments	2.50%	2.50%	2.50%	2.50%
Mortality Rates	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

NOTE: Information is presented for those years in which information is available.

CITY OF PENSACOLA, FLORIDA
FLORIDA RETIREMENT SYSTEM PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY					
	Fiscal Year				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the FRS net pension liability (asset)	0.049432047%	0.045283952%	0.041335299%	0.039418763%	3.376052900%
City's proportion of the FRS net pension liability (asset) \$	14,889,189	13,394,689	\$ 10,437,195	\$ 5,091,462	\$ 2,059,889
City's covered-employee payroll					
Covered-employee payroll	17,140,563	15,295,017	12,840,904	12,296,508	10,685,417
City's pension liability as a percentage of covered-employee payroll	86.9%	87.6%	81.3%	41.4%	19.3%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%

NOTE: The amounts presented were determined as of June 30, the end of the State of Florida's fiscal year. Information is presented for those years in which information is available.

SCHEDULE OF EMPLOYER CONTRIBUTIONS					
Last 4 Fiscal Years					
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined employer contribution	\$ 1,453,249	1,210,082	\$ 1,099,355	\$ 978,143	\$ 739,499
Actual employer contribution	<u>1,453,249</u>	<u>1,210,082</u>	<u>1,099,355</u>	<u>978,143</u>	<u>739,499</u>
Annual contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 17,140,563	15,295,017	\$ 12,840,904	\$ 12,296,508	\$ 10,685,417
Actual contributions as a % of covered-employee payroll	8.48%	7.91%	8.56%	7.95%	6.92%

NOTE: The amounts presented were determined as of September 30, the end of the City of Pensacola's fiscal year. Information is presented for those years in which information is available.

**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 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Valuation Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Actuarial Cost Method	Individual Entry Age	Ultimate Entry Age Normal	Individual Entry Age	Individual Entry Age	Individual Entry Age
Asset Valuation Method	Level Percentage Closed, Layered	Level Percentage Closed, Layered	Level Dollor Amount Closed	Level Dollor Amount Closed	Level Dollor Amount Closed
Asset Valuation Method	30 years	30 years	30 years	30 years	30 years
Actuarial Assumptions:					
Inflation	2.60%	2.60%	2.60%	2.60%	2.60%
Salary increase	3.25%	3.25%	3.25%	3.25%	3.25%
Investment rate of return	7.00%	7.10%	7.60%	7.65%	7.65%
Cost of living adjustments	0.00%	0.00%	0.00%	0.00%	0.00%
Mortality Rates	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. Information is presented for those years in which information is available.

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				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the HIS net pension liability (asset)	0.047519167%	0.043820246%	0.041586882%	0.040531215%	3.743067500%
City's proportion of the HIS net pension liability (asset)	\$ 5,029,482	4,685,463	\$ 4,846,779	\$ 4,133,546	\$ 3,499,859
City's covered-employee payroll					
Covered-employee payroll	15,524,948	13,972,362	12,840,904	12,296,508	10,685,417
City's pension liability as a percentage of covered-employee payroll	32.4%	33.5%	37.7%	33.6%	32.8%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%

NOTE: The amounts presented were determined as of June 30, the end of the State of Florida's fiscal year. Information is presented for those years in which information is available.

SCHEDULE OF EMPLOYER CONTRIBUTIONS					
	Last 4 Fiscal Years				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined employer contribution	\$ 262,412	241,173	\$ 221,345	\$ 169,762	\$ 128,225
Actual employer contribution	<u>262,412</u>	<u>241,173</u>	<u>221,345</u>	<u>169,762</u>	<u>128,225</u>
Annual contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Covered-employee payroll	\$ 15,524,948	13,972,362	\$ 12,840,904	\$ 12,296,508	\$ 10,685,417
Actual contributions as a % of covered-employee payroll	1.69%	1.73%	1.72%	1.38%	1.20%

NOTE: The amounts presented were determined as of September 30, the end of the City of Pensacola's fiscal year. Information is presented for those years in which information is available.

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 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Valuation Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Actuarial Cost Method	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
Actuarial Assumptions:					
Inflation	2.60%	2.60%	2.60%	2.60%	2.60%
Salary increase	3.25%	3.25%	3.25%	3.25%	3.25%
Discount rate	3.87%	3.58%	2.85%	3.80%	4.29%
Cost of living adjustments	0.00%	0.00%	0.00%	0.00%	0.00%
Mortality Rates	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. Information is presented for those years in which information is available. 260

**CITY OF PENSACOLA, FLORIDA
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS**

Fiscal Year	<u>2018</u>
Total OPEB liability	
Service Cost	\$ 87,688
Interest	798,393
Difference between Expected & Actual Experience	(368,076)
Changes in Assumptions or Other Inputs	5,416,699
Benefit payments	<u>(329,792)</u>
Net change in total OPEB liability	5,604,912
Total OPEB liability - beginning	<u>20,866,889</u>
Total OPEB liability - ending	<u>\$ 26,471,801</u>
 Covered-employee payroll	 23,130,270
 City's total OPEB liability as a percentage of covered-employee payroll	 87.38%

Notes to Schedule:

Changes in benefit terms. There are no changes in benefit terms since the Prior Measurement Date.

Changes in assumptions. Since the prior measurement date, the discount rate has changed from 3.86% to 3.43% due to a change in the Municipal Bond Rate.

NOTE: Information is presented for those years in which information is available.

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

INTERNAL SERVICE FUNDS

FIDUCIARY FUNDS



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure 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.

Stormwater Utility Fund – to account for the receipt and expenditures for the operating and maintenance activities related to stormwater.

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 (formally Hurricane Damage 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.

Inspections Fund – to account for the revenues and expenditures of collections as regulated under Florida Statute 553 referred to as the ‘Florida Building Code’.

Recreation Fund – to account for the revenues and expenditures of recreation center and athletic activities.

Tennis Fund – to account for the revenues and expenditures of the Roger Scott Tennis Center.

CMP Management Services Fund – to account for the revenues and expenditures related to the Community Maritime Park.

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.

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.



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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.

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.

Local Option Gas Tax Project Fund – to account for the construction of various infrastructure improvements. Financing is provided by amounts received from Local Option Gas Tax Revenue Bond, Series 2016.

Local Option Sales Tax Project Fund – to account for the construction of various infrastructure improvements. Financing is provided by amounts received from Infrastructure Sales Surtax Revenue Bond, Series 2017.

Deepwater Horizon Incident Fund – to account for cost related to the City’s BP Deepwater Horizon Oil Spill claim, stormwater projects and flood projects. Also, to replenishment the cash in the City’s Natural Disaster Fund depleted due to the FEMA local match requirement associated with the April 2014 Flood Event. Financing is provided by the release of funds related to the City’s BP Deepwater Horizon Oil Spill claim.

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, 2018**

	Special Revenue Funds			
	Special Grants	Local Option Gasoline Tax	Community Development Block Grant	Stormwater Utility Fund
ASSETS				
Cash and cash equivalents	\$	\$ 386,342	\$	\$ 301,646
Investments		956,835		747,075
Accounts receivable				
Due from other governments				17,945
Prepays and deposits				687
Inventory				
Restricted assets				
Cash and cash equivalents				
Other cash			25,596	
Investments				
Due from other funds				
Due from other governments	2,065,253	119,957	27,867	
Notes receivable	713,738		400,497	
Total assets	\$ 2,778,991	\$ 1,463,134	\$ 453,960	\$ 1,067,353
LIABILITIES				
Accounts payable	\$ 1,150	\$	\$ 632	\$ 26,923
Contracts payable	84,783		107	14,298
Contracts payable - retainage	84,687			
Due to other funds	1,580,865		52,724	23,619
Due to other governments	128,041			
Compensated absences payable				2,817
Unearned revenue	41,357			
Deposits				
Total liabilities	<u>1,920,883</u>	<u>0</u>	<u>53,463</u>	<u>67,657</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	713,738		400,497	
Total deferred inflows of resources	<u>713,738</u>	<u>0</u>	<u>400,497</u>	<u>0</u>
FUND BALANCE (DEFICITS)				
Non-spendable				687
Restricted	403,842	1,463,134	693	302,766
Committed				696,243
Assigned				
Unassigned	(259,472)		(693)	
Total fund balances	<u>144,370</u>	<u>1,463,134</u>	<u>0</u>	<u>999,696</u>
Total liabilities, deferred inflows of resources and fund balances	\$ 2,778,991	\$ 1,463,134	\$ 453,960	\$ 1,067,353

(continued)

**CITY OF PENSACOLA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018**

	Special Revenue Funds				
	Law Enforcement Trust	Natural Disaster Fund	Golf Course Fund	Inspections Fund	Recreation Fund
ASSETS					
Cash and cash equivalents	\$ 40,380	\$	\$ 10,733	\$ 472,606	\$ 150,117
Investments	100,007		26,582	1,170,484	371,788
Accounts receivable			1,500		
Due from other governments					
Prepays and deposits			2,790		938
Inventory			3,178		
Restricted assets					
Cash and cash equivalents		155,837			
Other cash					
Investments		385,952			
Due from other funds		1,628,248			
Due from other governments		476,675			
Notes receivable					
Total assets	\$ 140,387	\$ 2,646,712	\$ 44,783	\$ 1,643,090	\$ 522,843
LIABILITIES					
Accounts payable	\$ 2,000	\$ 797	\$ 16,775	\$ 12,218	\$ 22,031
Contracts payable		1,240	7,474		6,752
Contracts payable - retainage					
Due to other funds		352	4,175	14,040	200
Due to other governments					
Compensated absences payable			5,999	11,060	
Unearned revenue					
Deposits			2,889	88,730	37,880
Total liabilities	2,000	2,389	37,312	126,048	66,863
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue			1,500		
Total deferred inflows of resources	0	0	1,500	0	0
FUND BALANCE (DEFICITS)					
Non-spendable			5,968		938
Restricted	138,387	2,644,323		1,517,042	6,126
Committed					
Assigned			3		448,916
Unassigned					
Total fund balances	138,387	2,644,323	5,971	1,517,042	455,980
Total liabilities, deferred inflows of resources and fund balances	\$ 140,387	\$ 2,646,712	\$ 44,783	\$ 1,643,090	\$ 522,843

(continued)

**CITY OF PENSACOLA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018**

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds
	Tennis Fund	CMP Management Services Fund	Local Option Gas Tax Debt Service	Local Option Sales Tax
ASSETS				
Cash and cash equivalents	\$ 17,849	\$	\$	\$ 391,475
Investments	44,206			969,548
Accounts receivable	10,760	486,145		
Due from other governments				615,558
Prepays and deposits	1,372	7,558		
Inventory				
Restricted assets				
Cash and cash equivalents		170,355	464,971	710,026
Other cash				
Investments		421,911	1,151,573	1,758,490
Due from other funds				
Due from other governments				
Notes receivable				
Total assets	\$ 74,187	\$ 1,085,969	\$ 1,616,544	\$ 4,445,097
LIABILITIES				
Accounts payable	\$ 3,063	\$ 89,464	\$	\$ 118
Contracts payable		19,806		85,168
Contracts payable - retainage				10,945
Due to other funds		54		
Due to other governments				
Compensated absences payable				
Unearned revenue		119,509		
Deposits		4,300		
Total liabilities	3,063	233,133	0	96,231
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	10,760			
Total deferred inflows of resources	10,760	0	0	0
FUND BALANCE (DEFICITS)				
Non-spendable	1,372	7,558		
Restricted		636,468	1,616,544	4,348,866
Committed				
Assigned	58,992	208,810		
Unassigned				
Total fund balances	60,364	852,836	1,616,544	4,348,866
Total liabilities, deferred inflows of resources and fund balances	\$ 74,187	\$ 1,085,969	\$ 1,616,544	\$ 4,445,097

(continued)

**CITY OF PENSACOLA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018**

	Capital Projects Funds				Total Nonmajor Governmental Funds
	Local Option Gas Tax Project Fund	Local Option Sales Tax Project Fund	Deepwater Horizon Incident	Stormwater Capital	
ASSETS					
Cash and cash equivalents	\$	\$ 4,881,282	\$	\$ 1,548,156	\$ 8,200,586
Investments		12,089,249		3,834,249	20,310,023
Accounts receivable					498,405
Due from other governments		279,133			912,636
Prepays and deposits					13,345
Inventory					3,178
Restricted assets					
Cash and cash equivalents					1,501,189
Other cash					25,596
Investments					3,717,926
Due from other funds					1,628,248
Due from other governments					2,689,752
Notes receivable					1,114,235
Total assets	\$ -	\$ 17,249,664	\$ -	\$ 5,382,405	\$ 40,615,119
LIABILITIES					
Accounts payable	\$	\$ 330	\$	\$ 8,992	\$ 184,493
Contracts payable		1,361,561		257,581	1,838,770
Contracts payable - retainage		361,058		53,033	509,723
Due to other funds					1,676,029
Due to other governments					128,041
Compensated absences payable					19,876
Unearned revenue					160,866
Deposits					133,799
Total liabilities	0	1,722,949	0	319,606	4,651,597
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue					1,126,495
Total deferred inflows of resources	0	0	0	0	1,126,495
FUND BALANCE (DEFICITS)					
Non-spendable					16,523
Restricted		15,526,715		577,467	29,182,373
Committed				4,485,332	5,181,575
Assigned					716,721
Unassigned					(260,165)
Total fund balances	0	15,526,715	0	5,062,799	34,837,027
Total liabilities, deferred inflows of resources and fund balances	\$ 0	\$ 17,249,664	\$ 0	\$ 5,382,405	\$ 40,615,119

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds			
	Special Grants	Local Option Gasoline Tax	Community Development Block Grant	Stormwater Utility Fund
Revenues:				
Taxes	\$	\$ 1,365,613	\$	\$
Licenses and permits				
Intergovernmental	783,364		1,039,837	
Charges for services				2,825,621
Fines and forfeits				7,623
Interest income		15,351	7,283	13,225
Donations	1,103,378			
Other				
Total revenues	<u>1,886,742</u>	<u>1,380,964</u>	<u>1,047,120</u>	<u>2,846,469</u>
Expenditures:				
Current -				
General government			1,047,120	
Public safety	62,831			
Transportation		43,700		
Culture and recreation	36,401			
Economic environment	308,466			
Physical environment	82,756			2,612,703
Capital outlay	1,432,596			119,805
Debt service -				
Principal retirement				
Interest				
Issuance Cost				
Total expenditures	<u>1,923,050</u>	<u>43,700</u>	<u>1,047,120</u>	<u>2,732,508</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,308)</u>	<u>1,337,264</u>	<u>0</u>	<u>113,961</u>
Other financing sources (uses):				
Transfers in				
Bonds Issued				
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in fund balances	<u>(36,308)</u>	<u>1,337,264</u>	<u>0</u>	<u>113,961</u>
Fund balances at beginning of year	<u>180,678</u>	<u>125,870</u>	<u>0</u>	<u>885,735</u>
Fund balances at end of year	<u>\$ 144,370</u>	<u>\$ 1,463,134</u>	<u>\$ 0</u>	<u>\$ 999,696</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, 2018

	Special Revenue Funds				
	Law Enforcement Trust	Natural Disaster Fund	Golf Course Fund	Inspections Fund	Recreation Fund
Revenues:					
Taxes	\$	\$	\$	\$	\$
Licenses and permits				1,514,900	
Intergovernmental		584,760			
Charges for services			472,997		950,266
Fines and forfeits	43,434				
Interest income	1,718	25,337	455	19,612	6,354
Donations					3,917
Other					63,071
Total revenues	<u>45,152</u>	<u>610,097</u>	<u>473,452</u>	<u>1,534,512</u>	<u>1,023,608</u>
Expenditures:					
Current -					
General government		37,567			
Public safety	43,864			1,358,382	
Transportation					
Culture and recreation			744,822		972,685
Economic environment					
Physical environment		8,828			
Capital outlay	37,059	714,349		37,442	
Debt service -					
Principal retirement					
Interest					
Issuance Cost					
Total expenditures	<u>80,923</u>	<u>760,744</u>	<u>744,822</u>	<u>1,395,824</u>	<u>972,685</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,771)</u>	<u>(150,647)</u>	<u>(271,370)</u>	<u>138,688</u>	<u>50,923</u>
Other financing sources (uses):					
Transfers in			220,000		
Bonds Issued					
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>220,000</u>	<u>0</u>	<u>0</u>
Net Change in fund balances	<u>(35,771)</u>	<u>(150,647)</u>	<u>(51,370)</u>	<u>138,688</u>	<u>50,923</u>
Fund balances at beginning of year	<u>174,158</u>	<u>2,794,970</u>	<u>57,341</u>	<u>1,378,354</u>	<u>405,057</u>
Fund balances at end of year	<u>\$ 138,387</u>	<u>\$ 2,644,323</u>	<u>\$ 5,971</u>	<u>\$ 1,517,042</u>	<u>\$ 455,980</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, 2018

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Project Funds</u>
	<u>Tennis Fund</u>	<u>CMP Management Services Fund</u>	<u>Local Option Gas Tax Debt Service</u>	<u>Local Option Sales Tax</u>
Revenues:				
Taxes	\$	\$	\$	\$ 8,524,108
Licenses and permits				
Intergovernmental				
Charges for services	143,742	1,091,029		
Fines and forfeits				
Interest income	719	7,060	19,537	34,754
Donations		17,950		
Other		164		
Total revenues	<u>144,461</u>	<u>1,116,203</u>	<u>19,537</u>	<u>8,558,862</u>
Expenditures:				
Current -				
General government				33,599
Public safety				346,750
Transportation				
Culture and recreation	166,919	932,098		
Economic environment				
Physical environment				
Capital outlay		66,896		816,490
Debt service -				
Principal retirement		20,000	1,293,000	4,961,418
Interest			245,156	518,891
Issuance Cost				
Total expenditures	<u>166,919</u>	<u>1,018,994</u>	<u>1,538,156</u>	<u>6,677,148</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,458)</u>	<u>97,209</u>	<u>(1,518,619)</u>	<u>1,881,714</u>
Other financing sources (uses):				
Transfers in				
Bonds Issued				
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in fund balances	<u>(22,458)</u>	<u>97,209</u>	<u>(1,518,619)</u>	<u>1,881,714</u>
Fund balances at beginning of year	<u>82,822</u>	<u>755,627</u>	<u>3,135,163</u>	<u>2,467,152</u>
Fund balances at end of year	<u>\$ 60,364</u>	<u>\$ 852,836</u>	<u>\$ 1,616,544</u>	<u>\$ 4,348,866</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, 2018

	Capital Project Funds				Total Nonmajor Governmental Funds
	Local Option Gas Tax Project Fund	Local Option Sales Tax Project Fund	Deepwater Horizon Incident	Stormwater Capital	
Revenues:					
Taxes	\$	\$	\$	\$	\$ 9,889,721
Licenses and permits					1,514,900
Intergovernmental					2,407,961
Charges for services					5,483,655
Fines and forfeits					51,057
Interest income	2,614	215,386	526	65,275	435,206
Donations					1,125,245
Other					63,235
Total revenues	<u>2,614</u>	<u>215,386</u>	<u>526</u>	<u>65,275</u>	<u>20,970,980</u>
Expenditures:					
Current -					
General government					1,118,286
Public safety			65,447		1,877,274
Transportation	81,360				125,060
Culture and recreation					2,852,925
Economic environment					308,466
Physical environment				528,699	3,232,986
Capital outlay	7,090,800	8,433,737	291,991	3,392,774	22,433,939
Debt service -					
Principal retirement					6,274,418
Interest					764,047
Issuance Cost		80,038			80,038
Total expenditures	<u>7,172,160</u>	<u>8,513,775</u>	<u>357,438</u>	<u>3,921,473</u>	<u>39,067,439</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,169,546)</u>	<u>(8,298,389)</u>	<u>(356,912)</u>	<u>(3,856,198)</u>	<u>(18,096,459)</u>
Other financing sources (uses):					
Transfers in				2,733,596	2,953,596
Bonds Issued		25,000,000			25,000,000
Total other financing sources (uses)	<u>0</u>	<u>25,000,000</u>	<u>0</u>	<u>2,733,596</u>	<u>27,953,596</u>
Net Change in fund balances	<u>(7,169,546)</u>	<u>16,701,611</u>	<u>(356,912)</u>	<u>(1,122,602)</u>	<u>9,857,137</u>
Fund balances at beginning of year	<u>7,169,546</u>	<u>(1,174,896)</u>	<u>356,912</u>	<u>6,185,401</u>	<u>24,979,890</u>
Fund balances at end of year	<u>\$ 0</u>	<u>\$ 15,526,715</u>	<u>\$ 0</u>	<u>\$ 5,062,799</u>	<u>\$ 34,837,027</u>

CITY OF PENSACOLA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues:				
Intergovernmental	\$ 909,300	\$ 912,208	\$ 912,208	\$ 0
Interest income	1,385,900	47,688	47,688	0
Total revenues	2,295,200	959,896	959,896	0
Expenditures:				
Debt service -				
Principal retirement	1,350,000	1,466,000	1,466,000	0
Interest	3,033,500	3,156,300	3,154,963	1,337
Total expenditures	4,383,500	4,622,300	4,620,963	1,337
Excess (deficiency) of revenues over (under) expenditures	(2,088,300)	(3,662,404)	(3,661,067)	1,337
Other financing sources (uses):				
Transfers in	3,195,300	3,623,000	3,623,000	0
Total other financing sources (uses)	3,195,300	3,623,000	3,623,000	0
Net change in fund balances	\$ 1,107,000	\$ (39,404)	(38,067)	\$ 1,337
Fund balances at beginning of year			3,660,340	
Fund balances at end of year			\$ 3,622,273	

CITY OF PENSACOLA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
CRA PROJECT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues:				
Interest income	\$ 0	\$ 144,473	\$ 144,473	\$ 0
Total revenues	0	144,473	144,473	0
Expenditures:				
Economic environment	0	138,065	0	138,065
Capital outlay	0	12,635,970	883,269	11,752,701
Debt service -				
Issuance Cost	0	70,000	67,862	2,138
Total expenditures	0	12,844,035	951,131	11,892,904
Excess (deficiency) of revenues over (under) expenditures	0	(12,699,562)	(806,658)	11,892,904
Other financing sources (uses):				
Bonds Issued	0	8,000,000	8,000,000	0
Total other financing sources (uses)	0	8,000,000	8,000,000	0
Net change in fund balances	<u>\$ 0</u>	<u>\$ (4,699,562)</u>	<u>7,193,342</u>	<u>\$ 11,892,904</u>
Fund balances at beginning of year			<u>4,844,035</u>	
Fund balances at end of year			<u>\$ 12,037,377</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, 2018

	Special Grants		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Revenues:			
Taxes	\$	\$	\$
Licenses and permits			
Intergovernmental	2,690,022	783,364	(1,906,658)
Charges for services			
Fines and forfeits			
Interest income			
Donations	2,164,640	1,103,378	(1,061,262)
Other			
Total revenues	<u>4,854,662</u>	<u>1,886,742</u>	<u>(2,967,920)</u>
Expenditures:			
Current -			
General government			
Public safety	280,255	62,831	217,424
Transportation			
Culture and recreation	79,233	36,401	42,832
Economic environment	559,683	308,466	251,217
Physical environment	250,904	82,756	168,148
Capital outlay	3,734,775	1,432,596	2,302,179
Debt service -			
Principal retirement			
Interest			
Total expenditures	<u>4,904,850</u>	<u>1,923,050</u>	<u>2,981,800</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(50,188)</u>	<u>(36,308)</u>	<u>13,880</u>
Other financing sources (uses):			
Transfers in			
Transfers (out)			
Sale of capital assets			
Insurance recoveries			
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	<u>\$ (50,188)</u>	<u>(36,308)</u>	<u>\$ 13,880</u>
Fund balances at beginning of year		<u>180,678</u>	
Fund balances at end of year		<u>\$ 144,370</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, 2018

	Local Option Gasoline Tax			Community Development Block Grant		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Revenues:						
Taxes	\$ 1,365,613	\$ 1,365,613	\$ 0	\$	\$	\$
Licenses and permits						
Intergovernmental				1,304,551	1,039,837	(264,714)
Charges for services						
Fines and forfeits						
Interest income	15,351	15,351	0	0	7,283	7,283
Donations						
Other						
Total revenues	<u>1,380,964</u>	<u>1,380,964</u>	<u>0</u>	<u>1,304,551</u>	<u>1,047,120</u>	<u>(257,431)</u>
Expenditures:						
Current -						
General government				1,304,551	1,047,120	257,431
Public safety						
Transportation	43,700	43,700	0			
Culture and recreation						
Economic environment						
Physical environment						
Capital outlay						
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>43,700</u>	<u>43,700</u>	<u>0</u>	<u>1,304,551</u>	<u>1,047,120</u>	<u>257,431</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,337,264</u>	<u>1,337,264</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other financing sources (uses):						
Transfers in						
Transfers (out)						
Sale of capital assets						
Insurance recoveries						
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	<u>\$ 1,337,264</u>	<u>1,337,264</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>0</u>
Fund balances at beginning of year		<u>125,870</u>			<u>0</u>	
Fund balances at end of year		<u>\$ 1,463,134</u>			<u>\$ 0</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, 2018

	Stormwater Utility Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Revenues:			
Taxes	\$	\$	\$
Licenses and permits			
Intergovernmental			
Charges for services	2,825,621	2,825,621	0
Fines and forfeits	7,623	7,623	0
Interest income	13,225	13,225	0
Donations			
Other			
Total revenues	<u>2,846,469</u>	<u>2,846,469</u>	<u>0</u>
Expenditures:			
Current -			
General government			
Public safety			
Transportation			
Culture and recreation			
Economic environment			
Physical environment	2,672,999	2,612,703	60,296
Capital outlay	415,440	119,805	295,635
Debt service -			
Principal retirement			
Interest			
Total expenditures	<u>3,088,439</u>	<u>2,732,508</u>	<u>355,931</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(241,970)</u>	<u>113,961</u>	<u>355,931</u>
Other financing sources (uses):			
Transfers in			
Transfers (out)			
Sale of capital assets			
Insurance recoveries			
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	<u>\$ (241,970)</u>	<u>113,961</u>	<u>\$ 355,931</u>
Fund balances at beginning of year		<u>885,735</u>	
Fund balances at end of year		<u>\$ 999,696</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, 2018

	Law Enforcement Trust			Natural Disaster 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				2,679,758	584,760	(2,094,998)
Charges for services						
Fines and forfeits	43,434	43,434	0			
Interest income	1,718	1,718	0	0	25,337	25,337
Donations						
Other						
Total revenues	<u>45,152</u>	<u>45,152</u>	<u>0</u>	<u>2,679,758</u>	<u>610,097</u>	<u>(2,069,661)</u>
Expenditures:						
Current -						
General government				37,567	37,567	0
Public safety	97,206	43,864	53,342			
Transportation						
Culture and recreation						
Economic environment						
Physical environment				90,968	8,828	82,140
Capital outlay	46,377	37,059	9,318	2,651,223	714,349	1,936,874
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>143,583</u>	<u>80,923</u>	<u>62,660</u>	<u>2,779,758</u>	<u>760,744</u>	<u>2,019,014</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(98,431)</u>	<u>(35,771)</u>	<u>62,660</u>	<u>(100,000)</u>	<u>(150,647)</u>	<u>(50,647)</u>
Other financing sources (uses):						
Transfers in						
Transfers (out)						
Sale of capital assets						
Insurance recoveries						
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	<u>\$ (98,431)</u>	<u>(35,771)</u>	<u>\$ 62,660</u>	<u>\$ (100,000)</u>	<u>(150,647)</u>	<u>\$ (50,647)</u>
Fund balances at beginning of year		<u>174,158</u>			<u>2,794,970</u>	
Fund balances at end of year		<u>\$ 138,387</u>			<u>\$ 2,644,323</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, 2018**

	Golf Course Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Revenues:			
Taxes	\$	\$	\$
Licenses and permits			
Intergovernmental			
Charges for services	513,796	472,997	(40,799)
Fines and forfeits			
Interest income	455	455	0
Donations			
Other			
Total revenues	<u>514,251</u>	<u>473,452</u>	<u>(40,799)</u>
Expenditures:			
Current -			
General government			
Public safety			
Transportation			
Culture and recreation	781,554	744,822	36,732
Economic environment			
Physical environment			
Capital outlay			
Debt service -			
Principal retirement			
Interest			
Total expenditures	<u>781,554</u>	<u>744,822</u>	<u>36,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(267,303)</u>	<u>(271,370)</u>	<u>(4,067)</u>
Other financing sources (uses):			
Transfers in	220,000	220,000	0
Transfers (out)			
Sale of capital assets			
Insurance recoveries			
Total other financing sources (uses)	<u>220,000</u>	<u>220,000</u>	<u>0</u>
Net change in fund balances	<u>\$ (47,303)</u>	<u>(51,370)</u>	<u>\$ (4,067)</u>
Fund balances at beginning of year		<u>57,341</u>	
Fund balances at end of year		<u>\$ 5,971</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, 2018

	Inspections Fund			Recreation 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	1,513,923	1,514,900	977			
Intergovernmental						
Charges for services				944,811	950,266	5,455
Fines and forfeits						
Interest income	19,612	19,612	0	6,354	6,354	0
Donations				0	3,917	3,917
Other				63,071	63,071	0
Total revenues	<u>1,533,535</u>	<u>1,534,512</u>	<u>977</u>	<u>1,014,236</u>	<u>1,023,608</u>	<u>9,372</u>
Expenditures:						
Current -						
General government						
Public safety	1,421,044	1,358,382	62,662			
Transportation				7,184	0	7,184
Culture and recreation				1,247,099	972,685	274,414
Economic environment						
Physical environment						
Capital outlay	45,000	37,442	7,558			
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>1,466,044</u>	<u>1,395,824</u>	<u>70,220</u>	<u>1,254,283</u>	<u>972,685</u>	<u>281,598</u>
Excess (deficiency) of revenues over (under) expenditures	<u>67,491</u>	<u>138,688</u>	<u>71,197</u>	<u>(240,047)</u>	<u>50,923</u>	<u>290,970</u>
Other financing sources (uses):						
Transfers in						
Transfers (out)						
Sale of capital assets						
Insurance recoveries						
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	<u>\$ 67,491</u>	<u>138,688</u>	<u>\$ 71,197</u>	<u>\$ (240,047)</u>	<u>50,923</u>	<u>\$ 290,970</u>
Fund balances at beginning of year		<u>1,378,354</u>			<u>405,057</u>	
Fund balances at end of year		<u>\$ 1,517,042</u>			<u>\$ 455,980</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, 2018**

	Tennis Fund		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
Revenues:			
Taxes	\$	\$	\$
Licenses and permits			
Intergovernmental			
Charges for services	143,958	143,742	(216)
Fines and forfeits			
Interest income	719	719	0
Donations			
Other			
Total revenues	<u>144,677</u>	<u>144,461</u>	<u>(216)</u>
Expenditures:			
Current -			
General government			
Public safety			
Transportation			
Culture and recreation	207,285	166,919	40,366
Economic environment			
Physical environment			
Capital outlay			
Debt service -			
Principal retirement			
Interest			
Total expenditures	<u>207,285</u>	<u>166,919</u>	<u>40,366</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(62,608)</u>	<u>(22,458)</u>	<u>40,150</u>
Other financing sources (uses):			
Transfers in			
Transfers (out)			
Sale of capital assets			
Insurance recoveries			
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	<u>\$ (62,608)</u>	<u>(22,458)</u>	<u>\$ 40,150</u>
Fund balances at beginning of year		<u>82,822</u>	
Fund balances at end of year		<u>\$ 60,364</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, 2018

	CMP Management Services Fund			Local Option Gas Tax Debt Service		
	<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	1,091,029	1,091,029	0			
Fines and forfeits						
Interest income	7,060	7,060	0	19,537	19,537	0
Donations	17,950	17,950	0			
Other	164	164	0			
Total revenues	<u>1,116,203</u>	<u>1,116,203</u>	<u>0</u>	<u>19,537</u>	<u>19,537</u>	<u>0</u>
Expenditures:						
Current -						
General government						
Public safety						
Transportation						
Culture and recreation	1,303,676	932,098	371,578			
Economic environment						
Physical environment						
Capital outlay	66,896	66,896	0			
Debt service -						
Principal retirement	20,000	20,000	0	1,293,000	1,293,000	0
Interest				245,200	245,156	44
Total expenditures	<u>1,390,572</u>	<u>1,018,994</u>	<u>371,578</u>	<u>1,538,200</u>	<u>1,538,156</u>	<u>44</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(274,369)</u>	<u>97,209</u>	<u>371,578</u>	<u>(1,518,663)</u>	<u>(1,518,619)</u>	<u>44</u>
Other financing sources (uses):						
Transfers in						
Transfers (out)						
Sale of capital assets						
Insurance recoveries						
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	<u>\$ (274,369)</u>	<u>97,209</u>	<u>\$ 371,578</u>	<u>\$ (1,518,663)</u>	<u>(1,518,619)</u>	<u>\$ 44</u>
Fund balances at beginning of year		<u>755,627</u>			<u>3,135,163</u>	
Fund balances at end of year		<u>\$ 852,836</u>			<u>\$ 1,616,544</u>	



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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, 2018

	General Stock Account	Insurance Retention Fund	Central Services Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,784	\$ 1,064,912	\$ 774,855	\$ 1,841,551
Investments	4,417	2,637,422	1,919,049	4,560,888
Accounts receivable (net)		806,615		806,615
Due from other funds		141,400		141,400
Due from other governments		11,345		11,345
Prepaid expenses		211,071	25,575	236,646
Inventory	994,480			994,480
Total current assets	<u>1,000,681</u>	<u>4,872,765</u>	<u>2,719,479</u>	<u>8,592,925</u>
Noncurrent assets:				
Prepaid expense		200,000		200,000
Advances to other funds		592,791		592,791
Restricted assets				
Cash and cash equivalents		1,348,975		1,348,975
Investments		3,340,944		3,340,944
Capital assets				
Non-depreciable			27,455	27,455
Depreciable (net)			1,821,033	1,821,033
Total noncurrent assets	<u>0</u>	<u>5,482,710</u>	<u>1,848,488</u>	<u>7,331,198</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension		174,858	1,007,321	1,182,179
Deferred OPEB		27,568	220,547	248,115
Total deferred outflows of resources	<u>0</u>	<u>202,426</u>	<u>1,227,868</u>	<u>1,430,294</u>
Total assets and deferred outflows	<u>\$ 1,000,681</u>	<u>\$ 10,557,901</u>	<u>\$ 5,795,835</u>	<u>\$ 17,354,417</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 3,837	\$ 33,988	\$ 21,068	\$ 58,893
Contracts payable		19,193	68,271	87,464
Due to other funds	133,474	6,133	49,700	189,307
Deposits		15,560		15,560
Compensated absences payable			555	555
Total current liabilities	<u>137,311</u>	<u>74,874</u>	<u>139,594</u>	<u>351,779</u>
Noncurrent liabilities:				
Compensated absences payable		7,124	211,926	219,050
Advances from other funds			21,643	21,643
Claims and judgments payable		3,435,011		3,435,011
Total OPEB liability		170,333	1,386,462	1,556,795
Net pension liability		643,378	3,915,280	4,558,658
Total noncurrent liabilities	<u>0</u>	<u>4,255,846</u>	<u>5,535,311</u>	<u>9,791,157</u>
Total liabilities	<u>137,311</u>	<u>4,330,720</u>	<u>5,674,905</u>	<u>10,142,936</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension		25,675	153,564	179,239
Deferred OPEB		1,737	13,899	15,636
Total deferred inflows of resources	<u>0</u>	<u>27,412</u>	<u>167,463</u>	<u>194,875</u>
NET POSITION				
Net investment in capital assets			1,848,488	1,848,488
Unrestricted	863,370	6,199,769	(1,895,021)	5,168,118
Total net position	<u>863,370</u>	<u>6,199,769</u>	<u>(46,533)</u>	<u>7,016,606</u>
Total liabilities and net position	<u>\$ 1,000,681</u>	<u>\$ 10,557,901</u>	<u>\$ 5,795,835</u>	<u>\$ 17,354,417</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, 2018

	General Stock Account	Insurance Retention Fund	Central Services Fund	Total
Operating revenues:				
Charges for services	\$	\$	\$ 5,260,308	\$ 5,260,308
Health		9,693,323		9,693,323
Dental		278,957		278,957
Vision		46,905		46,905
Life		271,503		271,503
Survivor disability		167,164		167,164
Liability		4,577,032		4,577,032
Other		256,710	8,671	265,381
Total operating revenues	<u>0</u>	<u>15,291,594</u>	<u>5,268,979</u>	<u>20,560,573</u>
Operating expenses:				
Salaries and employee benefits		392,605	2,842,866	3,235,471
Materials and supplies		11,168	126,469	137,637
Repairs and maintenance		3,544	171,026	174,570
Contractual services		113,110	804,758	917,868
Office and utilities		32,031	330,488	362,519
Premiums and claims expense -				
General liability		2,814,400		2,814,400
Workmen's compensation		1,604,388	21,687	1,626,075
Auto		241,930		241,930
Health		9,403,799		9,403,799
Dental		281,980		281,980
Vision		47,003		47,003
Life		273,213		273,213
Survivor disability		189,840		189,840
Total operating expenses before depreciation	<u>0</u>	<u>15,409,011</u>	<u>4,297,294</u>	<u>19,706,305</u>
Operating income (loss) before depreciation	<u>0</u>	<u>(117,417)</u>	<u>971,685</u>	<u>854,268</u>
Depreciation			379,597	379,597
Operating income (loss)	<u>0</u>	<u>(117,417)</u>	<u>592,088</u>	<u>474,671</u>
Nonoperating revenues (expenses):				
Investment interest		114,842	25,939	140,781
Gain (loss) on disposal of capital assets			3,354	3,354
Total nonoperating revenues (expenses)	<u>0</u>	<u>114,842</u>	<u>29,293</u>	<u>144,135</u>
Change in net position	<u>0</u>	<u>(2,575)</u>	<u>621,381</u>	<u>618,806</u>
Net position at beginning of year	863,370	6,245,469	(322,915)	6,785,924
Implementation of GASB 75		(43,125)	(344,999)	(388,124)
Net position (deficit) at beginning of year, as restated	<u>863,370</u>	<u>6,202,344</u>	<u>(667,914)</u>	<u>6,397,800</u>
Net position at end of year	<u>\$ 863,370</u>	<u>\$ 6,199,769</u>	<u>\$ (46,533)</u>	<u>\$ 7,016,606</u>

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	General Stock Account	Insurance Retention Fund	Central Services Fund	Total
Cash flows from operating activities:				
Cash received from customers	\$	\$ 11,695,913	\$ 5,268,979	\$ 16,964,892
Cash received from other funds	133,474	3,974,271		4,107,745
Cash payments to suppliers for goods and services	(187,995)	(14,343,912)	(1,454,618)	(15,986,525)
Cash payments to employees for services		(293,298)	(2,773,861)	(3,067,159)
Net cash provided by (used for) operating activities	<u>(54,521)</u>	<u>1,032,974</u>	<u>1,040,500</u>	<u>2,018,953</u>
Cash flows from noncapital financing activities:				
Advance from (to) other funds		(181,755)	20,086	(161,669)
Net cash provided by (used for) noncapital financing activities	<u>0</u>	<u>(181,755)</u>	<u>20,086</u>	<u>(161,669)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets			(228,267)	(228,267)
Proceeds from sale of assets			3,354	3,354
Net cash provided by (used for) capital and related financing activities	<u>0</u>	<u>0</u>	<u>(224,913)</u>	<u>(224,913)</u>
Cash flows from investing activities:				
Sale (purchase) of investments	41,354	(380,704)	(537,917)	(877,267)
Interest on investments		114,842	25,939	140,781
Net cash provided by (used for) investing activities	<u>41,354</u>	<u>(265,862)</u>	<u>(511,978)</u>	<u>(736,486)</u>
Net increase (decrease) in cash and cash equivalents	<u>(13,167)</u>	<u>585,357</u>	<u>323,695</u>	<u>895,885</u>
Cash and cash equivalents at beginning of year	<u>14,951</u>	<u>1,828,530</u>	<u>451,160</u>	<u>2,294,641</u>
Cash and cash equivalents of end of year	<u>\$ 1,784</u>	<u>\$ 2,413,887</u>	<u>\$ 774,855</u>	<u>\$ 3,190,526</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, 2018

	<u>General Stock Account</u>	<u>Insurance Retention Fund</u>	<u>Central Services Fund</u>	<u>Total</u>
Operating income (loss)	\$	\$ (117,417)	\$ 592,088	\$ 474,671
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation			379,597	379,597
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	3,837	318,310		322,147
(Increase) decrease in inventory	(191,832)			(191,832)
(Increase) decrease in due from other funds	133,474	52,201		185,675
(Increase) decrease in due from other governments		102,311		102,311
(Increase) decrease in prepaid expenses		(194,658)	5,503	(189,155)
Increase (decrease) in accounts payable		(28,334)	(5,693)	(34,027)
Increase (decrease) in contracts payable		(815)	38,885	38,070
Increase (decrease) in due to other funds		(183)	5,038	4,855
Increase (decrease) in deposits		8,079		8,079
Increase (decrease) in claims and judgments		896,301		896,301
Increase (decrease) in compensated absences		22	6,184	6,206
Increase (decrease) in net OPEB obligation		12,115	96,917	109,032
Increase (decrease) in net pension liability		(14,958)	(78,019)	(92,977)
Net cash provided by (used for) operating activities	<u>\$ (54,521)</u>	<u>\$ 1,032,974</u>	<u>\$ 1,040,500</u>	<u>\$ 2,018,953</u>



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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.

Firemen'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, 2018

	General Pension and Retirement Fund	Firefighter's Relief and Pension Fund	Police Officers' Retirement Fund	Total Pension Trust Funds
ASSETS				
Other cash	\$ 47,336	\$ 102,526	\$ 135,922	\$ 285,784
Receivables:				
Employer	99	87	79	265
Employee	6,102	9,579	4,114	19,795
Total receivables	<u>6,201</u>	<u>9,666</u>	<u>4,193</u>	<u>20,060</u>
Investments :				
Short term investments	3,597,305	2,682,645	1,413,836	7,693,786
Debt Securities & Bond Mutual Funds	25,521,605	23,582,717	20,851,471	69,955,793
Convertible Corporate Bonds	10,563,491	12,935,813		23,499,304
Stock Mutual Funds	24,503,622	12,813,516		37,317,138
Mortgage Backed Securities	23,683,545	12,182,454	14,442,422	50,308,421
Commingled Trust Fund	333,519	7,203,760		7,537,279
Domestic Stocks	53,370,547	50,634,172	47,508,564	151,513,283
Preferred Stocks	1,129,438	1,338,662		2,468,100
Foreign Stocks	4,450,198	2,163,533	17,673,171	24,286,902
Total investments	<u>147,153,270</u>	<u>125,537,272</u>	<u>101,889,464</u>	<u>374,580,006</u>
Total assets	<u>\$ 147,206,807</u>	<u>\$ 125,649,464</u>	<u>\$ 102,029,579</u>	<u>\$ 374,885,850</u>
LIABILITIES				
Accounts payable	\$ 163,381	\$ 164,431	\$ 74,539	\$ 402,351
Total liabilities	<u>163,381</u>	<u>164,431</u>	<u>74,539</u>	<u>402,351</u>
NET POSITION				
Restricted for pension benefits	<u>\$ 147,043,426</u>	<u>\$ 125,485,033</u>	<u>\$ 101,955,040</u>	<u>\$ 374,483,499</u>

CITY OF PENSACOLA, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	General Pension and Retirement Fund	Firefighter's Relief and Pension Fund	Police Officers' Retirement Fund	Total Pension Trust Funds
Additions:				
Contributions - city	\$ 6,200,956	\$ 1,462,151	\$ 4,528,544	\$ 12,191,651
Contributions - employee	305,534	480,066	209,565	995,165
Contributions - employee buy back			47,123	47,123
Commission recapture	4,780	2,225	536	7,541
Insurance proceeds - State of Florida		546,911	572,693	1,119,604
Total contributions	<u>6,511,270</u>	<u>2,491,353</u>	<u>5,358,461</u>	<u>14,361,084</u>
Investment income				
Net appreciation				
in fair value of investments	8,610,506	8,032,222	7,602,525	24,245,253
Interest and dividends	3,458,148	3,586,797	2,246,106	9,291,051
	<u>12,068,654</u>	<u>11,619,019</u>	<u>9,848,631</u>	<u>33,536,304</u>
Less investment expense	699,714	668,659	379,467	1,747,840
Net investment income	<u>11,368,940</u>	<u>10,950,360</u>	<u>9,469,164</u>	<u>31,788,464</u>
Total additions	<u>17,880,210</u>	<u>13,441,713</u>	<u>14,827,625</u>	<u>46,149,548</u>
Deductions:				
Pensions paid - employees	10,902,177	6,584,530	5,590,038	23,076,745
Pensions paid - widows	2,000,697	921,035	614,196	3,535,928
Pensions paid - children		6,607		6,607
Refunds to employees	14,721	46,773	9,121	70,615
Deferred retirement option plan	172,360	878,501	184,270	1,235,131
Health insurance assistance	120,036			120,036
Administrative expenses	116,263	145,140	92,420	353,823
Total deductions	<u>13,326,254</u>	<u>8,582,586</u>	<u>6,490,045</u>	<u>28,398,885</u>
Change in net position	4,553,956	4,859,127	8,337,580	17,750,663
Net position restricted for pension benefits:				
Beginning of year	<u>142,489,470</u>	<u>120,625,906</u>	<u>93,617,460</u>	<u>356,732,836</u>
End of year	<u>\$ 147,043,426</u>	<u>\$ 125,485,033</u>	<u>\$ 101,955,040</u>	<u>\$ 374,483,499</u>



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STATISTICAL SECTION

This part of the City of Pensacola's comprehensive annual 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.*



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FINANCIAL TRENDS

CITY OF PENSACOLA, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General Government	\$ 10,607,815	\$ 10,056,862	\$ 12,035,379	\$ 30,598,069 (a)	\$ 11,030,982	\$ 10,140,686	\$ 11,459,325	\$ 10,675,142	\$ 13,421,994	\$ 12,382,833
Public safety	31,494,450	30,887,727	29,982,610	30,960,121	30,934,597	33,276,740	31,187,510	32,478,560	41,001,683	37,978,435
Transportation	2,837,201	2,751,634	2,665,702	2,992,464	2,679,732	2,942,516	3,205,374	4,051,784	2,896,355	4,057,926
Culture and recreation	14,140,256	15,355,160	15,084,355	18,824,265	18,544,968	12,968,344	14,030,560	13,467,494	13,651,877	13,787,334
Economic environment	14,502,662	14,792,350	14,902,876	13,780,462	14,808,193	13,876,714	16,362,079	16,502,619	17,947,509	18,318,018
Physical environment	3,151,470	2,965,146	2,589,177	2,893,391	2,855,920	4,922,313	5,470,198	3,146,051	4,218,895	4,033,681
Human services	94,200	51,900	37,100	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Unallocated depreciation	2,162,409	2,541,975	2,806,602	3,028,787	3,316,233	3,418,471	3,592,828	3,898,568	4,139,867	2,025,235
Interest on long-term debt	769,278	2,923,782	3,971,769	3,712,342	5,397,074 (b)	5,272,532	5,091,611	5,139,876	4,514,339	4,324,860
Total governmental activities expenses	<u>79,759,741</u>	<u>82,326,536</u>	<u>84,075,570</u>	<u>106,819,901</u>	<u>89,597,699</u>	<u>86,848,316</u>	<u>90,429,485</u>	<u>89,390,094</u>	<u>101,822,519</u>	<u>96,938,322</u>
Business-type activities:										
Utility	39,206,068	35,002,074	31,570,293	25,338,365	28,928,155	33,899,904	30,526,216	31,136,870	33,575,070	34,940,330
Sanitation	6,873,786	6,097,312	5,975,566	6,179,795	6,096,488	6,636,126	6,115,820	6,883,649	7,385,517	6,901,117
Port	2,667,098	2,774,460	2,675,500	2,633,916	2,628,491	2,646,153	2,609,159	2,601,580	2,869,779	2,615,462
Airport	22,709,226	25,169,494	24,710,561	26,110,733	25,093,721	24,331,152	23,833,660	25,085,705	25,102,535	26,533,722
Total business-type activities expenses	<u>71,456,178</u>	<u>69,043,340</u>	<u>64,931,920</u>	<u>60,262,809</u>	<u>62,746,855</u>	<u>67,513,335</u>	<u>63,084,855</u>	<u>65,707,804</u>	<u>68,932,901</u>	<u>70,990,631</u>
Total primary government expenses	<u>\$ 151,215,919</u>	<u>\$ 151,369,876</u>	<u>\$ 149,007,490</u>	<u>\$ 167,082,710</u>	<u>\$ 152,344,554</u>	<u>\$ 154,361,651</u>	<u>\$ 153,514,340</u>	<u>\$ 155,097,898</u>	<u>\$ 170,755,420</u>	<u>\$ 167,928,953</u>
Program Revenues										
Governmental activities:										
Charges for Services:										
General Government	\$ 335,438	\$ 347,218	\$ 439,138	\$ 493,530	\$ 526,039	\$ 679,868	\$ 538,272	\$ 540,401	\$ 492,954	\$ 296,437
Public safety	1,728,932	1,941,582	1,601,919	1,901,310	1,903,583	2,308,840	2,304,786	2,165,304	2,434,239	2,191,063
Transportation	697,453	489,382	419,876	543,851	538,138	619,630	636,372	722,452	808,801	695,121
Culture and recreation	1,391,241	1,762,428	1,729,823	2,387,544	3,192,352	2,763,580	2,817,702	3,064,679	2,996,558	2,826,837
Physical environment	1,899,385	2,170,463	1,899,162	2,543,121	2,498,829	2,619,208	2,609,127	2,785,085	2,713,930	2,779,337
Operating grants and contributions	19,475,151	22,751,256	22,521,356	18,674,020	20,526,485	15,686,464	19,435,541	20,937,879	20,751,603	21,219,767
Capital grants and contributions	8,169,629	4,335,871	7,287,874	6,880,444	3,438,904	4,522,447	9,770,999	5,240,998	5,952,566	3,239,646
Total governmental activities program revenues	<u>33,697,229</u>	<u>33,798,200</u>	<u>35,899,148</u>	<u>33,423,820</u>	<u>32,624,330</u>	<u>29,200,037</u>	<u>38,112,799</u>	<u>35,456,798</u>	<u>36,150,651</u>	<u>33,248,208</u>
Business-type activities:										
Charges for Services										
Utility	47,673,400	45,493,419	39,154,943	36,900,749	42,891,258	49,170,177	45,466,269	43,278,297	44,741,994	49,914,141
Sanitation	6,366,664	6,165,903	6,221,178	6,838,663	6,948,353	6,989,558	7,060,514	7,084,148	7,190,675	7,744,185
Port	1,242,839	1,803,407	1,894,871	2,401,744	1,808,200	1,906,423	1,900,212	1,609,280	1,058,964	1,259,626
Airport	14,972,720	16,642,691	18,188,649	17,996,001	18,729,817	18,915,396	21,073,261	21,887,992	21,638,635	23,190,940
Operating grants and contributions										
Capital grants and contributions	15,055,919	13,791,291	5,392,337	7,834,262	13,462,418	6,076,663	8,685,517	12,843,595	28,704,147	24,610,034
Total business-type activities program revenues	<u>85,311,542</u>	<u>83,896,711</u>	<u>70,851,978</u>	<u>71,971,419</u>	<u>83,840,046</u>	<u>83,058,217</u>	<u>84,185,773</u>	<u>86,703,312</u>	<u>103,334,415</u>	<u>106,718,926</u>
Total primary government program revenues	<u>\$ 119,008,771</u>	<u>\$ 117,694,911</u>	<u>\$ 106,751,126</u>	<u>\$ 105,395,239</u>	<u>\$ 116,464,376</u>	<u>\$ 112,258,254</u>	<u>\$ 122,298,572</u>	<u>\$ 122,160,110</u>	<u>\$ 139,485,066</u>	<u>\$ 139,967,134</u>

CITY OF PENSACOLA, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Governmental activities	\$ (46,062,512)	\$ (48,528,336)	\$ (48,176,422)	\$ (73,396,081)	\$ (56,973,369)	\$ (57,648,279)	\$ (52,316,686)	\$ (53,933,296)	\$ (65,671,868)	\$ (63,690,114)
Business-type activities	13,855,364	14,853,371	5,920,058	11,708,610	21,093,191	15,544,882	21,100,918	20,995,508	34,401,514	35,728,295
Total primary government net expenses	\$ (32,207,148)	\$ (33,674,965)	\$ (42,256,364)	\$ (61,687,471)	\$ (35,880,178)	\$ (42,103,397)	\$ (31,215,768)	\$ (32,937,788)	\$ (31,270,354)	\$ (27,961,819)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes	\$ 13,990,633	\$ 13,686,629	\$ 13,318,749	\$ 12,311,601	\$ 12,096,544	\$ 12,232,594	\$ 12,728,973	\$ 13,312,773	\$ 13,781,024	\$ 14,638,449
Public service taxes and franchise fees	13,999,030	14,996,638	15,093,190	14,252,846	14,160,542	15,720,253	16,339,157	16,000,690	16,092,524	17,222,374
Communication services tax	3,738,973	3,795,244	3,675,699	3,600,306	3,468,827	3,115,591	3,026,561	3,127,266	2,853,565	3,095,646
Local business tax (a)	895,570	923,457	904,327	885,161	902,106	917,179	909,057	914,773	902,333	915,792
Local option gasoline tax	1,605,605	1,610,128	1,569,013	1,557,013	1,524,736	1,553,809	1,541,616	1,585,310	1,353,590	1,365,613
Local option sales tax	5,976,299	5,866,075	6,323,106	6,401,758	6,665,836	7,015,227	7,337,154	7,662,504	7,881,842	8,524,108
Contribution from other governments										
Intergovernmental revenues	5,807,740	5,769,127	6,054,345	6,123,014	6,368,742	6,502,204	6,719,109	6,846,265	6,999,518	7,330,410
Unrestricted investment earnings	1,349,471	700,726	1,928,271	1,948,024	1,918,865	1,902,728	1,939,068	2,026,216	1,780,315	946,252
Insurance recoveries										
Donation of capital assets										
Miscellaneous	34,364	38,267	71,951	32,315	20,547	41,068	4,872	14,316	139,669	35,573
Net gain (loss) on sale of asset				105,387	87,400	71,972	56,851		1,496,281	2,529,358
Gain (loss) on impairment of asset - Hurricane Ivan										
Special Item						(1,306,106)	5,351,922 (c)		14,266,276 (d)	
Transfers	8,000,000	4,905,778	8,140,626	8,000,000	8,000,000	8,206,788	8,070,459	8,000,000	8,000,000	8,000,000
Overhead transfers	2,429,800	2,267,700	2,219,700	2,366,900	2,094,600	2,372,500	2,376,600	2,355,500	2,458,900	2,480,300
Total governmental activities	57,827,485	54,559,769	59,298,977	57,584,325	57,308,745	58,345,807	66,401,399	61,845,613	78,005,837	67,083,875
Business-type activities:										
Unrestricted investment earnings	1,235,552	267,732	31,993	42,597	106,780	121,682	170,836	215,216	467,169	837,949
Insurance recoveries										
Donation of capital assets										
Miscellaneous	309,576	327,094	350,963	392,351	371,655	373,481	511,037	424,772	919,630	753,915
Net gain (loss) on sale of asset				66,358	2,000	43,870	19,196		64,870	29,531
Gain (loss) on impairment of asset - Hurricane Ivan										
Special Item					470,000					
Transfers	(8,000,000)	(4,905,778)	(8,140,626)	(8,000,000)	(8,000,000)	(8,206,788)	(8,070,459)	(8,000,000)	(8,000,000)	(8,000,000)
Overhead transfers	(2,429,800)	(2,267,700)	(2,219,700)	(2,366,900)	(2,094,600)	(2,372,500)	(2,376,600)	(2,355,500)	(2,458,900)	(2,480,300)
Total business-type activities	(8,884,672)	(6,578,652)	(9,977,370)	(9,865,594)	(9,144,165)	(10,040,255)	(9,745,990)	(9,715,512)	(9,007,231)	(8,858,905)
Total primary government	\$ 48,942,813	\$ 47,981,117	\$ 49,321,607	\$ 47,718,731	\$ 48,164,580	\$ 48,305,552	\$ 56,655,409	\$ 52,130,101	\$ 68,998,606	\$ 58,224,970
Change in Net Position										
Governmental activities	\$ 11,764,973	\$ 6,031,433	\$ 11,122,555	\$ (15,811,756)	\$ 335,376	\$ 697,528	\$ 14,084,713	\$ 7,912,317	\$ 12,333,969	\$ 3,393,761
Business-type activities	4,970,692	8,274,719	(4,057,312)	1,843,016	11,949,026	5,504,627	11,354,928	11,279,996	25,394,283	26,869,390
Total primary government	\$ 16,735,665	\$ 14,306,152	\$ 7,065,243	\$ (13,968,740)	\$ 12,284,402	\$ 6,202,155	\$ 25,439,641	\$ 19,192,313	\$ 37,728,252	\$ 30,263,151

Notes: (a) In FY12, the City made a one time \$19.5 million contribution to ECUA for Main Steeet Waste Water Treatment Plant Relocation Project.

(b) In FY 13, CMPA Construction Fund interest was included into governmental activities due to GASB No. 65 implementation.

(c) In FY 15, BP claim was settled for the BP Deep Horizon Oil Spill in 2010 and the City was awarded \$5,351,922

(d) 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.

CITY OF PENSACOLA, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015 (b)	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 139,118,040	\$ 145,873,745	\$ 160,201,917	\$ 170,014,519	174,961,171	\$ 175,446,759	\$ 173,000,255	\$ 163,348,312	\$ 190,491,657	\$ 191,203,167
Restricted	30,099,551	28,019,701	27,931,083	20,560,416	17,644,779	16,283,438	27,838,599	35,352,306	29,751,412	23,754,264
Unrestricted	13,149,449	14,505,027	11,388,028	(6,865,663) (a)	(8,838,200)	(7,264,919)	(63,328,173)	(53,277,620)	(62,486,102)	(58,653,937)
Total governmental activities net position	\$ <u>182,367,040</u>	\$ <u>188,398,473</u>	\$ <u>199,521,028</u>	\$ <u>183,709,272</u>	<u>183,767,750</u>	\$ <u>184,465,278</u>	\$ <u>137,510,681</u>	\$ <u>145,422,998</u>	\$ <u>157,756,967</u>	\$ <u>156,303,494</u>
Business-type activities										
Net investment in capital assets	\$ 125,156,505	\$ 131,503,050	\$ 135,686,653	\$ 132,621,897	133,809,955	\$ 131,081,295	\$ 135,878,607	\$ 142,842,026	\$ 168,168,989	\$ 186,225,485
Restricted	9,638,870	8,734,350	8,791,433	8,800,733	8,833,733	8,703,100	9,904,200	9,956,165	10,497,398	12,176,912
Unrestricted	16,781,105	19,613,799	11,315,801	16,214,273	25,949,463	34,313,383	20,040,759	24,305,371	23,831,458	29,067,346
Total business-type activities net position	\$ <u>151,576,480</u>	\$ <u>159,851,199</u>	\$ <u>155,793,887</u>	\$ <u>157,636,903</u>	<u>168,593,151</u>	\$ <u>174,097,778</u>	\$ <u>165,823,566</u>	\$ <u>177,103,562</u>	\$ <u>202,497,845</u>	\$ <u>227,469,743</u>
Primary government										
Net investment in capital assets	\$ 264,274,545	\$ 277,376,795	\$ 295,888,570	\$ 302,636,416	308,771,126	\$ 306,528,054	\$ 308,878,862	\$ 306,190,338	\$ 358,660,646	\$ 377,428,652
Restricted	39,738,421	36,754,051	36,722,516	29,361,149	26,478,512	24,986,538	37,742,799	45,308,471	40,248,810	35,931,176
Unrestricted	29,930,554	34,118,826	22,703,829	9,348,610	17,111,263	27,048,464	(43,287,414)	(28,972,249)	(38,654,644)	(29,586,591)
Total primary government net position	\$ <u>333,943,520</u>	\$ <u>348,249,672</u>	\$ <u>355,314,915</u>	\$ <u>341,346,175</u>	<u>352,360,901</u>	\$ <u>358,563,056</u>	\$ <u>303,334,247</u>	\$ <u>322,526,560</u>	\$ <u>360,254,812</u>	\$ <u>383,773,237</u>

Notes: (a) In FY12, the City made a one time \$19.5 million contribution to ECUA for Main Steet Waste Water Treatment Plant Relocation Project.

(b) 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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
General government	\$ 3,734,253	\$ 3,153,786	\$ 3,042,474	\$ 7,713,091	\$ 3,003,380	\$ 3,153,436	\$ 3,283,833	\$ 3,427,107	\$ 3,700,398	\$ 3,901,755
Public safety	1,903,690	2,764,575	3,727,640	2,580,263	3,367,697	3,328,936	2,484,036	2,349,489	2,666,971	2,280,040
Transportation	746,254	1,011,626	801,324	793,491	538,138	859,734	2,807,030	1,911,016	808,801	695,121
Culture and recreation	11,596,641	7,558,660	9,447,660	7,145,440	8,091,572	4,990,080	6,822,539	5,076,963	4,168,728	3,916,783
Economic environment	12,839,011	16,784,456	16,263,534	12,418,071	14,930,338	13,503,294	16,793,245	17,147,764	17,850,657	17,484,499
Physical environment	2,877,380	2,525,097	2,616,516	2,773,464	2,693,205	3,364,557	5,922,116	5,544,459	6,955,096	4,970,010
Human services										
Total governmental activities	<u>33,697,229</u>	<u>33,798,200</u>	<u>35,899,148</u>	<u>33,423,820</u>	<u>32,624,330</u>	<u>29,200,037</u>	<u>38,112,799</u>	<u>35,456,798</u>	<u>36,150,651</u>	<u>33,248,208</u>
Business-type activities:										
Utility	47,673,400	45,501,820	39,281,504	38,054,431	42,987,116	49,387,343	45,939,470	43,761,940	45,297,295	50,548,308
Sanitation	6,366,664	6,165,903	6,232,698	6,838,663	7,014,670	6,989,558	7,074,746	7,084,148	7,192,089	7,744,185
Port	2,222,280	1,828,028	2,068,779	2,586,212	2,532,976	2,026,744	2,108,450	2,457,376	2,753,554	4,971,116
Airport	29,049,198	30,400,960	23,268,997	24,492,113	31,305,284	24,654,572	29,063,107	33,399,848	48,091,477	43,455,317
Total business-type activities	<u>85,311,542</u>	<u>83,896,711</u>	<u>70,851,978</u>	<u>71,971,419</u>	<u>83,840,046</u>	<u>83,058,217</u>	<u>84,185,773</u>	<u>86,703,312</u>	<u>103,334,415</u>	<u>106,718,926</u>
Total primary government	<u>\$ 119,008,771</u>	<u>\$ 117,694,911</u>	<u>\$ 106,751,126</u>	<u>\$ 105,395,239</u>	<u>\$ 116,464,376</u>	<u>\$ 112,258,254</u>	<u>\$ 122,298,572</u>	<u>\$ 122,160,110</u>	<u>\$ 139,485,066</u>	<u>\$ 139,967,134</u>

CITY OF PENSACOLA, FLORIDA
FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

		Pre-GASB 54															
		Fiscal Year															
		2009	2010														
General Fund																	
Reserved	\$	1,332,323	\$	1,277,400													
Unreserved		9,906,638		9,955,633													
Total General Fund	\$	<u>11,238,961</u>	\$	<u>11,233,033</u>													
All Other Governmental Funds																	
Reserved	\$	13,634,480	\$	56,167,571	(a)												
Unreserved, reported in:																	
Special revenue funds		9,091,855		8,460,053													
Capital projects funds		7,359,785		11,024,056													
Debt service funds		218,249		1,491,223													
Total all other governmental funds	\$	<u>30,304,369</u>	\$	<u>77,142,903</u>													
Post-GASB 54																	
Fiscal Year																	
		2011 (d)	2012	2013	2014	2015	2016	2017	2018								
General Fund																	
Non-spendable	\$	12,617	\$	24,780	\$	33,976	(b)	\$	37,491	\$	31,016	\$	28,729	\$	23,339	\$	23,422
Restricted		544,198		428,618		381,561			447,395		632,697		665,283		891,857		1,038,512
Committed		8,388,656		8,399,115		8,654,687			8,816,950		9,210,488		10,143,175		11,694,280		14,017,235
Assigned		1,019,104		2,187,305		2,196,081			2,986,393		2,761,806		2,640,289		2,692,973		4,591,459
Unassigned		1,309,029		1,100,516		1,167,855			1,110,671		1,102,141		1,128,736		1,721,705		208,800
Total General Fund	\$	<u>11,273,604</u>	\$	<u>12,140,334</u>	\$	<u>12,434,160</u>		\$	<u>13,398,900</u>	\$	<u>13,738,148</u>	\$	<u>14,606,212</u>	\$	<u>17,024,154</u>	\$	<u>19,879,428</u>
All Other Governmental Funds																	
Non-spendable	\$	459,554	\$	3,163,567	\$	7,661,628		\$	3,770,589	\$	7,510,198	\$	3,437,808	\$	3,519,866		17,153
Restricted		71,421,175		66,544,108		58,187,514			57,319,028		58,928,951		75,306,214	(c)	38,838,782		53,562,885
Committed		3,650,217		4,207,674		3,047,291			3,695,188		5,760,423		6,525,521		5,888,016		5,181,575
Assigned		5,764		6,858		8,102			715,949		3,137,792		1,712,813		867,343		716,721
Unassigned		(980,662)		(6,082,300)		(7,778,573)			(6,974,974)		(7,341,255)		(6,642,268)		(8,547,881)		(260,165)
Total all other governmental funds	\$	<u>74,556,048</u>	\$	<u>67,839,907</u>	\$	<u>61,125,962</u>		\$	<u>58,525,780</u>	\$	<u>67,996,109</u>	\$	<u>80,340,088</u>	\$	<u>40,566,126</u>	\$	<u>59,218,169</u>

Notes: (a) Increase in fund balance reserves is related to the combination of the 2009 Redevelopment Revenue Bonds and subsequent loan to the Community Maritime Park Associate, Inc.

(b) Increase in non-spendable fund balance is related to the prepayment of bond principal in the Local Option Sales Tax fund

(c) Increase in restricted fund balance is related to the unspent bond proceeds in the Local Option Gas Tax Project Fund.

(d) The City implemented GASB Statement No. 54 for FY 2011.

CITY OF PENSACOLA, FLORIDA
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
Revenues	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Taxes	\$ 32,095,945	\$ 32,380,241	\$ 32,451,822	\$ 31,234,509	\$ 31,300,035	\$ 32,259,057	\$ 33,316,544	\$ 34,076,354	\$ 34,883,249	\$ 37,034,176
Licenses and permits	864,844	752,488	791,950	1,132,486	1,072,138	1,277,978	1,346,721	1,415,580	1,771,849	1,593,488
Franchise fees	8,110,165	8,497,930	8,432,262	7,774,176	7,518,556	8,295,596	8,565,974	8,289,710	8,218,881	8,727,806
Intergovernmental	28,722,364	30,498,606	32,971,501	28,045,478	29,348,015	25,037,986	34,883,053	31,227,672	31,348,598	30,882,832
Charges for services	4,339,480	4,825,173	4,617,672	5,842,665	6,584,768	6,472,779	6,634,483	6,995,182	7,008,094	6,621,643
Fines and forfeits	441,251	746,929	370,689	337,858	427,168	483,732	318,933	286,782	153,648	166,780
Assessments	89,577	89,911	28,246	51,729	10,663	35,191	14,347	27,187	78,741	52,326
Interest income	1,470,144	764,193	1,961,934	1,958,681	1,943,236	1,921,332	1,943,368	2,045,038	1,812,692	994,564
Donations	2,689,665	1,456,457	2,381,473	199,965	334,093	529,217	106,536	1,017,668	2,011,038	1,125,245
Other	733,049	748,346	672,779	706,264	809,905	1,576,588	915,518	1,320,438	775,965	840,582
Total revenues	79,556,484	80,760,274	84,680,328	77,283,811	79,348,577	77,889,456	88,045,477	86,701,611	88,062,755	88,039,442
Expenditures										
Current -										
General government	7,026,818	6,971,798	8,954,870	7,986,834	8,822,473	8,370,721	9,763,178	8,731,145	8,756,239	9,394,210
Public safety	29,285,357	29,826,611	29,097,514	29,892,275	29,678,412	31,613,523	33,344,112	32,344,989	31,692,091	32,948,093
Transportation	2,510,175	2,454,335	2,283,148	2,531,637	2,208,999	2,558,589	3,002,495	3,703,713	2,601,106	2,484,138
Culture and recreation	11,828,720	12,464,329	12,189,319	15,962,500	13,224,751	8,265,301	9,888,492	8,961,041	8,901,116	9,207,741
Economic environment	14,398,618	14,700,741	14,811,906	13,671,431	14,720,255	13,795,153	16,379,088	16,512,073	17,840,723	17,613,088
Physical environment	2,916,615	2,890,347	2,464,243	3,009,598	2,918,934	4,927,340	5,596,702	3,345,057	4,089,950	3,233,928
Human services	94,200	51,900	37,100	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Capital outlay	24,998,552	16,154,212	18,616,603	14,483,196	11,278,564	9,115,258	10,770,532	12,963,404	18,210,965	23,324,603
Debt service -										
Principal retirement	2,850,209	3,231,188	3,354,959	3,504,241	6,884,053 (a)	3,365,000	3,520,000	3,695,000	4,561,000	7,740,418
Interest	858,442	1,477,422	3,989,355	4,162,404	5,988,052	5,758,346	5,602,755	5,600,516	5,182,598	3,934,010
Total expenditures	96,767,706	90,222,883	95,799,017	95,234,116	95,754,493	87,799,231	97,897,354	95,886,938	101,865,788	109,910,229
Excess (deficiency) of revenues over (under) expenditures	(17,211,222)	(9,462,609)	(11,118,689)	(17,950,305)	(16,405,916)	(9,909,775)	(9,851,877)	(9,185,327)	(13,803,033)	(21,870,787)

CITY OF PENSACOLA, FLORIDA
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Other financing sources (uses)										
Transfers in	19,375,754	23,899,753	20,688,877	28,398,726	20,869,255	65,692,097 (b)	22,172,579	21,700,560	22,697,499	18,645,522
Transfers (out)	(11,375,754)	(16,969,220)	(12,188,877)	(19,898,726)	(12,869,255)	(57,485,309) (b)	(14,379,367)	(13,525,081)	(13,388,403)	(10,645,522)
Capital Lease Note Issuance							6,460,954 (d)			
Loan proceeds									100,000	
Sale of capital assets	724,093	725,270	72,405	105,387	87,400	67,545	55,366		1,487,365	2,526,004
Contributed capital from other funds		47,995								
Contributed capital from other governments		3,264,631								
Reimbursement of prior year expenditures		2,276,579								
Insurance recoveries	999,781	74,429							20,000	
Payment to refund debt		(20,000,000)								
Bonds Issued		63,610,352						14,314,000	5,389,000	33,000,000
Issuance Cost		(634,574)						(92,109)	(44,822)	(147,900)
Total other financing sources (uses)	<u>9,723,874</u>	<u>56,295,215</u>	<u>8,572,405</u>	<u>8,605,387</u>	<u>8,087,400</u>	<u>8,274,333</u>	<u>14,309,532</u>	<u>22,397,370</u>	<u>16,260,639</u>	<u>43,378,104</u>
Net change in fund balances										
before prior period adjustments/special items	<u>(7,487,348)</u>	<u>46,832,606</u>	<u>(2,546,284)</u>	<u>(9,344,918)</u>	<u>(8,318,516)</u>	<u>(1,635,442)</u>	<u>4,457,655</u>	<u>13,212,043</u>	<u>2,457,606</u>	<u>21,507,317</u>
Special Item-NMTC Unwind									(39,813,626) (e)	
Special item - sale of capital asset				3,495,507						
Special item - BP Settlement							5,351,922 (c)			
PPA/Change in accounting principle					1,898,397					
Net change in fund balances	<u>\$ (7,487,348)</u>	<u>\$ 46,832,606</u>	<u>\$ (2,546,284)</u>	<u>\$ (5,849,411)</u>	<u>\$ (6,420,119)</u>	<u>\$ (1,635,442)</u>	<u>\$ 9,809,577</u>	<u>\$ 13,212,043</u>	<u>\$ (37,356,020)</u>	<u>\$ 21,507,317</u>
Debt service as a percentage of noncapital expenditures	5.13%	6.33%	9.49%	9.46%	15.19%	11.59%	10.47%	11.21%	11.65%	13.48%

Notes: (a) In FY 13, principal payments on the Capital Funding Revenue Bonds, Series 2010 A began.

(b) In FY 14, Maritime Community Construction Fund was closed and residual equity transfers were made to the CRA and Debt Service Fund.

(c) In FY 15, BP claim was settled for the BP Deep Horizon Oil Spill in 2010 and the City was awarded \$5,351,922.

(d) In FY 15, Motorola released \$6,460,954 to finance the acquisition of technology related equipment.

(e) In FY 17, the City forgave the loan made with CTA Investment Fund, LLC of \$39,813,626.

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
2009	\$ 568,137	\$ 4,749,243	\$ 7,608	\$ 2,134,762	\$ 3,190,226	4.5395
2010	569,930	4,557,110	6,093	2,037,452	3,095,681	4.5395
2011	555,898	4,435,062	4,731	1,977,899	3,017,792	4.5395
2012	534,538	4,300,878	5,391	1,873,379	2,967,428	4.2895
2013	517,534	4,147,698	5,277	1,763,287	2,907,222	4.2895
2014	552,382	4,223,888	5,581	1,840,040	2,941,811	4.2895
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

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
2009	4.5395	2.0000	7.7200	6.9755		0.0450
2010	4.5395	2.0000	7.8600	6.9755		0.0450
2011	4.5395	2.0000	7.8600	6.9755		0.0450
2012	4.2895	2.0000	7.8210	6.9755		0.0400
2013	4.2895	2.0000	7.7580	6.9755		0.0400
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

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	2018			2009		
	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	\$ 237,053,456	1	0.94%	\$ 167,739,637	1	0.61%
Gulf Power	123,125,325	2	0.49%	93,870,488	2	0.34%
Baptist Hospital	101,200,809	3	0.40%	----	----	----
Simon Debartolo Group	84,359,904	4	0.34%	38,105,890	3	0.14%
Armstrong World Industries	30,448,526	5	0.12%	34,149,854	4	0.12%
Wal-mart	21,999,817	6	0.09%	26,552,447	6	0.10%
Reichhold Inc/Arizona Chemical	13,420,797	7	0.05%	----	----	----
Cordova	13,394,305	8	0.05%	----	----	----
Bellsouth/Southern Bell	13,388,378	9	0.05%	30,114,419	5	----
Holi Corp	12,620,530	10	0.05%	----	----	----
Gayfers/Dillards	----		----	19,146,128	8	0.07%
Pensacola POB Inc.	----		----	16,914,492	7	0.06%
Moulton Properties	----		----	15,439,991	9	0.06%
AT&T	----		----	15,121,654	10	0.05%
Total	\$ 651,011,847		2.59%	\$ 457,155,000		1.66%

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
2009	\$ 14,482,031	13,811,445	95.4%	\$ 179,188	\$ 13,990,633	96.6%
2010	14,052,844	13,592,771	96.7%	93,858	13,686,629	97.4%
2011	13,699,265	13,246,835	96.7%	71,914	13,318,749	97.2%
2012	12,728,569	12,279,754	96.5%	31,847	12,311,601	96.7%
2013	12,470,529	12,055,999	96.7%	40,546	12,096,545	97.0%
2014	12,618,899	12,170,283	96.4%	62,311	12,232,594	96.9%
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%

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018 (a)</u>
General merchandise stores	\$ 680,381	\$ 685,603	\$ 698,467	\$ 700,221	\$ 719,356	\$ 741,251	\$ 747,540	\$ 796,846	\$ 764,661	\$ 585,696
Grocery stores	207,857	212,553	217,919	227,557	232,516	242,179	252,702	259,820	275,592	222,982
Hotels and apartments	147,076	146,774	181,714	196,948	212,653	239,013	260,427	278,032	292,298	259,182
Lumber and building materials	206,656	209,492	198,282	217,582	246,944	269,521	273,741	306,993	343,579	272,508
Manufacturing and mining	63,638	69,889	73,577	59,046	68,843	62,944	69,620	79,555	101,702	99,920
Motor vehicle dealers	514,024	563,280	625,711	705,531	743,242	823,294	861,382	902,727	948,633	753,336
Office space and commercial rentals	191,201	199,864	202,963	208,092	213,965	217,941	220,022	226,118	232,768	201,798
Restaurants and lunchrooms	458,456	466,225	494,623	524,039	549,825	576,942	614,241	645,724	674,666	537,144
Total	<u>\$ 2,469,289</u>	<u>\$ 2,553,680</u>	<u>\$ 2,693,256</u>	<u>\$ 2,839,016</u>	<u>\$ 2,987,344</u>	<u>\$ 3,173,085</u>	<u>\$ 3,299,675</u>	<u>\$ 3,495,815</u>	<u>\$ 3,633,899</u>	<u>\$ 2,932,566</u>
City direct sales tax rate (b)										

Source: Florida Department of Revenue

Notes: Data presented reflects Escambia County.

(a) 2018 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
2009	1.00%	0.50%
2010	1.00%	0.50%
2011	1.00%	0.50%
2012	1.00%	0.50%
2013	1.00%	0.50%
2014	1.00%	0.50%
2015	1.00%	0.50%
2016	1.00%	0.50%
2017	1.00%	0.50%
2018	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)

	2018			2009	
	Tax Liability (a)	Percentage of Total		Liability (a)	Percentage of Total
Retail trade	\$ 177,686	52.45%	\$	126,669	53.00%
Services	69,236	20.44%		50,101	20.96%
Manufacturing and mining	6,859	2.02%		3,966	1.66%
Wholesale trade	9,917	2.93%		7,414	3.10%
Construction	23,273	6.87%		14,518	6.07%
Finance, insurance, and real estate	33,470	9.88%		20,717	8.67%
Transportation and utilities	13,453	3.97%		11,633	4.87%
Agricultural	1,996	0.59%		1,876	0.78%
Other	2,913	0.84%		2,123	0.89%
Total	\$ <u>338,803</u>	<u>100.00%</u>	\$	<u>239,017</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
ENERGY SERVICES OF PENSACOLA
GAS SOLD IN MCFS BY TYPE OF CUSTOMER
LAST TEN FISCAL YEARS
(in thousands of Mcfs)

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Type of Customer										
Residential -Inside City Limits	311	406	350	245	286	347	306	243	201	270
Residential -Outside City Limits	701	882	775	570	650	767	695	578	501	640
Commercial -Inside City Limits	287	331	322	304	307	322	310	301	298	324
Commercial -Outside City Limits	415	464	436	393	407	441	523	520	491	543
Municipal	15	18	68	27	23	26	26	24	22	25
Interruptible	628	648	630	633	1,063	1,089	937	814	499	505
Transportation	961	954	1,007	1,068	1,159	1,331	1,377	1,478	1,887	1,978
Total	<u>3,318</u>	<u>3,703</u>	<u>3,588</u>	<u>3,240</u>	<u>3,895</u>	<u>4,323</u>	<u>4,174</u>	<u>3,958</u>	<u>3,899</u>	<u>4,285</u>
Total direct rate per Mcf (a)	\$ 18.74	\$ 15.25	\$ 14.91	\$ 16.55	\$ 16.93	\$ 17.21	\$ 19.08	\$ 20.93	\$ 23.08	\$ 21.71

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
ENERGY SERVICES OF PENSACOLA
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)
2009	7.28	6.53	10.72	8.32	8.30	10.78	12.48	6.53	10.52
2010	7.25	6.50	7.38	8.29	8.27	7.30	12.43	6.50	7.59
2011	7.25	6.50	7.15	8.29	8.27	7.15	12.43	6.50	6.84
2012(d)	8.95	7.52	8.27	10.00	9.29	8.31	15.85	7.52	7.37
2013	8.95	7.52	8.46	10.00	9.29	8.49	15.85	7.52	7.91
2014(e)	9.08	7.63	7.88	10.15	9.43	7.92	16.09	7.63	7.77
2015(f)	9.22	7.74	7.51	10.30	9.57	7.47	16.33	7.74	7.23
2016(g)	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 (h)	9.52	7.99	8.51	10.63	9.88	8.49	16.85	7.99	7.40

Fiscal Year	Commercial - Outside of City Limits			Municipal			Interruptible and Transportation (c)		
	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)
2009	14.56	8.30	10.57	16.64	2.39	10.39	150.00	N/A	N/A
2010	14.50	8.27	7.57	16.57	2.38	7.53	150.00	N/A	N/A
2011	14.50	8.27	6.85	16.57	2.38	6.76	150.00	N/A	N/A
2012(d)	18.00	9.29	7.37	20.00	2.93	6.36	200.00	N/A	N/A
2013	18.00	9.29	7.97	20.00	2.93	7.55	200.00	N/A	N/A
2014(e)	18.27	9.43	7.74	20.30	2.97	7.64	200.00	N/A	N/A
2015(f)	18.54	9.57	7.26	20.60	3.01	7.15	200.00	N/A	N/A
2016(g)	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 (h)	19.14	9.88	7.75	21.26	3.11	7.01	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) The increase to the fixed monthly charges and base rates took effect in the beginning of the monthly June 2007 billing cycle.
- (c) Interruptible and transportation rates per Mcf are not reported as rates are negotiated on a customer by customer bases.
- (d) The increase to rates took effect in the beginning of the monthly October 2011 billing cycle
- (e) The increase to rates took effect in the beginning of the monthly October 2013 billing cycle
- (f) The increase to rates took effect in the beginning of the monthly October 2014 billing cycle
- (g) The decrease to rates took effect in the beginning of the monthly October 2015 billing cycle
- (h) The increase to rates took effect in the beginning of the monthly October 2017 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 Bonds	Local Option Gas Tax Bonds	Community Redevelopment Bonds	Maritime Community Park Construction Bonds	Capital Leases	Gas Revenue Bonds	Tax and Franchise Fee Bonds (Port)	Airport Revenue Bonds			
2009	\$ 10,836	\$ 20,000	\$ -	\$ 1,569	\$ -	\$ -	\$ 16,479	\$ 1,339	\$ 83,902	\$ 134,125	1.82%	\$ 425
2010	9,315	18,190	-	1,198	45,640	-	12,255	-	77,450	164,048	2.50%	551
2011	6,345	18,190	-	813	45,640	-	10,850	-	76,930	158,768	2.38%	532
2012	3,240	18,190	-	414	45,640	-	14,445	-	77,810	159,739	2.36%	531
2013	-	15,495	-	-	45,105	151	12,550	-	75,310	148,611	2.09%	490
2014	-	12,690	-	-	44,545	115	10,595	-	72,745	140,690	1.96%	459
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	6,461	19,355	-	60,254	151,069	1.88%	479
2018	-	25,000	12,750	54,082	-	4,915	16,830	-	59,988	173,565	2.16%	542

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Outstanding debt for governmental activities includes \$246,262 of unamortized discounts and unamortized premium of \$90,658.

(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.

CITY OF PENSACOLA, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES
AS OF SEPTEMBER 30, 2017
(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	\$ 148,718	17.03%	\$ 25,327
Tourism Development Revenue Bonds	1,270	17.03%	216
Capital Improvement Bonds/Notes	26,269	17.03%	4,474
Escambia County School District			
State Board of Education Bonds	1,699	17.03%	289
Sales Tax Revenue Bonds	53,306	17.03%	9,078
Certificates of Participation	18,982	17.03%	3,233
Subtotal, overlapping debt			42,617
City direct debt bonds			91,832
City direct debt capital leases			4,915
Total direct and overlapping debt			<u>\$ 139,364</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.

City direct debt bonds includes \$246,262 of unamortized discounts and unamortized premiums of \$90,658.

Escambia County School District Bonds includes \$8,869,997 of unamortized premiums.

Escambia County Sales Tax Revenue Bonds includes \$10,228,121 of unamortized premiums.

CITY OF PENSACOLA, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(dollars in thousands)

	Tax and Franchise Fee Bonds						Local Option Sales Tax 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		
2009	\$ 5,879	\$ 3,443	\$ 5,802	\$ 2,610	\$ 542	4.80	\$ 5,976	\$ -	\$ 299	19.99	
2010	6,487	3,397	6,240	2,860	434	4.89	5,866	-	113	51.91	
2011	6,649	3,673	6,159	2,970	319	5.01	6,323	-	563	11.23	
2012	6,466	3,716	5,504	3,105	192	4.76	6,402	-	877	7.30	
2013	6,621	3,845	5,152	3,240	65	4.73	6,666	2,695	821	1.90	
2014	7,425	4,054	5,793	-	-	-	7,015	2,805	708	2.00	
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	
Community Redevelopment Bond(s)						Eastside Community Redevelopment Bond(s)					
Fiscal Year	Urban Core Tax Increment Revenues	Debt Service (g)		Coverage	Eastside Tax Increment Revenues	Debt Service		Coverage			
		Principal	Interest			Principal	Interest				
2009	\$ 4,653	\$ 358	\$ 72	10.82	\$ -	\$ -	\$ -	-			
2010	4,317	371	58	10.06	-	-	-	-			
2011	4,068	385	44	9.48	-	-	-	-			
2012	3,959	399	2,115	1.57	-	-	-	-			
2013	3,791	949	2,101	1.24	-	-	-	-			
2014	3,790	560	2,142	1.40	-	-	-	-			
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	104	-	-	-			
2018	5,260	1,210	2,130	1.57	120	62	27	1.35			
(continued)											

(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 Increment Revenues	Debt Service		Coverage		Local Option Gasoline Tax	Debt Service		Coverage
		Principal	Interest				Principal	Interest	
2009	\$ -	\$ -	\$ -	-		\$ 1,606	\$ -	\$ -	-
2010	-	-	-	-		1,610	-	-	-
2011	-	-	-	-		1,569	-	-	-
2012	-	-	-	-		1,557	-	-	-
2013	-	-	-	-		1,525	-	-	-
2014	-	-	-	-		1,554	-	-	-
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)

Gas Revenue Bonds

Fiscal Year	Utility Charges for Services	Less: Operating Expense	(a)	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2009	\$ 47,926	\$ 38,601		\$ 9,325	\$ 1,205	\$ 451	5.63
2010	45,743	34,312		11,431	525	404	12.30
2011	39,439	30,961		8,478	1,405	251	5.12
2012	37,222	24,470		12,752	1,405	390	7.10
2013	43,212	27,939		15,273	1,895	416	6.61
2014	49,488	33,176		16,312	1,955	358	7.05
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

(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 Prepaid	Prepaid Airline Rents & Fees (b)	Coverage after Prepaid
		Total	Less Grant	Operating/ Maintenance (a)		Principal	Interest			
2009	\$ 13,719	\$ 12,021	\$ 144	\$ 11,877	\$ 1,842	\$ 1,440	\$ 1,579 (c)	0.61	2,380	1.40
2010	15,645	14,296	248	14,048	1,597	1,520 (d)	1,492 (c)	0.53	3,250	1.61
2011	16,162	14,369	21	14,348	1,814	100	1,162	1.44	876	2.13
2012	16,188	12,687	33	12,654	3,534	1,980	1,284	1.08	2,459	1.84
2013	16,788	12,037	12	12,025	4,763	2,040	1,310	1.42	678	1.62
2014	16,793	11,491	-	11,491	5,302	2,080	1,333	1.55	858	1.80
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

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	
2009	\$ 1,255	\$ -	\$ 1,255	\$ -	\$ 245	5.12	\$ 2,844	\$ -	\$ 1,097	2.59
2010	998	-	998	-	195	5.12	2,978	185	1,735	1.55
2011	2,027	-	2,027	-	139	14.58	3,082	420	1,719	1.44
2012	1,809	886	923	-	145	6.37	3,003	440	1,698	1.40
2013	1,944	662	1,282	-	114	11.25	2,958	460	1,675	1.39
2014	2,128	741	1,387	-	109	12.72	3,025	485	1,652	1.42
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

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 prepaid airlines rents and fee 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.

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
2009	55,637	315,545	\$ 7,357,247	\$ 23,316	37	40,404	9.9%
2010	51,923	(a) 297,619 (a)	6,566,070	22,062	37	40,049	11.1%
2011	51,839	298,259	6,679,510	22,395	38	39,658	10.4%
2012	52,508	300,701	6,777,801	22,540	38	39,870	8.3%
2013	51,820	303,567	7,102,254	23,396	37	40,077	6.5%
2014	52,028	306,630	7,187,713	23,441	38	40,127	5.8%
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%

Source: Population, personal income, median age and unemployment rate data provide by the University of West Florida, HAAS center and U.S. Census Bureau. School enrollment data provided by Escambia county school system, public relations office.

Notes: All data is applicable to Escambia County except for Pensacola population.

(a) Decrease in population numbers are based on the United States Census in 2010.

**CITY OF PENSACOLA, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2018			2009		
	Employees	Rank	Percentage of Total MSA Employment	Employees	Rank	Percentage of Total MSA Employment
<u>Employer</u>						
Local Government	8,557	1	3.86%	16,500	1	8.35%
Navy Federal Credit Union	6,382	2	2.88%	----	----	----
Baptist Health Care	5,200	3	2.34%	4,013	5	2.03%
Federal Government	2,506	4	1.13%	6,500	2	3.29%
State Government	2,063	5	0.93%	6,100	3	3.09%
University of West Florida	1,922	6	0.87%	----	----	----
Lakeview Center	1,900	7	0.86%	2,000	6	1.01%
Baptist Hospital Inc.	1,652	8	0.74%	----	----	----
West Florida Regional Medical Center	1,600	9	0.72%	1,300	10	0.66%
Gulf Coast Health Care, LLC	1,451	10	0.65%	----	----	----
Sacred Heart Health System	----	----	----	5,000	4	2.53%
Ascend Performace Materials	----	----	----	1,400	7	0.71%
Gulf Power Company	----	----	----	1,400	8	0.71%
Walmart	----	----	----	1,375	9	0.70%
Total	<u>33,233</u>		<u>14.98%</u>	<u>45,588</u>		<u>23.07%</u>

Source: University of West Florida, HAAS Center and Department of of Labor.

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.



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OPERATING INFORMATION

CITY OF PENSACOLA, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities:										
General Government										
Permits issued	5,448	5,259	5,444	5,659	5,796	6,818	6,729	7,162	8,034	8,606
Building inspections conducted	13,982	11,305	11,056	11,482	10,998	13,682	14,021	13,661	15,067	18,642
Police										
Residential burglary responses	521	426	478	640	457	463	354	360	321	272
Commercial burglary responses	173	144	137	144	81	82	108	84	62	60
Emergency responses	84,155	92,991	86,845	94,911	96,808	83,375	82,201	84,804	94,293	93,800
Physical arrests	3,894	3,375	3,402	3,316	3,773	3,225	3,174	2,438	2,972	3,697
Traffic violations	8,095	5,795	6,040	6,018	8,179	8,199	6,826	6,795	7,996	7,315
Fire										
Emergency responses	6,011	6,117	5,855	6,050	5,896	5,846	6,446	6,323	7,534	6,307
Fires extinguished	207	227	212	222	197	187	221	197	242	201
Inspections	1,689	1,527	1,655	1,652	764 (f)	676	776	1,041	2,041	2,819
Transportation (a)										
Traffic signals maintained	280	271	254	293	388	363	333	449	328	354
Traffic warning signals maintained	52	35	347	38	27	41	29	32	34	31
Street lights maintained	194	151	180	197	273	199	221	209	294	207
Street name markers replaced	164	188	195	204	192	284	206	257	194	213
Traffic control signs replaced	679	484	489	659	749	748	740	978	1,037	996
Parking meters replaced	-	-	-	-	-	-	-	-	-	-
Culture and recreation										
Parks and recreation										
Number of programs offered	244	269	206	258	309	324	298	425	452	459
City resident program participants	459,634	431,517	294,848 (e)	363,183	452,968	231,624 (h)	189,292	310,437 (k)	277,241	338,461
County resident program participants	62,324	40,955	58,571	52,763	57,243	65,248	45,272	113,682	99,795	76,913
Golf Course										
Rounds played	35,543	34,713	14,452	36,643	36,570	20,408 (g)	18,449	25,874	27,394	26,243
Tournaments held	80	65	21	56	59	56	62	74	78	79
Tournament participants	4,500	3,656	1,092	3,149	3,245	2,273	3,410	4,810	4,914	4,983
Libraries (c)										
Items circulated	778,052	820,091	744,487	746,146	702,345	-	-	-	-	-
Public computer use	168,654	174,053	162,112	149,746	153,443	-	-	-	-	-
Program Attendance	10,011	12,535	10,913	13,364	15,518	-	-	-	-	-
Information Transactions	78,982	97,616	80,132	88,407	114,002	-	-	-	-	-
City resident library card usage	33,081	36,736	36,459	31,401	29,079	-	-	-	-	-
County resident library card usage	86,325	95,194	95,158	83,438	81,983	-	-	-	-	-
Economic environment										
Homes repaired/rehabilitated	39	14	11	3	22	25	32	28	12	27
New homes constructed	3	7	4	2	3	4	4	3	2	2
First-time homebuyers assisted/Foreclosure Prevention	35	113	54	120	99	76	142 (i)	115	122	130
Families assisted	2,269	2,163	2,260	2,179	2,321	2,247	2,375	2,376	2,417	2,285
Housing inspections conducted	4,440	4,077	3,776	5,034	4,762	4,553	4,793	4,108	3,912	3,532
Congregate meals/meals on wheel provided	1,342	1,667	1,903	1,241	1,306	1,389	1,653	1,997	1,721	1,382
Physical environment (a)										
Miles of paved streets swept	24,740	25,989	16,266	29,232	24,467	22,754	22,825	22,907	21,619	23,743

(continued)

**CITY OF PENSACOLA, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Business-type Activities:										
Utility										
Average daily consumption in mmbtu's (b)	8,124	9,286	8,707	7,404	9,245	10,662	10,371	9,748	9,564	10,527
Maximum daily consumption in mmbtu's	29,524	36,096	32,611	23,363	26,612	38,569	32,629	28,093	28,803	39,593
In City customer connections	16,648	16,545	16,581	16,580	16,581	16,214	16,236	15,853	14,461	13,664
Outside City customer connections	41,767	41,344	41,091	40,990	41,193	41,686	41,741	40,788	37,329	35,350
Sanitation										
Customers	18,965	18,958	18,962	19,095	19,176	19,224	19,325	19,535	19,747	19,895
Refuse collected (tons)										
Garbage	18,490	15,720	14,724	14,805	15,308	15,113	14,512	15,395	15,455	15,685
Green Waste	9,716	11,170	12,201	12,583	11,999	12,691	13,001	14,769	13,211	13,281
Recycling (new in FY 2009)	1,189	3,974	4,444	4,539	3,847	3,782	4,805	4,745	4,605	4,141
Construction/Demolition (C&D)	2,828	1,659	1,442	1,676	1,582	1,429	1,579	2,202	2,213	1,568
Port										
Tonnage exported	13,950	45,857	55,502	67,003	66,927	98,468	56,696	30,506	54,641	36,269
Tonnage imported	233,822	223,558	207,089	157,156	148,514	86,814	161,073	170,503	177,294	78,445
Number of vessels in port	16	36	51	69	74	68	54	51	20	31
Airport										
Mainland carriers	4	4	2	2	2	3	2	2	3	5
Regional commuter services	8	6	11	9	8	7	7	9	10	10
Passengers enplaned	700,662	719,648	780,621	756,229	758,158	774,320	797,854	802,260	834,504	951,751
Passengers deplaned	697,840	720,098	780,919	758,769	758,376	768,662	796,204	802,482	834,393	950,920
Air freight enplaned in pounds	681,481 (d)	212,729	225,829	4,229,417	4,563,173	4,608,702	4,617,580	4,196,031	4,839,066	5,815,192
Mail enplaned in pounds	102	54	165	-	476	576	2,513	2 (j)	1,202	-
Total flights (private and commercial)	96,233	125,552	117,053	105,333	102,502	105,630	104,400	97,858	114,026	115,268

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) The Santa Rosa Library was transferred to the County in FY07. The West Florida Library system was transferred to the County in FY14.

(d) In January 2009, Airborne Express stopped using the Airport's cargo ramp for its local operations.

(e) In 2010 and prior playground attendance was considered a separate program; starting in FY11 playground attendance is not considered a separate program.

(f) In 2013, the Fire Dept had a temporary decrease in staff which resulted in fewer inspections.

(g) In 2014, the Golf Course was damaged due to a flood in April

(h) Two resource centers closed due to the flood and one resource center closed to the general public which was used as a shelter for 4 weeks following the flood.

(i) Beginning in FY 14, the City initiated a new program to prevent foreclosure.

(j) In 2016, commercial airlines have shifted from carrying mail to allow more space for passenger luggage which produces greater revenue.

(k) The increase in participants in the center programs was due to implementation of new programs.

**CITY OF PENSACOLA, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities:										
General Government										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	130	134	140	140	140	140	140	140	146	148
Fire										
Stations	6	6	6	6	6	6	6	6	6	6
Apparatus	31	31	31	31	31	31	31	31	31	31
Transportation (a)										
Miles of street	332	332	332	332	332	332	332	332	325	325
Traffic warning signals	45	43	51	60	57	60	60	64	66	66
Traffic control signals	92	90	90	92	92	92	92	92	92	92
Traffic control signs	7,292	8,193	10,033	10,293	10,367	10,581	10,543	10,519	10,536	10,557
Culture and recreation										
Parks and recreation										
Parks	93	92	92	93	93	93	93	93	93	93
Acreage	483	478	478	517	517	517	592	592	592	593
Golf course										
Par	72	72	70	70	70	70	70	70	70	70
Acreage	123	123	123	123	123	123	108	123	123	123
Yardage	6,400	6,400	6,400	6,400	6,400	6,400	6,450	6,400	6,400	6,400
Libraries (b)										
Number of libraries	3	3	3	3	3	-	-	-	-	-
Number of bookmobiles	0	0	0	0	0	-	-	-	-	-
Number of volumes	289,128	301,434	292,291	296,373	309,609	-	-	-	-	-
Economic environment (a)										
Street lights	7,790	7,694 (d)	7,757	7,780	7,804	7,794	7,798	7,891	7,887	7,906
Street name markers	2,905	5,287 (d)	5,676	5,676	5,676	5,685	5,691	5,703	5,709	5,711
Berths	3	3	3	3	3	3	3	3	3	3
Physical environment										
Street Sweepers	7	6	7	7	7	7	7	7	7	7

(continued)

**CITY OF PENSACOLA, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Utility										
Miles of gas mains	1,623	1,627	1,630	1,632	1,638	1,680	1,610	1,621	1,639	1,654
Sanitation										
Collection trucks - residential										
Garbage	12 (c)	12	12	12	11	11	11	11	11	10
Collection trucks - trash collection										
Container	2	2	2	2	2	2	2	2	2	2
Grapplers	9	9	9	9	9	9	9	9	9	9
Shuttle	2	2	2	2	2	2	2	2	2	2
Dump	1	1	1	1	1	1	1	-	-	-
Tractor	1	1	1	1	1	1	1	1	1	1
Shuttle trailers	8	8	8	8	8	8	8	8	8	8
Collection trucks - residential										
Recycling	4 (c)	4	4	4	6	6	6	7	7	5
Port										
Warehouses	8	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
Runway 8-26 length and width in square feet	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150
Terminal building in square feet	159,000	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 Santa Rosa Library was transferred to the County in FY07. The West Florida Library system was transferred to the County in FY14.

(c) The City started a recycling program in fiscal year 2009. Four trucks were moved out of residential garbage and into residential recycling.

(d) The change is due to a physical count of inventory.

CITY OF PENSACOLA, FLORIDA
FULL-TIME-EQUIVALENT CITY GOVERNMENT POSITIONS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
General Government										
Mayor	0	0	6	11	11	10	9	8	8	8
City Manager	7	5	0	0	0	0	0	0	0	0
City Clerk	3	3	3	3	3	3	4	3	3	2
City Council	0	0	0	1	1	2	2	4	5	5
Legal	3	3	3	4	4	4	4	3	3	4
Human Resources	8	7	7	9	8	7	7	7	10	10
Civil Service	2	2	2	0	0	0	0	0	0	0
Financial Services	32	32	31	29	29	27	27	27	25	25
Planning Services	10	10	12	8	7	6	6	7	8	7
Garage	18	18	17	17	17	17	17	17	17	17
Technology Resources	17	16	16	17	17	14	14	15	14	14
CRA	2	2	2	2	2	0	0	0	2	2
Public Safety										
Police	212	209	204	205	204	203	203	204	204	204
Fire	115	114	111	111	114	114	114	115	116	123 (e)
Inspection Services	14	11	9	10	10	10	11	12	12	12
Transportation										
Public Works	12	12	12	54 (b)	46	24 (d)	24	23	23	23
Culture and Recreation										
Neighborhood Services (a)	80	80	73	28 (b)	29	48 (d)	48	47	48	48
Golf Course	5	5	5	5	4	4	4	3	3	3
Library (c)	52	40	40	36	36	0	0	0	0	0
Economic Environment										
Housing	23	23	23	22	22	22	20	20	20	20
Physical Environment										
Stormwater utility	31	29	29	29	26	26	26	27	27	27
Engineering	11	12	13	12	9	8	8	8	8	8
Business-type activities:										
Utility	131	122	121	117	117	117	117	117	117	115
Sanitation	51	47	43	41	43	43	43	43	43	43
Port	10	10	10	10	10	9	9	9	9	8
Airport	62	63	68	61	61	53	53	51	51	53
	<u>911</u>	<u>875</u>	<u>860</u>	<u>842</u>	<u>830</u>	<u>771</u>	<u>770</u>	<u>770</u>	<u>776</u>	<u>781</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) Beginning October 2014, the City was no longer responsible for the library system. The library system was transferred to the County at the end of the previous fiscal year.

(d) As part of reorganization, public works employees moved to park works.

(e) Six fire cadets were added with the revitalization of the Fire Cadet Program.

OTHER AUDIT REPORTS SECTION



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**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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 1, 2019.

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) to determine 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 entity'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 may exist that have not been identified.

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 determination of financial statement amounts.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Warren Averett, LLC

Pensacola, Florida
February 1, 2019

**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**

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

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 *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 for the year ended September 30, 2018. The City's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs, state projects, and passenger facility charges.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs, state projects, and passenger facility charges based on our audit of the types of compliance requirements referred to above. 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; 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*. Those standards, the Uniform Guidance, Chapter 10.550, and Passenger Facility Charge Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program, state project, and passenger facility charges program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program, state project, and passenger facility charges program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program, State Project, and Passenger Facility Charge Program In our opinion, City of Pensacola, Florida 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, 2018.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program, state project, and passenger facility charges program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program, state project, and passenger facility charges program and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and *Passenger Facility Charge Audit Guide for Public Agencies*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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, state project, or passenger facility charge program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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, state project, or passenger facility charges program 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, state project, or passenger facility charges program 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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. Accordingly, this report is not suitable for any other purpose.

Warren Averett, LLC

Pensacola, Florida
February 1, 2019

**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, 2018:

- (1) Florida Statute 218.415 in regards to investments.
- (2) Florida Statute 288.8018 in regards 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 and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. 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, 2018.

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.

Warren Averett, LLC

Pensacola, Florida
February 1, 2019

**CITY OF PENSACOLA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

SECTION I - SUMMARY OF AUDITOR'S 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 that are not considered to be material weakness(es)?	_____ Yes ☒ None reported
Noncompliance material to financial statements noted?	_____ Yes ☒ No

FEDERAL PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

Internal control over major federal or state programs:	
Material weakness(es) identified?	_____ Yes ☒ No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ 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 or Chapter 10.550, Rules of the Auditor General?	_____ Yes ☒ No

IDENTIFICATION OF MAJOR PROGRAMS

Federal Programs:

CFDA No. 14.871 – U.S. Department of Housing and Urban Development – Section 8 Housing
Choice Vouchers Program
CFDA No. 14.218 – U.S. Department of Housing and Urban Development – Community
Development Block/Entitlement Grants
CFDA No. 20.205 – U.S. Department of Transportation – Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	☒ Yes _____ No

**CITY OF PENSACOLA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

SECTION I - SUMMARY OF AUDITOR'S RESULTS – (CONTINUED)

IDENTIFICATION OF MAJOR STATE FINANCIAL ASSISTANCE PROJECTS

State Projects:

CSFA No. 55.004 – Department of Transportation – Aviation Development Grant

CSFA No. 55.032 – Department of Transportation – Economic Development Transportation Fund

Dollar threshold used to distinguish
between type A and type B programs:

\$ 362,417

SECTION II - FINANCIAL STATEMENT FINDINGS

There are no findings which were required to be reported in accordance with *government auditing standards* generally accepted in the United States of America.

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, 2018**

There were no prior year audit findings.



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CITY OF PENSACOLA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
PASSENGER FACILITY CHARGE AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Federal/State Agency, Pass-Through Entity, Federal Program/State Project	Federal CFDA Number/ State CSFA 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>U.S. DEPARTMENT OF AGRICULTURE</u>						
Emergency Watershed Protection Program	10.923	68-4209-16-201		\$	103,901	
Total U.S. Department of Agriculture					103,901	
<u>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</u>						
Brownsfields Training, Research, and Technical Assistance Grants and Cooperative Agreement	66.814	00D59017			82,756	
Total U.S. Department of Environmental Agency					82,756	
<u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>						
<i>CDBG-Entitlement Grants Cluster:</i>						
Community Development Block Grant	14.218	B-14/17-MC-12-0016	N/A	70,000	189,860	
Housing Rehabilitation	14.218	B-14/17-MC-12-0016			832,822	
Aid to Private Agencies	14.218	B-14/17-MC-12-0016			94,437	
Total CDBG-Entitlement Grants Cluster				70,000	1,117,119	
<i>Passed through Florida Housing Finance Corporation:</i>						
HOME Investment Partnerships Program	14.239	2016-033TBRA			20,651	
<i>Passed through Escambia County Florida:</i>						
HOME Investment Partnerships Program	14.239	B-17-UC-120012			164,507	
					185,158	
<i>Housing Voucher Cluster:</i>						
Section 8 Housing Choice Vouchers Program	14.871	FL092			16,850,659	
Total Housing Voucher Cluster					16,850,659	
Total U. S. Department of Housing and Urban Development					18,152,936	
<u>U. S. DEPARTMENT OF JUSTICE</u>						
Bulletproof Vest Partnership Program	16.607	2016-BUBX-1608-2990			2,931	
<i>Passed through the State of Florida, Department of Law Enforcement:</i>						
Edward Byrne Memorial Justice Assistance Program	16.738	2017-JAGC-ESCA-2-F9-074			42,527	
Law Enforcement Trust Fund	N/A	N/A			33,482	
Total U. S. Department of Justice					78,940	
<u>U. S. DEPARTMENT OF TRANSPORTATION</u>						
Airport Improvement Program	20.106	N/A			17,931	
<i>Highway Planning and Construction Cluster:</i>						
<i>Passed through State of Florida, Florida Department of Transportation:</i>						
Highway Planning and Construction	20.205	436511-1-58-02			736,145	
Highway Planning and Construction	20.205	436511-1-58-01			902,159	
Highway Planning and Construction	20.205	436511-1-68-02			149,444	
Total Highway Planning and Construction Cluster					1,787,748	
Total U. S. Department of Transportation					1,805,679	
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>						
Port Security Grant Program	97.056	DJS-17-GPD-056-00-01			19,857	
<i>Pass through Volunteer Florida</i>						
Emergency Management Performance Grant	97.042				7,000	
Total U.S. Department of Homeland Security					26,857	
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>						
<i>Passed through Santa Rosa County Sheriff's Office:</i>						
High Intensity Drug Trafficking Areas Program	95.001	G17GC0007A			2,576	
Total Executive Office of the President					2,576	
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 70,000	20,253,645	
PASSENGER FACILITY CHARGE					2,785,055	3,594,933

See independent auditor's report.

CITY OF PENSACOLA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
PASSENGER FACILITY CHARGE AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

<u>Federal/State Agency, Pass-Through Entity, Federal Program/State Project</u>	<u>Federal CFDA Number/ State CSFA Number</u>	<u>Contract Grant Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Sub recipients</u>	<u>Total Expenditures</u>	<u>Passenger Facility Charge Revenue</u>
STATE FINANCIAL ASSISTANCE						
FLORIDA HOUSING FINANCE CORPORATION						
SHIP Program	40.901	SHIP 2016		\$	86,308	
Total Florida Housing Finance Corporation					86,308	
FLORIDA DEPARTMENT ENVIRONMENT OF PROTECTION						
Statewide Surface Water Restoration and Wastewater Project	37.039	G0387			249,658	
Total Florida Department of Environment of Protection					249,658	
FLORIDA DEPARTMENT OF TRANSPORTATION						
Aviation Grant Programs	55.004	AR248			1,338,881	
Aviation Grant Programs	55.004	G0713			20,617	
Aviation Grant Programs	55.004	G0A18			493,529	
Aviation Grant Programs	55.004	G0E52			4,951,881	
Aviation Grant Programs	55.004	G0A19			1,500,000	
Aviation Grant Programs	55.004	G0A20			675,305	
					803,638	
Total Aviation Development Grants					9,783,851	
Seaport Grant Programs	55.005	GOK29			363,300	
Seaport Grant Programs	55.005	AR223			11,919	
					375,219	
Economic Development Transportation Projects - Road Fund	55.032	AQP76			1,548,523	
Total Florida Department of Transportation					11,707,593	
FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY						
Growth Management Implementation	40.024	P0270			37,000	
Total Florida Department of Economic Opportunity					37,000	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE				\$ -	12,080,559	

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, PASSENGER FACILITY CHARGE AND STATE FINANCIAL ASSISTANCE

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures 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.

NOTE B - INDIRECT COST RATE

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.

NOTE C - LOAN - PROGRAM INCOME

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. The amount of loan funds disbursed to program participants for the year was \$34,812.00 and \$61,912.30, respectively, and is presented in this schedule. The amount of principal and interest received in loan repayments for the year was \$96,532.24 and \$128,40.64, respectively. The balance of the loans outstanding as of fiscal year end consist of:

Community Development Block Grants CFDA number 14.218 \$988,192.68
HOME Investment Partnerships Program Grants CFDA number 114.239 \$847,783

- 1 Includes debt service of \$2,118,463
- 2 Includes interest earnings of \$116,958

**CITY OF PENSACOLA, FL
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FUNDS
RELATED TO THE DEEPWATER HORIZON OIL SPILL
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<u>Source</u>	<u>Amount Received in the 2018 Fiscal Year</u>	<u>Amount Expended in the 2018 Fiscal Year</u>
British Petroleum:		
Class Action Lawsuit	\$ -	\$ 357,438

Note: The above funds represent 100% of the City's funds received and expended in relation to the Deepwater Horizon Oil Spill. There were no other federal or state awards received by the City that are related to the Deepwater Horizon Oil Spill.

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, 2018, and have issued our report thereon dated February 1, 2019.

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 Florida Auditor General*; and *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration.

Other Reports 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 Auditor's Report on Compliance for Each Major Federal Program, State Project, 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 February 1, 2019, 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 address in the management letter 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.

Additional Matters

Section 10.554 (1)(i)3., *Rules of the Auditor General*, requires that we address 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
February 1, 2019



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**CITY OF PENSACOLA, FLORIDA
FINANCIAL DATA SCHEDULE
SECTION 8 HOUSING CHOICE VOUCHERS PROGRAM
CATALOGUE OF FEDERAL DOMESTIC ASSISTANCE NUMBER 14.871
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Line Item #	Account Description	Amount
	Assets:	
	Current Assets:	
	Cash:	
111	Unrestricted	\$ 2,940,651
113	Other restricted	414,418
100	Total cash	<u>3,355,069</u>
	Receivables:	
128	Fraud recovery	1,469,565
128.1	Allowance for doubtful accounts - Fraud	(1,049,060)
120	Total receivables	<u>420,505</u>
142	Prepaid expenses and other assets	523
150	Total current assets	<u>3,776,097</u>
290	Total assets	<u><u>\$ 3,776,097</u></u>
	Liabilities:	
	Current liabilities:	
312	Accounts payable <= 90 days	\$ 4,797
322	Accrued compensated absences - current portion	16,700
331	Accounts payable - HUD PHA Programs	6,201
333	Accounts Payable - Other Government	16,767
342	Deferred revenue	420,505
345	Other current liabilities	5,044
310	Total current liabilities	<u>470,014</u>
300	Total liabilities	<u>470,014</u>
	Equity:	
508.3	Nonspendable Fund Balance	523
509.3	Restricted Fund Balance	414,418
512.3	Unassigned fund balance	<u>2,891,142</u>
513	Total equity/net assets	<u>3,306,083</u>
600	Total liabilities and equity/net assets	<u><u>\$ 3,776,097</u></u>

See independent auditor's report.

**CITY OF PENSACOLA, FLORIDA
FINANCIAL DATA SCHEDULE
SECTION 8 HOUSING CHOICE VOUCHERS PROGRAM
CATALOGUE OF FEDERAL DOMESTIC ASSISTANCE NUMBER 14.871
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Line Item #	Account Description	Amount
	Revenues	
	Other revenue:	
70600	HUD PHA Operating Grants	\$ 16,666,844
71100	Investment Income - unrestricted	59,914
71400	Fraud Recovery	29,635
71500	Other revenue	213,801
71600	Gain or loss on sale of capital assets	0
72000	Investment Income - restricted	500
700	Total revenues	<u>16,970,694</u>
	Expenses	
91100	Administrative salaries	657,682
91200	Auditing fees	35,000
91500	Employee benefit contributions - administrative	419,402
91810	Allocated Overhead	85,000
91900	Other operating - administrative	3,164
93100	Water	686
93200	Electricity	8,532
93300	Gas	373
93600	Sewer	974
93800	Other utilities expense	534
94200	Maintenance and operations - materials and other	217,870
94300	Maintenance and operations - contracts	71,175
96110	Property insurance	6,285
96120	Liability insurance	0
96200	Other general expenses	438
96210	Compensated absences	16,701
96900	Total operating expenses	<u>1,523,816</u>
97000	Excess operating revenue over operating expenses	<u>15,446,878</u>
	Other expenses:	
97300	Housing Assistance Payments	15,109,189
97350	HAP Portability-In	210,259
97600	Capital outlays - governmental funds	7,395
90000	Total expenses	<u>16,850,659</u>
10000	Excess (deficiency) of total revenue over (under) total expenses	<u>\$ 120,035</u>
11030	Beginning Equity	\$ 3,186,048
11170	Administrative Fee Equity	\$ 2,891,665
11180	Housing Assistance Payments Equity	\$ 414,418
11190	Unit Months Available	29,682
11210	Number of Unit Months Leased	27,420

See independent auditor's report.



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City of Pensacola

AUDIT RESULTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018





- This Year's Audit Results
- Other Audit Matters
- Major Estimates and Judgments

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 February 1, 2019
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 regards 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 federal program, state project 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: ▪ CFDA No. 14.871 – U.S. Department of Housing and Urban Development – Section 8 Housing Choice Vouchers Program ▪ CFDA No. 14.218 – U.S. Department of Housing and Urban Development – Community Development Block/Entitlement Grants ▪ CFDA No. 20.205 – U.S. Department of Transportation – Highway Planning and Construction ▪ State Projects: ▪ CSFA No. 55.004 – Department of Transportation – Aviation Development Grant ▪ CSFA No. 55.032 – Department of Transportation – Economic Development Transportation Fund	

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 dated February 1, 2019.

Other Audit Matters

Changes in Accounting Policies

- During fiscal year 2018, the City adopted Government Accounting Standards Board's (GASB) Statement No. 75, *Accounting and Financial Reporting for Postretirement Benefits Other than Pensions*.

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.

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.

Major Estimates and Judgments

Certain aspects of accounting are more qualitative and require more judgment and estimation by management. The following items represent the more significant qualitative areas:

- Reserve for doubtful accounts receivable
- Reserve for doubtful loans receivable
- Decisions over what to capitalize, useful lives of depreciable assets and losses on such assets not yet realized
- Measurement of the actuarial obligations for the pension plans, other post-employment benefit plans and self-insurance plan

We have assessed these areas in considering the overall fairness and completeness of the financial statements taken as a whole.

Financial Condition Assessment Overview

Listing of Financial Indicators
FY 2018

Financial Condition Assessment Overview

The Financial Condition Assessment has been completed by the City's Financial Services Department staff and reviewed by independent auditors. Financial condition refers to a local government's ability to provide services at the level and quality that are required for the health, safety, and welfare of the community, and that its citizens desire. Below is the summary of the fiscal year 2018 Financial Condition Assessment for the City of Pensacola.

Beginning in fiscal year 2001, the Florida State Statutes and the Auditor General required a Financial Condition Assessment be performed as part of the annual audit. The assessment consists of 29 financial indicators expressed as ratios and trends. The evaluation of each financial indicator consists of a five-year trend analysis based on the City's historical financial information and a comparison of City financial data to a benchmark grouping. For each of the 29 financial indicators, the trend analysis and the benchmark comparison are rated as favorable, unfavorable or inconclusive based on criteria from the Auditor General. The summary of the results of the financial indicator ratings determines the government's Financial Condition Assessment overall rating.

Financial Condition

Assessment Overview (Continued)

In fiscal year 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*. GASB Statement No. 68 ushers in two substantial changes. The first is each government that offers defined pension benefits to its employees will be required to report on the face of its financial statements the unfunded pension obligation (the “Net Pension Liability”). In the past, the Net Pension Liability was shown in the notes to the financial statements only.

The second substantial change ushered in by GASB Statement No. 68 is that each local government participating in defined benefit cost-sharing multiple-employer pension plan(s), such as the Florida Retirement System (FRS), will be required to report on the face of its financial statements their proportionate share of the “collective” Net Pension Liability. In the past, governments did not directly report information about their proportionate share of these pension obligations. Instead, governments only reported a liability to the extent that they failed to make their required contributions.

Financial Condition

Assessment Overview (Continued)

In fiscal year 2018, the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than pensions. GASB Statement No. 75 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”). In the past, the Total OPEB Liability report on the face of the financial statements represented only the unfunded annual required contributions since implementation of GASB Statement No. 45 in fiscal year 2008.

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 governmental fund-level statements are not affected by this pronouncement which use a modified-accrual basis of accounting.

Financial Condition

Assessment Overview (Continued)

It is also important to point out that Financial Indicator No. 3 compares unassigned and assigned fund balance to total expenditures which is a contradiction of the Government Finance Officers Association's (GFOA) Best Practice recommendation for a government to maintain in its general fund unrestricted fund balance no less than two months of general fund operating expenditures. Unrestricted fund balance would include unassigned, assigned and committed. Based on the GFOA Best Practices recommendation, the City's meets the requirement.

The City of Pensacola's overall rating is inconclusive which means "leading to no conclusion or definite result" for fiscal year 2018. The City of Pensacola's rating has been inconclusive for fifteen of the last seventeen fiscal years.

The primary focus of the assessment is to determine if the City is either in a deteriorating financial condition or in a state of financial emergency. The City is in neither position and continues to maintain a stable outlook.

Financial Condition Assessment Overview

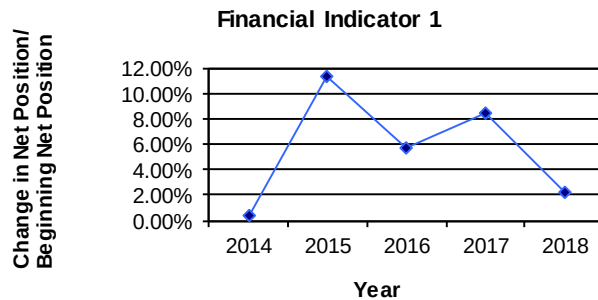
	<u>Fiscal Year 2018</u>		<u>Fiscal Year 2017</u>		<u>Fiscal Year 2016</u>	
Favorable	35%	9	23%	6	35%	9
Unfavorable	23%	6	54%	14	46%	12
Inconclusive	42%	11	23%	6	19%	5
Total Applicable	<u>100%</u>	<u>26</u>	<u>100%</u>	<u>26</u>	<u>100%</u>	<u>26</u>
N/A		3		3		3
Total		<u>29</u>		<u>29</u>		<u>29</u>
Overall Rating	Inconclusive		Inconclusive		Inconclusive	

The Mayor, City Council and management are responsible for monitoring financial condition. While the five-year trend indicates an inconclusive position, the Chief Financial Officer has stated that the City is in good financial condition. This will continue as long as the City budget is structured so that on-going revenues will fund on-going expenditures and departments operate within their appropriations.

The *Financial Condition Assessment Overview* has also been provided. Please contact Richard Barker, Jr., Chief Financial Officer, for questions regarding the assessment. 366

Financial Indicator 1

Change in Net Position / Beginning Net Position

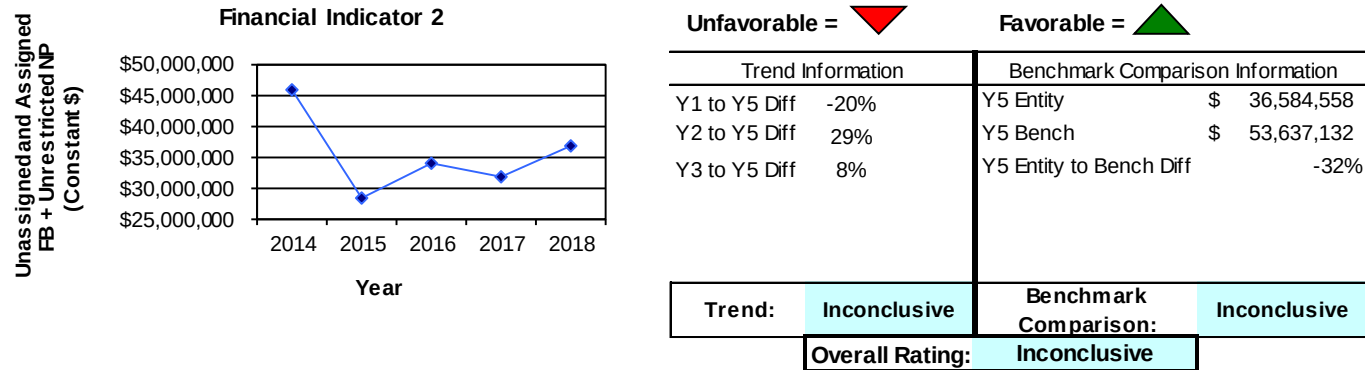


Unfavorable = ▼		Favorable = ▲	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	485%	Y5 Entity	2.22%
Y2 to Y5 Diff	-81%	Y5 Bench	3.55%
Y3 to Y5 Diff	-61%	Y5 Entity to Bench Diff	-37%
Trend: Favorable		Benchmark Comparison: Inconclusive	
Overall Rating: Favorable			

- Governmental Activities.
- Decreasing results over time indicate that financial position is weaker as a result of resource flow.
- The rating is favorable as the change in net position has increased since 2014. The volatility in the trend data is due to the fluctuation of the annual change in net position. The recognition of actuarial determined pension expenses related to GASB Statement No. 68 and special one time items such as the recognition of the British Petroleum settlement proceeds in 2015 and the New Market Tax Credit unwind in 2017 are the primary causes of these ups and downs. Removing these fluctuations from the calculation, the City's trend has been relatively consistent from year to year. 367

Financial Indicator 2

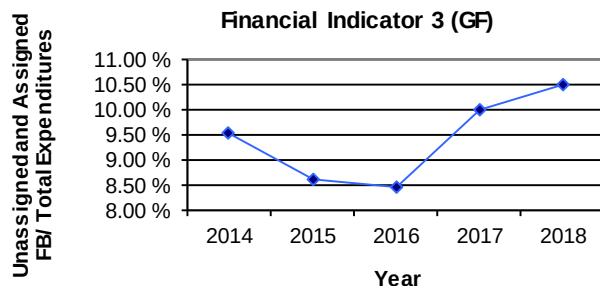
Unassigned and Assigned FB + Unrestricted NP



- General, Debt Service, Capital Projects, Enterprise and Internal Service Funds.
- Amounts in constant dollars (adjusted for inflation).
- Declining results may indicate difficulty maintaining a stable tax and revenue structure and/or adequate levels of service. Deficits may indicate a financial emergency.
- The rating is inconclusive due to an inconsistent trend over the past three years. The sharp decline in 2015 was a result of a \$17.3 million decrease in the enterprise and internal service funds unrestricted net position primary attributable to the recognition of \$23.5 million in prior year unfunded pension obligations which was offset with 368 \$1.6 million in reduced pension cost due to the implementation of GASB Statement No. 68.

Financial Indicator 3 (GF)

Unassigned and Assigned FB/Total Expenditures



Unfavorable = ▼

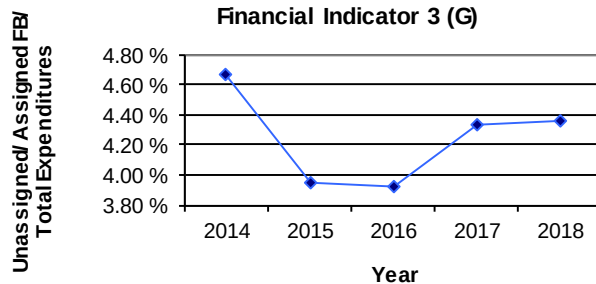
Favorable = ▲

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	10%	Y5 Entity	10.50%
Y2 to Y5 Diff	22%	Y5 Bench	39.33%
Y3 to Y5 Diff	24%	Y5 Entity to Bench Diff	-73%
Trend: Favorable		Benchmark Comparison: Unfavorable	
Overall Rating: Inconclusive			

- General Fund.
- Percentages decreasing over time may indicate unstructured budgets that could lead to future budgetary problems even if current fund balance is positive.
- The rating is inconclusive as the City's general fund unassigned and assigned fund balance is below that of similar municipalities. This is likely due to the amount set aside for Council Reserves. Since Council Reserves is considered a committed fund balance, it is not taken into account in this indicator. Had the amount for Council Reserves been taken into consideration the factor would have been favorable due to the trend increase over the past few years.

Financial Indicator 3 (G)

Unrestricted FB/Total Expenditures

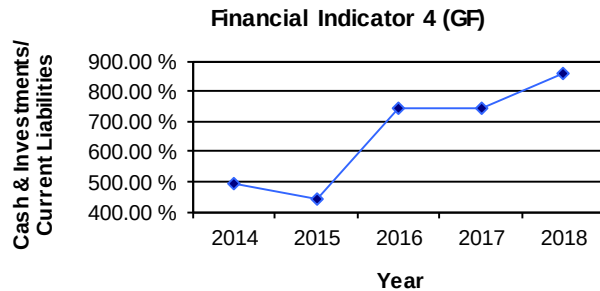


Unfavorable = ▼		Favorable = ▲	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	-7%	Y5 Entity	4.36%
Y2 to Y5 Diff	11%	Y5 Bench	39.18%
Y3 to Y5 Diff	11%	Y5 Entity to Bench Diff	-89%
Trend:	Favorable	Benchmark Comparison:	Unfavorable
Overall Rating:		Inconclusive	

- General, Special Revenue, Debt Service and Capital Project Funds.
- Percentages decreasing over time may indicate unstructured budgets that could lead to future budgetary problems even if current fund balance is positive.
- The rating is inconclusive as the City's governmental funds are below that of similar municipalities. Council Reserves (mentioned in the prior slide) is the likely cause. In prior years the use of future Local Option Sales Tax revenues to fund current projects resulted in a negative unassigned fund balance which negatively impacted the indicator.

Financial Indicator 4 (GF)

Cash and Investments/Current Liabilities



Unfavorable = ▼

Favorable = ▲

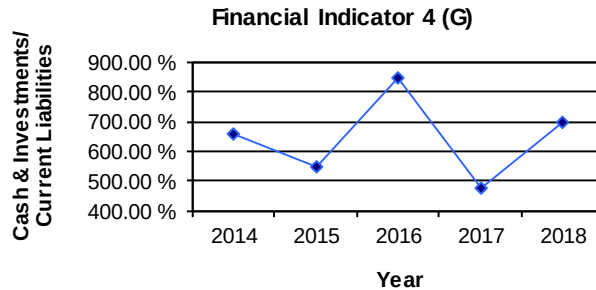
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	73%	Y5 Entity	857.04%
Y2 to Y5 Diff	94%	Y5 Bench	967.42%
Y3 to Y5 Diff	16%	Y5 Entity to Bench Diff	-11%
Trend: Favorable		Benchmark Comparison: Inconclusive	
Overall Rating: Favorable			

- General Fund.
- Percentages decreasing over time may indicate difficulty raising cash needed to meet current needs or that the government has overextended itself in the long run.
- The rating is favorable due to an increase in the trend rating over the past three years. In 2016 the indicator increased due to decreases in wages and benefits payable. Changes in liabilities have an adverse effect on the indicator. In 2017 and 2018 the indicator increased due to increased cash as a result of revenue collections exceeding expectations and expenditures coming in under original budgeted amounts.

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Financial Indicator 4 (G)

Cash and Investments/Current Liabilities

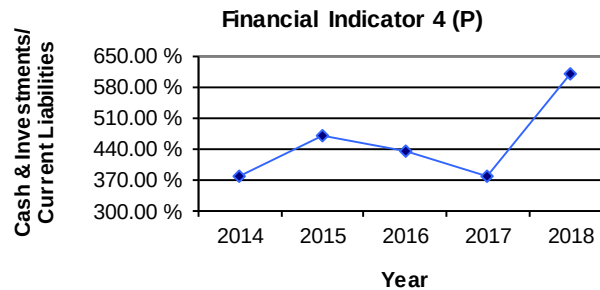


Unfavorable = ▼		Favorable = ▲	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	6%	Y5 Entity	694.90%
Y2 to Y5 Diff	27%	Y5 Bench	1067.55%
Y3 to Y5 Diff	-18%	Y5 Entity to Bench Diff	-35%
Trend: Inconclusive		Benchmark Comparison:	Inconclusive
Overall Rating:		Inconclusive	

- General, Special Revenue, Debt Service and Capital Project Funds.
- Percentages decreasing over time may indicate difficulty raising cash needed to meet current needs or that the government has overextended itself in the long run.
- The rating is inconclusive due to an inconsistent trend over the past three years. Changes in liabilities have an adverse effect on the indicator. In 2016 the indicator increased due to decreases in wages and benefits payable and contracts payable. In 2017 the indicator decreased due to increases in vouchers and contracts payable. In 2018 the indicator increased due to decreases in vouchers and contracts payable. The fluctuation in vouchers and contracts payable is a direct result of construction projects in the City's capital project funds.

Financial Indicator 4 (P)

Cash and Investments/Current Liabilities



Unfavorable = 		Favorable = 	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	61%	Y5 Entity	609.15%
Y2 to Y5 Diff	30%	Y5 Bench	377.08%
Y3 to Y5 Diff	40%	Y5 Entity to Bench Diff	62%
Trend: Favorable		Benchmark Comparison: Favorable	
Overall Rating: Favorable			

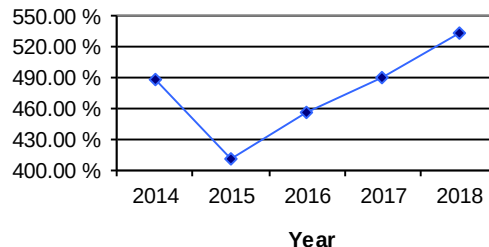
- Proprietary Funds (Enterprise and Internal Service Funds).
- Percentages decreasing over time may indicate difficulty raising cash needed to meet current needs or that the government has overextended itself in the long run.
- The rating is favorable due to decreases in liabilities since 2014. Changes in liabilities have an adverse effect on the indicator. The primary reason for the increase in 2018 was due to decreases in contracts payable as a direct result of decreased construction projects at the Airport related to the completion of the VT Mobile Aerospace and Engineering, Inc. maintenance, repair and overhaul expansion.

Financial Indicator 5 (G)

Cash and Investments/(Total Expenditures/12)

Cash & Investments/
(Total Expenditures/12)

Financial Indicator 5 (G)



Unfavorable = ▼

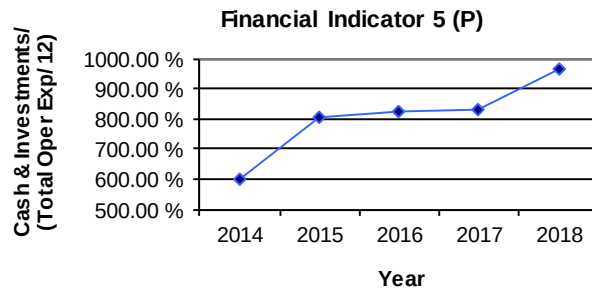
Favorable = ▲

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	9%	Y5 Entity	532.47%
Y2 to Y5 Diff	30%	Y5 Bench	730.99%
Y3 to Y5 Diff	17%	Y5 Entity to Bench Diff	-27%
Trend: Favorable		Benchmark Comparison: Inconclusive	
Overall Rating: Favorable			

- General, Special Revenue, Debt Service and Capital Projects Funds.
- Percentages decreasing over time may indicate difficulty raising cash needed to meet current needs or that the government has overextended itself in the long run.
- The rating is favorable due to an increase in cash over the past three fiscal years.
 - In 2016 cash and investments increased while expenditures decreased slightly. The increases in cash and investments are attributable to increased cash set aside to pay future debt service payments on the Local Option Gas Tax Revenue Bond, Series 2016.
 - In 2017 and 2018 cash and investments increased and expenditures increased slightly. The increases in cash and investments are primarily due to increased cash in the Local Option Sales Tax Capital Fund. With the issuance of the Infrastructure Sales Surtax Revenue Bond, Series 2017 on October 18, 2017 the majority of the funding for Local Option Sales Tax projects has been shifted out of the Local Option Sales Tax Capital Fund and is being paid for out of bond proceeds.

Financial Indicator 5 (P)

Cash and Investments/(Total Operating Expense/12)

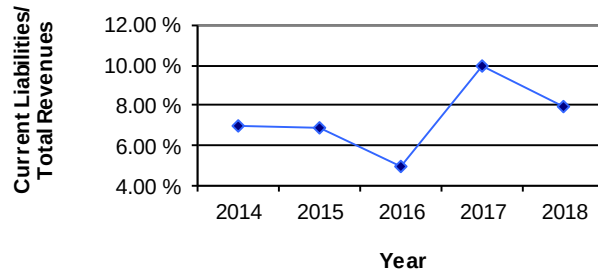


Unfavorable = ▼		Favorable = ▲	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	61%	Y5 Entity	963.92%
Y2 to Y5 Diff	19%	Y5 Bench	1201.93%
Y3 to Y5 Diff	17%	Y5 Entity to Bench Diff	-20%
Trend: Favorable		Benchmark Comparison: Inconclusive	
Overall Rating: Favorable			

- Proprietary Funds (Enterprise and Internal Service Funds).
- Percentages decreasing over time may indicate difficulty raising cash needed to meet current needs or that the government has overextended itself in the long run.
- The favorable rating is due to the increase in cash over the past three fiscal years. The increase is based on increased cash and investments in the Utility Fund and Airport Fund as a result of operations.

Financial Indicator 6 (G)

Current Liabilities/Total Revenue



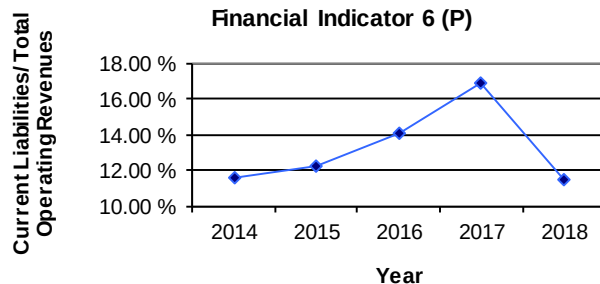
Unfavorable = ▲		Favorable = ▼	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	15%	Y5 Entity	7.98%
Y2 to Y5 Diff	15%	Y5 Bench	7.09%
Y3 to Y5 Diff	61%	Y5 Entity to Bench Diff	13%
Trend: Inconclusive		Benchmark Comparison: Inconclusive	
Overall Rating: Inconclusive			

- General, Special Revenue, Debt Service and Capital Projects Funds.
- Increasing results may indicate liquidity problems, deficit spending or both.
- The rating is inconclusive due to an inconsistent trend over the past three years. Changes in liabilities have a direct effect on the indicator. In 2016 the indicator decreased due to decreases in wages and benefits payable. In 2017 the indicator increased due to increases in vouchers and contracts payable. In 2018 the indicator decreased due to decreases in vouchers and contracts payable. The fluctuation in vouchers and contracts payable is a direct result of construction projects in the City's capital project funds.

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Financial Indicator 6 (P)

Current Liabilities/Total Operating Revenue



Unfavorable = ▲

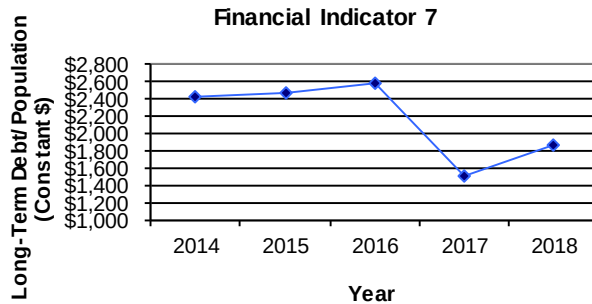
Favorable = ▼

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	-1%	Y5 Entity	11.49%
Y2 to Y5 Diff	-6%	Y5 Bench	17.80%
Y3 to Y5 Diff	-18%	Y5 Entity to Bench Diff	-35%
Trend:	Inconclusive	Benchmark Comparison:	Inconclusive
	Overall Rating:	Inconclusive	

- Proprietary Funds (Enterprise and Internal Service Funds).
- Increasing results may indicate liquidity problems, deficit spending or both.
- The rating is inconclusive due to an inconsistent trend over the past three years. Changes in liabilities have a direct effect on the indicator. The primary reason for the decrease in 2018 was due to decreases in contracts payable as a direct result of decreased construction projects at the Airport related to the completion of the VT Mobile Aerospace and Engineering, Inc. maintenance, repair and overhaul expansion.

Financial Indicator 7 (G)

LT Debt/Population



Unfavorable = ▲

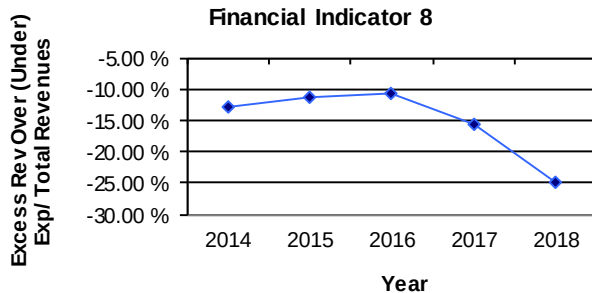
Favorable = ▼

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	-23%	Y5 Entity	\$ 1,863
Y2 to Y5 Diff	-24%	Y5 Bench	\$ 531
Y3 to Y5 Diff	-28%	Y5 Entity to Bench Diff	251%
Trend: Inconclusive		Benchmark Comparison:	Unfavorable
Overall Rating:		Unfavorable	

- General, Debt Service and Capital Projects Funds.
- LT Debt amount in constant dollars.
- Percentages increasing over time may indicate a decreasing level of flexibility in how resources are allocated or decreasing ability to pay long-term debt.
- The rating is unfavorable as the City's governmental funds are above that of similar municipalities. This is likely due to the City's Redevelopment Revenue Bonds that pledge Tax Increment Financing revenues which is not included in all municipalities. The decrease in 2017 is a result of a write-off of the Community Maritime Park Associates' (CMPA) \$54.1 million in long-term debt due to the unwind of the New Market Tax Credit transaction and the dissolution of the CMPA.

Financial Indicator 8 (G)

Excess Revenue Over (Under) Exp/Total Revenue



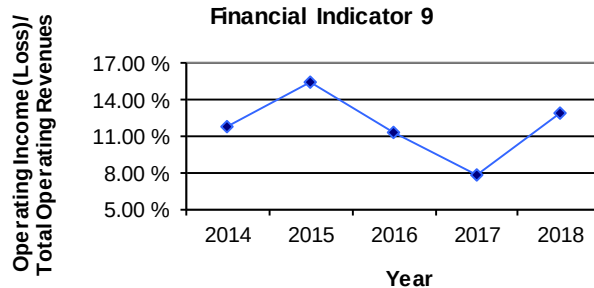
Unfavorable = ▼		Favorable = ▲	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	-97%	Y5 Entity	-25.01%
Y2 to Y5 Diff	-124%	Y5 Bench	-6.18%
Y3 to Y5 Diff	-134%	Y5 Entity to Bench Diff	-305%
Trend:	Unfavorable	Benchmark Comparison:	Unfavorable
Overall Rating:		Unfavorable	

- General, Special Revenue, Debt Service and Capital Projects Funds.
- Decreasing surpluses and/or increasing deficits may indicate that current revenues are not supporting current expenditures.
- The rating is unfavorable due to an increase in capital expenditures over the past three fiscal years which were funded with bond proceeds. Bond proceeds are not included in the revenue calculation used in this financial indicator; therefore, any year in which bond proceeds are spent will have a negative impact on the indicator. The last three years include bond proceeds spent from the Local Option Gas Tax Revenue Bond, Series 2016, the Infrastructure Sales Surtax Revenue Bond, Series 2017 and the three Redevelopment Revenue Bonds, Series 2017.

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Financial Indicator 9 (P)

Operating Income (Loss)/Total Operating Revenue



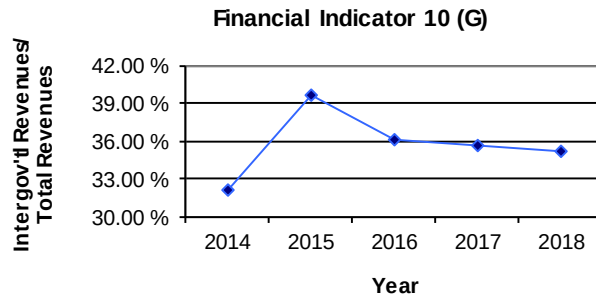
Unfavorable = ▼		Favorable = ▲	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	9%	Y5 Entity	12.87%
Y2 to Y5 Diff	-17%	Y5 Bench	14.50%
Y3 to Y5 Diff	14%	Y5 Entity to Bench Diff	-11%
Trend:	Inconclusive	Benchmark Comparison:	Inconclusive
Overall Rating:		Inconclusive	

- Proprietary Funds (Enterprise and Internal Service Funds).
- Decreasing income and/or increasing losses may indicate that current revenues are not supporting current expenses.
- The rating is inconclusive due to an inconsistent trend over the past three years. In 2016 and 2017, the Utility Fund focused on cutting and capping dormant gas lines older than five years resulting in a decrease in operating income. The indicator moved in a favorable position in 2018 due to a decrease in expense related to the cut and cap multi-year project as well as an increase in the Utility Fund's 2018 infrastructure cost recovery revenue.

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Financial Indicator 10 (G)

Intergovernmental Revenue/Total Revenue



Unfavorable = ▲

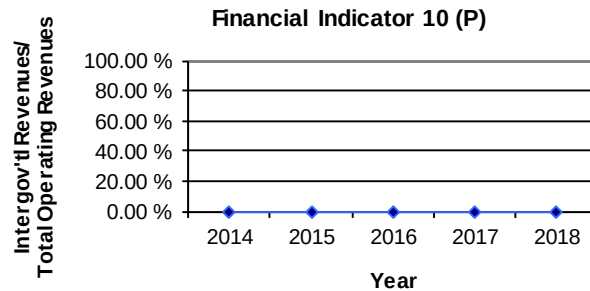
Favorable = ▼

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	9%	Y5 Entity	35.08%
Y2 to Y5 Diff	-11%	Y5 Bench	24.21%
Y3 to Y5 Diff	-3%	Y5 Entity to Bench Diff	45%
Trend: Favorable		Benchmark Comparison: Inconclusive	
Overall Rating: Favorable			

- General, Special Revenue, Debt Service and Capital Projects Funds.
- Percentages increasing over time indicate a greater risk due to increased dependence on outside revenues.
- The favorable rating is due to the decrease in intergovernmental revenues as compared to total revenues over the past three fiscal years. The 2015 increase is attributed to increases in intergovernmental revenue related to the Section 8 Housing Assistance funding levels and reimbursements in the Natural Disaster Fund. The 2016 and 2018 decrease is attributed to decreases in intergovernmental revenue in the Natural Disaster Fund and Special Grant Fund.

Financial Indicator 10 (P)

Intergovernmental Revenue/Total Operating Revenue

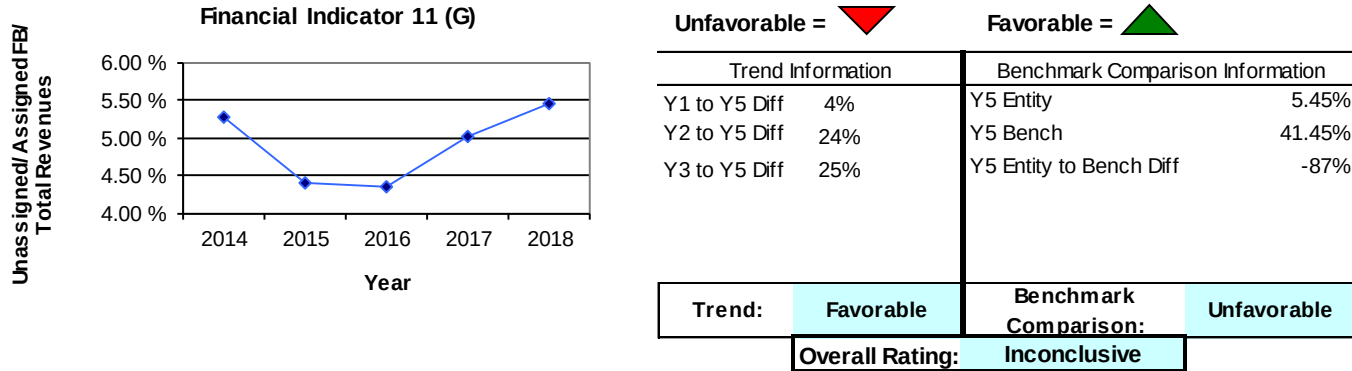


Unfavorable = 		Favorable = 	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff		Y5 Entity	0.00%
Y2 to Y5 Diff		Y5 Bench	0.00%
Y3 to Y5 Diff		Y5 Entity to Bench Diff	
Trend:		Benchmark Comparison:	
Overall Rating:		N/A	

- Proprietary funds (Enterprise and Internal Service Funds) collect no intergovernmental revenue, therefore, the financial indicator is not applicable.

Financial Indicator 11 (G)

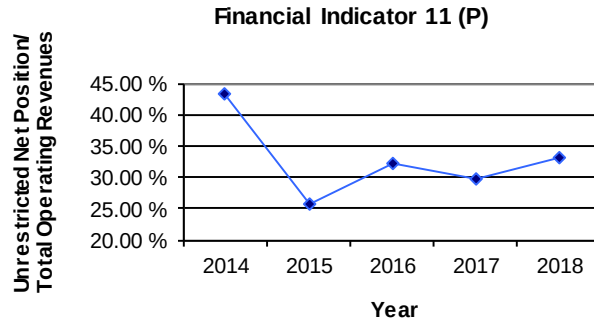
Unassigned/Assigned FB/Total Revenue



- General, Debt Service and Capital Projects Funds.
- Decreasing results may indicate a reduction in the ability to withstand financial emergencies and/or ability to fund capital purchases without having to borrow.
- The rating is inconclusive as the City's governmental funds are below that of similar municipalities. Council Reserves (mentioned in Financial Indicator 3GF) is the likely cause.

Financial Indicator 11 (P)

Unrestricted NP/Total Operating Revenue



Unfavorable = ▼

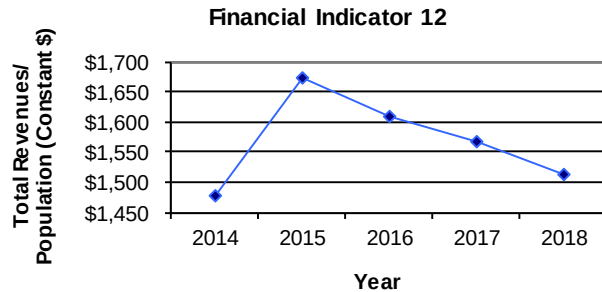
Favorable = ▲

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	-24%	Y5 Entity	33.10%
Y2 to Y5 Diff	29%	Y5 Bench	92.71%
Y3 to Y5 Diff	3%	Y5 Entity to Bench Diff	-64%
Trend: Inconclusive		Benchmark Comparison: Unfavorable	
Overall Rating: Unfavorable			

- Proprietary Funds (Enterprise and Internal Service Funds).
- Decreasing results may indicate a reduction in the ability to withstand financial emergencies and/or ability to fund capital purchases without having to borrow.
- The rating is unfavorable as the City's proprietary funds are below that of similar municipalities. The sharp decline in 2015 was a result of a \$17.3 million decrease in the Enterprise and Internal Service Funds unrestricted net position primary attributable to the recognition of \$23.5 million in prior year unfunded pension obligations which was offset with \$1.6 million in reduced pension cost due to the implementation of GASB Statement No. 68.

Financial Indicator 12 (G)

Total Revenue/Population

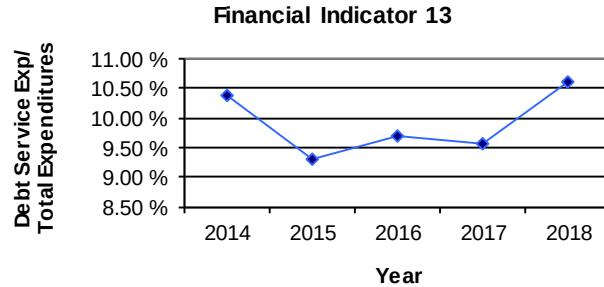


Unfavorable = ▼		Favorable = ▲	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	2%	Y5 Entity	\$ 1,512
Y2 to Y5 Diff	-10%	Y5 Bench	\$ 999
Y3 to Y5 Diff	-6%	Y5 Entity to Bench Diff	51%
Trend: Inconclusive		Benchmark Comparison:	Favorable
Overall Rating:		Favorable	

- General, Special Revenue, Debt Service and Capital Projects Funds.
- Revenue amount in constant dollars.
- Decreasing results indicate that the government may be unable to maintain existing service levels with current revenue sources.
- The favorable rating is more related to the benchmark than the City itself as the trend data is inconclusive due to the trend results being under ten percent. This is likely due to the City's federally funded housing program which is not included in all municipalities. The 2015 increase in revenue is attributable to the increased Section 8 Housing Assistance funding levels and reimbursements related to the Natural Disaster Fund.

Financial Indicator 13 (G)

Debt Service/Total Expenditures

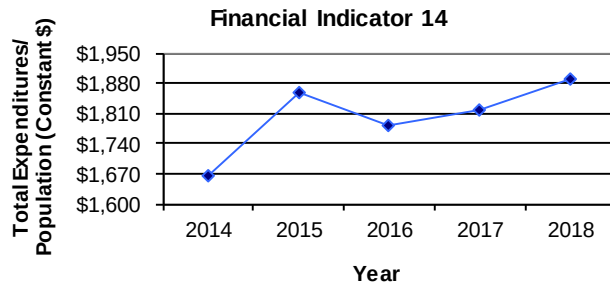


Unfavorable = ▲		Favorable = ▼	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	2%	Y5 Entity	10.61%
Y2 to Y5 Diff	14%	Y5 Bench	4.86%
Y3 to Y5 Diff	10%	Y5 Entity to Bench Diff	118%
Trend:	Inconclusive	Benchmark Comparison:	Unfavorable
Overall Rating:		Unfavorable	

- General, Debt Service and Capital Projects Funds.
- Percentages increasing over time may indicate declining flexibility in responding to economic changes.
- The rating is unfavorable as the City's debt service to total expenditures is above that of similar municipalities. This is likely due to the debt service on the City's Redevelopment Revenue Bonds that pledge Tax Increment Financing revenues which is not included in all municipalities.

Financial Indicator 14 (G)

Total Expenditures/Population



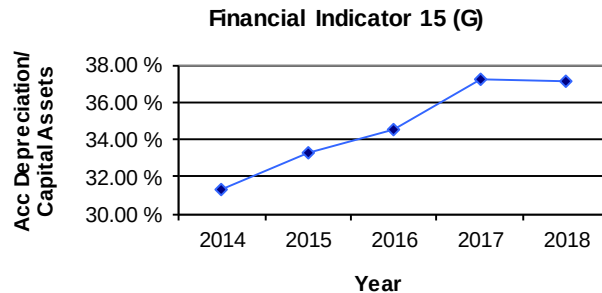
Unfavorable = ▲		Favorable = ▼	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	14%	Y5 Entity	\$ 1,890
Y2 to Y5 Diff	2%	Y5 Bench	\$ 1,048
Y3 to Y5 Diff	6%	Y5 Entity to Bench Diff	80%
Trend:	Unfavorable	Benchmark Comparison:	Unfavorable
Overall Rating:		Unfavorable	

- General, Special Revenue, Debt Service and Capital Projects Funds.
- Expenditures in constant dollars.
- Increasing results may indicate that the cost of providing services is outstripping the government's ability to pay (i.e., the local government may be unable to maintain services at current levels).
- The rating is unfavorable due to an increase in capital expenditures over the past three fiscal years which were funded with bond proceeds. The last three years include bond proceeds spent from the Local Option Gas Tax Revenue Bond, Series 2016, the Infrastructure Sales Surtax Revenue Bond, Series 2017 and the three Redevelopment Revenue Bonds, Series 2017. Until bond proceed spending starts to decline, the capital expenditures paid from the bond proceeds will have a negative impact on this indicator.

387

Financial Indicator 15 (G)

Accumulated Depreciation/Capital Assets



Unfavorable = ▲

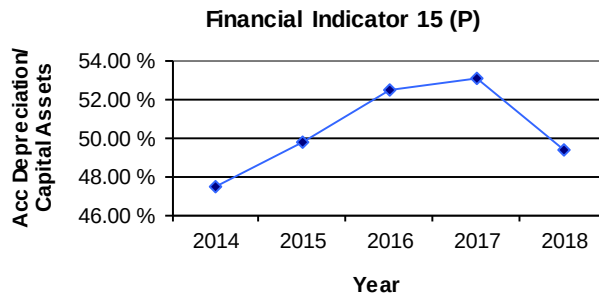
Favorable = ▼

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	19%	Y5 Entity	37.12%
Y2 to Y5 Diff	12%	Y5 Bench	43.86%
Y3 to Y5 Diff	8%	Y5 Entity to Bench Diff	-15%
Trend: Unfavorable		Benchmark Comparison: Inconclusive	
Overall Rating: Unfavorable			

- Governmental activities.
- Increasing results may indicate that a local government is not systematically investing in capital assets which may indicate increasing deferred replacement or maintenance cost.
- The unfavorable rating is due to increases in accumulated depreciation over the past few years which were greater than the increases in capital assets. With the increase in the capital outlay in the capital projects funds, this number should improve over the next few fiscal years.

Financial Indicator 15 (P)

Accumulated Depreciation/Capital Assets



Unfavorable = ▲

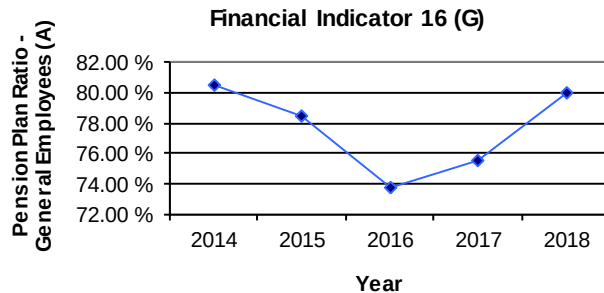
Favorable = ▼

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	4%	Y5 Entity	49.32%
Y2 to Y5 Diff	-1%	Y5 Bench	40.44%
Y3 to Y5 Diff	-6%	Y5 Entity to Bench Diff	22%
Trend: Inconclusive		Benchmark Comparison: Inconclusive	
Overall Rating: Inconclusive			

- Business-type activities.
- Increasing results may indicate that a local government is not systematically investing in capital assets which may indicate increasing deferred replacement or maintenance cost.
- The rating is inconclusive due to an inconsistent trend over the past three years and the trend results being under ten percent. The decrease in 2018 was due to the \$40+ million completion of the VT Mobile Aerospace and Engineering, Inc. maintenance, repair and overhaul expansion at the Pensacola International Airport.

Financial Indicator 16 (G)

Pension Plan Funded Ratio



Unfavorable = ▼

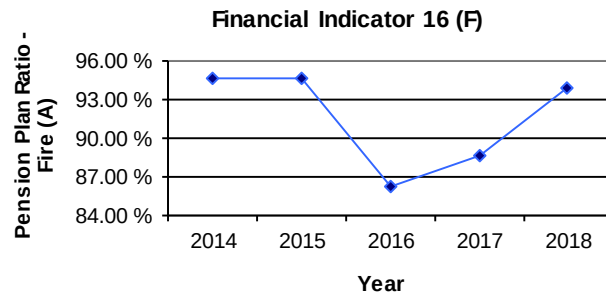
Favorable = ▲

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	-1%	Y5 Entity	80.00%
Y2 to Y5 Diff	2%	Y5 Bench	83.89%
Y3 to Y5 Diff	9%	Y5 Entity to Bench Diff	-5%
Trend: Inconclusive		Benchmark Comparison: Inconclusive	
Overall Rating: Inconclusive			

- General employees.
- Declining results may indicate that the pension plan may not be adequately funded, which may indicate an increasing burden on the tax base.
- While the trend has been favorable over the past three years, the rating is inconclusive due to the trend results being under ten percent. Funding percentages are heavily influenced by market trends.

Financial Indicator 16 (F)

Pension Plan Funded Ratio

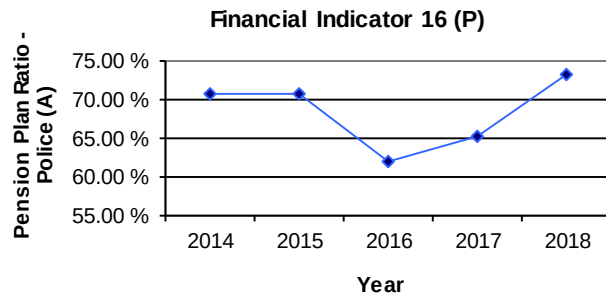


Unfavorable = ▼		Favorable = ▲	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	-1%	Y5 Entity	93.82%
Y2 to Y5 Diff	-1%	Y5 Bench	86.54%
Y3 to Y5 Diff	9%	Y5 Entity to Bench Diff	8%
Trend:	Inconclusive	Benchmark Comparison:	Inconclusive
Overall Rating:		Inconclusive	

- Firefighters.
- Declining results may indicate that the pension plan may not be adequately funded, which may indicate an increasing burden on the tax base.
- While the trend has been favorable over the past three years, the rating is inconclusive due to the trend results being under ten percent. Funding percentages are heavily influenced by market trends.

Financial Indicator 16 (P)

Pension Plan Funded Ratio



Unfavorable = ▼

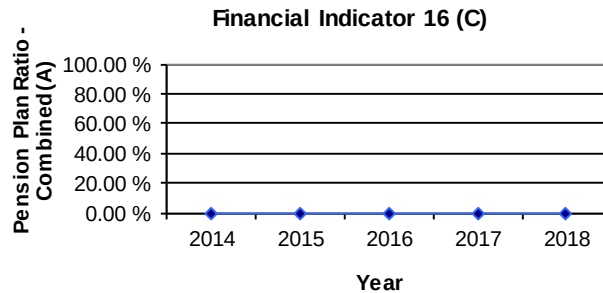
Favorable = ▲

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	4%	Y5 Entity	73.14%
Y2 to Y5 Diff	4%	Y5 Bench	83.62%
Y3 to Y5 Diff	18%	Y5 Entity to Bench Diff	-13%
Trend:	Favorable	Benchmark Comparison:	Inconclusive
Overall Rating:		Favorable	

- Police Officers.
- Declining results may indicate that the pension plan may not be adequately funded, which may indicate an increasing burden on the tax base.
- The rating is favorable due to the increased trend over the past three years. Funding percentages are heavily influenced by market trends.

Financial Indicator 16 (C)

Pension Plan Funded Ratio - Combined



Unfavorable = ▼

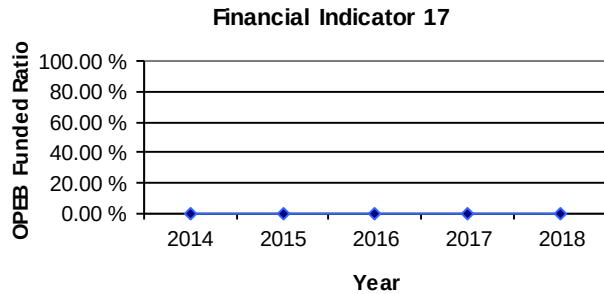
Favorable = ▲

Trend Information	Benchmark Comparison Information
Y1 to Y5 Diff	Y5 Entity
Y2 to Y5 Diff	Y5 Bench 0.00%
Y3 to Y5 Diff	Y5 Entity to Bench Diff
Trend:	Benchmark Comparison:
Overall Rating: N/A	

- The City has separate pension plans for General, Fire and Police employees instead of one combined Plan, therefore, the financial indicator is not applicable.

Financial Indicator 17

OPEB Funded Ratio

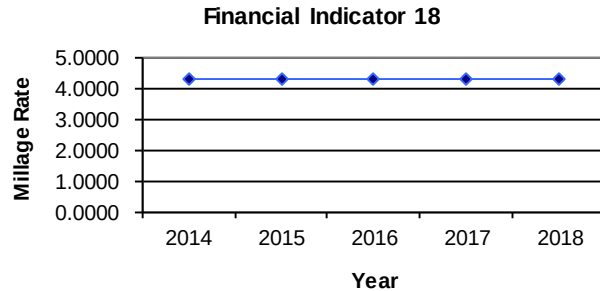


Unfavorable = 		Favorable = 	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff		Y5 Entity	
Y2 to Y5 Diff		Y5 Bench	0.00%
Y3 to Y5 Diff		Y5 Entity to Bench Diff	
Trend:		Benchmark Comparison:	
Overall Rating:		N/A	

- The City does not intend to fund the actuarial liability, therefore, the financial indicator is not applicable. Note that none of the entities in the benchmark grouping reported a rating under this indicator.

Financial Indicator 18

Millage Rate



Unfavorable = 		Favorable = 	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	0%	< 5.0000	Low
Y2 to Y5 Diff	0%	5.0000 - 9.4999	Medium
Y3 to Y5 Diff	0%	9.5000 +	High
		Y5 Entity	4.2895
Trend:	Inconclusive	Benchmark Comparison:	Favorable
Overall Rating:		Favorable	

- Millage rates approaching the statutory limit which is 10 mills, may indicate a reduced ability to raise additional funds when needed.
- The favorable rating stems from the City's millage rate being below 6 mills.

Recap of Financial Indicators

	<u>Fiscal Year 2018</u>	
Favorable	35%	9
Unfavorable	23%	6
Inconclusive	42%	11
Total Applicable	<u>100%</u>	26
N/A		3
Total		<u>29</u>
Overall Rating	Inconclusive	



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 2019-10

City Council

2/28/2019

LEGISLATIVE ACTION ITEM

SPONSOR: City Council Member Jewel Cannada-Wynn

SUBJECT:

RESOLUTION NO. 2019-10 - GEORGIA BLACKMON

RECOMMENDATION:

That City Council adopt Resolution No. 2019-10:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA, HONORING AND COMMENDING MRS. GEORGIA BLACKMON FOR HER DEDICATION TO PRESERVE HISTORY, RESTORE THE ELLA JORDAN HOME, AND PROMOTE COMMUNITY AND CULTURAL HERITAGE THROUGH EDUCATIONAL PROGRAMS AND ACTIVITIES SPONSORED BY THE GATHERING AWARENESS BOOKSTORE AND THE MOTHER WIT INSTITUTE, INC.

HEARING REQUIRED: No Hearing Required

SUMMARY:

Mrs. Georgia Blackmon has been dedicated to the preservation of history, the restoration of the Ella Jordan Home and the promotion of community and cultural heritage through Educational Programs and activities sponsored by the Gathering Awareness Bookstore as well as through the Mother Wit Institute, Inc.

Mrs. Blackmon established the Gathering Awareness Bookstore in 1989 to enhance, stimulate and promote small and minority business interests in Pensacola and has worked for over 29 years in sponsoring many community literary, cultural, educational and networking programs.

As the founder and President of the Mother Wit Institute, Inc., Mrs. Blackmon has been instrumental in promoting African American culture and heritage. As part of this endeavor and through the Mother Wit Institute, Inc., Mrs. Blackmon has been instrumental in the restoration of the historic Ella Jordan Home, as she took the leadership role to raise funds and promote the preservation and restoration of this historic house.

This Resolution represents the City Council's desire to honor and commend Mrs. Blackmon for her leadership and devotion to the community of Pensacola.

397

PRIOR ACTION:

None

FUNDING:

N/A

FINANCIAL IMPACT:

None

STAFF CONTACT:

Don Kraher, Council Executive

ATTACHMENTS:

- 1) Resolution No. 2019-10

PRESENTATION: No

RESOLUTION

NO. 2019-10

A RESOLUTION
TO BE ENTITLED:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA, HONORING AND COMMENDING MRS. GEORGIA BLACKMON FOR HER DEDICATION TO PRESERVE HISTORY, RESTORE THE ELLA JORDAN HOME, AND PROMOTE COMMUNITY AND CULTURAL HERITAGE THROUGH EDUCATIONAL PROGRAMS AND ACTIVITIES SPONSORED BY THE GATHERING AWARENESS BOOK-STORE AND THE MOTHER WIT INSTITUTE, INC.

WHEREAS, Mrs. Georgia Blackmon established The Gathering Awareness Bookstore in October 1989 to enhance, stimulate and promote small and minority business interests in the Pensacola community and has diligently worked for over twenty-nine years to sponsor many community literary, cultural, educational, and networking programs; and

WHEREAS, as the founder and President of the Mother Wit Institute, Inc., Mrs. Georgia Blackmon has been instrumental in promoting African American culture and heritage and is committed to creating programs to support and enrich the lives of many throughout the Pensacola community; and

WHEREAS, one of the major undertakings of the Mother Wit Institute, Inc. is the restoration and preservation of the historic Ella Jordan Home, once home to the Pensacola Chapter of the Federation of Colored Women's Club, near the Belmont – DeVilliers neighborhood; and

WHEREAS, recognizing the historical significance of the Ella Jordan Home, Mrs. Georgia Blackmon took the leadership role to raise funds and promote the preservation and restoration of this historic house through the Mother Wit Institute, Inc.; and

WHEREAS, the City Council of the City of Pensacola wishes to recognize and commend Mrs. Georgia Blackmon for her leadership and devotion to restoring and preserving the Ella Jordan Home so that it once again can serve as an important social and educational community building that will continue the legacy for future generations; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA:

Section 1. That the City Council of the City of Pensacola, Florida does hereby recognize and commend

MRS. GEORGIA BLACKMON

for her outstanding work and involvement in the preservation and restoration of the Ella Jordan Home and for her many contributions to promote cultural awareness in the Pensacola community.

Section 2. That a copy of this Resolution be presented to Mrs. Georgia Blackmon, with the admiration, respect and gratitude of the City Council of the City of Pensacola.

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



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 19-00103

City Council

2/28/2019

LEGISLATIVE ACTION ITEM

SPONSOR: City Council President Andy Terhaar

SUBJECT:

APPOINTMENT - ENVIRONMENTAL ADVISORY BOARD (EAB)

RECOMMENDATION:

That City Council appoint a city resident to the Environmental Advisory Board (EAB) to fill an unexpired term ending March 1, 2020.

HEARING REQUIRED: No Hearing Required

SUMMARY:

The Environmental Advisory Board may review and make recommendations to the City Council and Mayor on environmental policy issues as follows:

- (1) Proposed ordinances and codes of an environmental nature.
- (2) Proposed changes to existing environmental ordinances and codes.
- (3) Other environmental matters affecting the city referred to the Board by the City Council and Mayor.
- (4) Other environmental matters affecting the City that are initiated by the Board and approved by the City Council and/or Mayor.

The Board shall be composed of nine (9) members appointed by the City Council: Five (5) members who are employed or retired environmental professionals, or members of local environmental organizations or businesses with an interest in City environmental issues. To the extent practicable, members will be residents or property owners of the City. Four (4) at-large members who are residents or property owners of the City.

The following have been nominated by City Council:

Nominee

Katie Fox

Alexander Kozmon

Nominated By

Moore

Hill

PRIOR ACTION:

401

City Council appoints members to the EAB on a biennial basis.

FUNDING:

Budget: N/A

Actual: N/A

FINANCIAL IMPACT:

None.

STAFF CONTACT:

Ericka L. Burnett, City Clerk

ATTACHMENTS:

- 1) Member List
- 2) Nomination Form - Katie Fox
- 3) Application of Interest - Katie Fox
- 4) Nomination Form - Alexander Kozmon
- 5) Application of Interest - Alexander Kozmon
- 6) Resume - Alexander Kozmon

PRESENTATION: No

Environmental Advisory Board

Name	Profession	Appointed By	No. of Terms	Year	Exp Date	First Appointed	Term Length	Comments
Avant, Ph.D, Calvin	Environmental Group	Council	0	2018	3/1/2020	7/13/2017	2	
Bennett, Robert R.	At-large/City Resident	Council	0	2018	3/1/2020	4/12/2018	2	
Butts, William "Blase"	Employed Env Professional	Council	0	2018	3/1/2020	4/12/2018	2	
Elliott, Steven	Employed Env Professional	Council	1	2018	3/1/2020	3/17/2016	2	
Horning, Ph.D, Gloria G.	Member of Business Org	Council	0	2018	3/1/2020	3/8/2018	2	
Kopytchak, Kyle	At-Large	Council	3	2018	3/1/2020	7/18/2013	2	
Lynch, Michael	Employed Env Professional	Council	2	2018	3/1/2020	9/25/2014	2	
Richards, Neil	At-large	Council	2	2018	3/1/2020	2/28/2014	2	
VACANT, VACANT	At-Large/City Resident	Council	0	2018	3/1/2020	3/17/2016	2	

Term Length: TWO YEAR TERMS

The Environmental Advisory Board may review and make recommendations to the City Council and Mayor on environmental policy issues as follows:

- (1) Proposed ordinances and codes of an environmental nature.
- (2) Proposed changes to existing environmental ordinances and codes.
- (3) Other environmental matters affecting the city referred to the Board by the City Council and Mayor.
- (4) Other environmental matters affecting the City that are initiated by the Board and approved by the City Council and/or Mayor.

The Board shall be composed of nine (9) members appointed by the City Council: Five (5) members who are employed or retired environmental professionals, or members of local environmental organizations or businesses with an interest in City environmental issues. To the extent practicable, members will be residents or property owners of the City. Four (4) at-large members who are residents or property owners of the City.

CITY OF PENSACOLA, FLORIDA

NOMINATION FORM

I, Tared Moore, do nominate Katie Fox
(Nominee)
3525 Dunfries Rd (850) 516-8910
(Home Address) (Phone)
1120 N. 12th Ave.
(Business Address) (Phone)
Kfox@geosyntec.com City Resident: ☒ YES NO
(Email Address) Property Owner within the City: ☒ YES NO

for appointment by the City Council for the position of:

AT-LARGE MEMBER

WHO IS A CITY RESIDENT OR PROPERTY OWNER OF THE CITY

Provide a brief description of nominee's qualifications:

Mrs Fox has experience and expertise relative to
subject matter addressed by this board. She also
demonstrates a collaborative demeanor and respect of
her peers to ensure constructive and efficient meetings.

Tared Moore
City Council Member

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: Tuesday, November 13, 2018 1:39 PM
To: Ericka Burnett; Robyn Tice
Subject: Online Form Submittal: Application for Boards, Authorities, and Commissions - City Council Appointment

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	Katie Fox
------	-----------

Home Address	3525 Dunfries Road, Pensacola, FL 32503
--------------	---

Business Address	1120 N. 12th Ave, Pensacola FL 32501
------------------	--------------------------------------

To which address do you prefer we send correspondence regarding this application?	<i>Field not completed.</i>
---	-----------------------------

Preferred Contact Phone Number(s)	8505168910
-----------------------------------	------------

Email Address	kfox@geosyntec.com
---------------	--

Upload Resume (optional)	<i>Field not completed.</i>
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(Section Break)

Details

Are you a City resident?	Yes
If yes, which district?	<i>Field not completed.</i>
If yes, how long have you been a City resident?	29
Do you own property within the City limits?	Yes
Are you a registered voter in the city?	Yes
Board(s) of interest:	Environmental Advisory Board
Please list the reasons for your interest in this position:	Looking to participate in and contribute to my community on topics that are meaningful to me and my work.
Do you currently serve on a board?	No
If yes, which board(s)?	<i>Field not completed.</i>
Do you currently hold a public office?	No
If so, what office?	<i>Field not completed.</i>
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, FLORIDA

NOMINATION FORM

I, Ann Hill, do nominate Alexander Kozmon
(Nominee)

2320 N. 14th Ave 32503 850-438-6177
(Home Address) (Phone)

— —
(Business Address) (Phone)

vankoz1@live.com City Resident: ☒ YES NO
(Email Address) Property Owner within the City: ☒ YES NO

for appointment by the City Council for the position of:

AT-LARGE MEMBER

WHO IS A CITY RESIDENT OR PROPERTY OWNER OF THE CITY

- 1 - Life-long conservationist and environmentalist
- 2 - Commitment to personal and societal environmental stewardship
- 3 - Seeks to work toward a functional balance between development and the environment
- 4 - Desires to work on strengthening municipal environmental ordinances
- 5 - Believes in the importance of citizen participation in government

Ann Hill
City Council Member

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
Ericka L. Burnett, City Clerk

Ericka Burnett

From: noreply@civicplus.com
Sent: Monday, August 20, 2018 3:40 PM
To: Ericka Burnett; Robyn Tice
Subject: Online Form Submittal: Application for Boards, Authorities, and Commissions - City Council Appointment

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.

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(Section Break)

Personal Information

Name	Alexander Kozmon
------	------------------

Home Address	2320 North 14th Avenue, Pensacola 32503
--------------	---

Business Address	<i>Field not completed.</i>
------------------	-----------------------------

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

Preferred Contact Phone Number(s)	438-6177
-----------------------------------	----------

Email Address	vankoz1@live.com
---------------	--

Upload Resume (optional)	Kozmon Resume 082018.pdf
--------------------------	--

(Section Break)

Details

Are you a City resident?	Yes
If yes, which district?	5
If yes, how long have you been a City resident?	8 years
Do you own property within the City limits?	Yes
Are you a registered voter in the city?	Yes
Board(s) of interest:	Environmental Advisory Board
Please list the reasons for your interest in this position:	1 - Life-long conservationist and environmentalist 2 - Commitment to personal and societal environmental stewardship 3 - Seek to work towards a functional balance between development and the environment 4 - Desire to work on strengthening municipal environmental ordinances 5 - Believe in the importance of citizen participation in government
Do you currently serve on a board?	No
If yes, which board(s)?	<i>Field not completed.</i>
Do you currently hold a public office?	No
If so, what office?	<i>Field not completed.</i>
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	Male
Race	Caucasian
Physically Disabled	No

(Section Break)

Acknowledgement of
Terms

I accept these terms.

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

Alexander F. Kozmon

2320 North 14th Avenue, Pensacola, Florida 32503
Telephone (850)438-6177

OBJECTIVE

To utilize my professional development and education to improve an organization's ability to provide to its internal and external clientele.

PROFESSIONAL SUMMARY

Accomplished 20 year career with the Connecticut Department of Mental Health and Addiction Services Public Safety Division, serving in supervisory positions since 1998, and as a Commanding Officer since 2000. I was responsible for the public safety of a large healthcare institution complex which included working with collective bargaining contracts, recruitment and interviewing candidates, preparing improvement plans and discipline, identifying trends and problems, proposing solutions, and implementing changes in direction.

PROFESSIONAL EXPERIENCE

Emergency Room Technician II, West Florida Healthcare, October 2010

Assist nursing and medical staff with the triage and care of medically ill patients. May provide initial contact with new patients, pre-registering them for emergency room treatment; identify appropriate sites and begin intravenous access, draw blood and collect other specimens for laboratory testing; assist nursing staff with wound care and splinting; monitor patients conditions; perform EKG testing; recognize changes in patient condition and respond to life threatening situations; assist with training new employees; accept leadership and special projects necessary to further the development or to enhance ED services. Serve as lead trainer for new employees and preceptor for Emergency Medical Technician students.

Customer Service Representative, West Florida Healthcare, August 2010

Work with ER staff and patients to promote effective communication, expedite the patient flow, and resolve concerns and conflicts, assist staff in meeting corporate goals and expectations, educate patients and families on the ER process with a focus on improving patient relations and satisfaction.

Emergency Room Technician II, West Florida Healthcare, March 2009

Assist nursing and medical staff with the triage and care of medically ill patients. May provide initial contact with new patients, pre-registering them for emergency room treatment; identify appropriate sites and begin intravenous access, draw blood and collect other specimens for laboratory testing; assist nursing staff with wound care and splinting, monitor patients conditions, perform EKG testing, recognize changes in patient condition and respond to life threatening situations.

Police Lieutenant, State of Connecticut, DMHAS, May 2000

Commanding Officer of the Department of Mental Health and Addiction Services Police at the Connecticut Valley Hospital. Directed the supervision of the unit with duties including interviewing and recommending for hire sworn and non-sworn candidates; monitored performance and designed, implemented and monitored performance improvement plans; recommended employees for discipline within departmental guidelines; interpreted collective bargaining contracts, prepared departmental answers to grievances, and assisted with or represented department during grievance hearings; reviewed activity, identified needs, and provided input into the development and implementation of appropriate policing programs, policy and procedure, community based policing programs, and the professional development of employees; identified, developed and coordinated capital projects; monitored and controlled overtime and operating costs; supervised departmental

training, attendance reviews and disciplinary issues; consultant to administrative and clinical staff on identified safety, security or workplace violence issues.

Police Sergeant, State of Connecticut, DMHAS, April 1998

Assigned as the supervisor of the Department's Communication Division at the Connecticut Valley Hospital. Responsibilities included supervision of communications staff, including training, attendance review, sick time review, and discipline; liaison with outside contractors and facility staff with respect to access control design and administration; developed operating guidelines for the division; provided 24 hour administrative call back; supervised Police Officers in the patrol division; performed the duties of the Lieutenant and Master Sergeant in their absence.

EDUCATION

Master of Science, Eastern Connecticut State University, 2003, Organizational Management program

Police Officer certification, Connecticut Police Academy, 1989

Bachelor of Arts, Central Connecticut State University, 1986, major course of study in Environmental Geography, minor in Biology and concentration in Psychology

Emergency Medical Technician certification, Connecticut Department of Public Health, 1985

Emergency Medical Technician certification, Florida Department of Health, 2009

PROFESSIONAL AFFILIATION

Law Enforcement Executive Development Association, 2006

International Association of Chiefs of Police, 2003 - 2007

CIVIC ORGANIZATIONS

Pensacola Police Department Honor Guard Bagpiper, 2018

University of Florida/IFAS Extension Master Gardener Program President, 2017 - Present

University of Florida/IFAS Extension Master Gardener Program, 2014 - Present

RECOGNITION

2010 West Florida Hospital Clinical Excellence Award, Support Services

PERSONAL

References provided upon request



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 2019-07

City Council

2/28/2019

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

RESOLUTION NO. 2019-07 - AUTHORIZING THE EXECUTION OF A FLORIDA BEAUTIFICATION GRANT, LANDSCAPE CONSTRUCTION, AND MAINTENANCE MEMORANDUM OF AGREEMENT WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION

RECOMMENDATION:

That City Council adopt Resolution No. 2019-07.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PENSACOLA AUTHORIZING THE EXECUTION OF A FLORIDA BEAUTIFICATION GRANT, LANDSCAPE CONSTRUCTION, AND MAINTENANCE MEMORANDUM OF AGREEMENT WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION

HEARING REQUIRED: No Hearing Required

SUMMARY:

The FDOT Beautification Grant offers funding in the amount of up to \$100,000 for landscape improvements to state transportation facilities, such as Garden Street, with a suggested fifty-percent (50%) local match. On September 10, 2018 and September 13, 2018, the Community Redevelopment Agency (CRA) and City Council respectively authorized the CRA to apply for and accept a Florida Department of Transportation (FDOT) Beautification Grant to provide landscape improvements to Garden Street from Alcaniz Street to North "A" Street.

The CRA has been awarded funding in the amount of \$98,800 with an estimated \$91,975 CRA match, however, a second resolution authorizing execution of the grant agreement is required to secure the funding and initiate the project. A copy of the resolution and agreement is attached. A separate resolution will be presented to both the CRA and City Council appropriating the grant funds.

PRIOR ACTION:

August 6, 2018 - The CRA adopted Resolution No. 2018-01 CRA adopting a budget for the fiscal year beginning October 1, 2018.

September 10, 2018 - The CRA adopted Resolution No. 2018-03 CRA authorizing the CRA to apply for and accept an FDOT Beautification Grant for landscape improvements to Garden Street.

September 13, 2018 - City Council adopted Resolution No. 18-43 authorizing the CRA to apply for and accept an FDOT Beautification Grant for landscape improvements to Garden Street.

September 19, 2018 - City Council adopted Resolution No. 18-40 adopting the Fiscal Year 2019 Budget.

FUNDING:

Budget:	\$ 98,800	FDOT Beautification Grant
	70,000	CRA Fund - Garden Street Improvements
	13,300	CRA Fund - Landscape Maintenance Operating
	8,675	CRA Fund
	<u>\$ 190,775</u>	

Actual:	\$ 114,800	Plant Materials (Estimated)
	25,000	Irrigation System (Estimated)
	19,000	Design Fee (Estimated)
	14,000	Establishment Period Costs (Estimated)
	10,000	Tree & Shrub Removal (Estimated)
	7,975	Miscellaneous (Estimated)
	<u>\$ 190,775</u>	

FINANCIAL IMPACT:

Funds have been appropriated in the Fiscal Year 2019 CRA Budget. A separate supplemental budget resolution has been submitted to allocate the grant funds.

CITY ATTORNEY REVIEW: Yes

1/31/2019

STAFF CONTACT:

Christopher L. Holley, City Administrator
M. Helen Gibson, AICP, CRA Administrator
Victoria D'Angelo, Assistant CRA Administrator

ATTACHMENTS:

- 1) Resolution No. 2019-04
- 2) FDOT Beautification Grant Agreement

PRESENTATION: No

RESOLUTION NO. 2019-07

TO BE ENTITLED:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PENSACOLA AUTHORIZING THE EXECUTION OF A FLORIDA BEAUTIFICATION GRANT, LANDSCAPE CONSTRUCTION, AND MAINTENANCE MEMORANDUM OF AGREEMENT WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION

WHEREAS, the Florida Department of Transportation offers a competitive grant program, known as the “FDOT Beautification Grant Program,” for the beautification of state transportation facilities through landscape improvements; and

WHEREAS, the City Council of the City of Pensacola has an interest in constructing landscape improvements within the Garden Street corridor to support revitalization in accordance with the City’s adopted Urban Core Community Redevelopment Area Plan; and

WHEREAS, in order that these improvements may be constructed to the fullest extent, the City of Pensacola Community Redevelopment Agency has applied for and has been awarded a Beautification Grant;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA THAT:

Section 1. The City Council of the City of Pensacola hereby authorizes the Mayor to execute, and take all actions necessary to effectuate the provisions of, a Beautification Grant Agreement, Landscape Construction and Maintenance Memorandum of Agreement with the Florida Department of Transportation.

Section 2. This Resolution shall take effect upon the fifth day after adoption, unless otherwise provided pursuant to Section 4.03(d) of the City Charter of the City of Pensacola, Florida.

Adopted: _____

Approved: _____
President of City Council

ATTEST:

City Clerk

**FLORIDA BEAUTIFICATION GRANT,
LANDSCAPE CONSTRUCTION, AND MAINTENANCE
MEMORANDUM OF AGREEMENT**

Contract : G1391

This Grant, Landscape Construction, and Maintenance Memorandum of Agreement ("**AGREEMENT**"), is made and entered into this _____ day of _____, 2019, by and between the STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION ("**DEPARTMENT**"), and THE CITY OF PENSACOLA CRA, a political subdivision of the State of Florida, existing under the Laws of Florida ("**AGENCY**"). The **DEPARTMENT** and the **AGENCY** are sometimes referred to in this **AGREEMENT** as a "Party" and collectively as the "Parties."

WITNESSETH

WHEREAS, the **DEPARTMENT** is authorized under Sections 334.044 and 339.2405, Florida Statutes, to enter into this **AGREEMENT**.

WHEREAS, the **DEPARTMENT** has jurisdiction over and maintains State Road 30 (Garden Street) as part of the State Highway System; and

WHEREAS, the **AGENCY** seeks to install and maintain certain landscaping within the unpaved areas within the right of way of State Road 30 (Business 98/ Garden Street) from A Street to Alcaniz Street under Financial Project Number 435178-2-74-01 ("**PROJECT**"); and

WHEREAS, the **DEPARTMENT** agrees that landscaping should be installed and maintained as proposed by **AGENCY** and has, through the Florida Beautification Grant Application process, awarded **AGENCY** a beautification grant for installing such landscaping; and

WHEREAS, the Parties hereto mutually recognize the need for entering into an **AGREEMENT** designating and setting forth the responsibilities of each Party; and

WHEREAS, **AGENCY**, by Resolution No. _____ dated _____, and attached hereto as Exhibit "A," has accepted said grant and authorized its officers to execute this **AGREEMENT** on its behalf.

NOW THEREFORE, for and in consideration of the mutual benefits to flow each to the other, the Parties covenant and agree as follows:

1. The **AGENCY** hereby agrees to install or cause to be installed landscaping on the highway facility as specified in the Landscape Plan(s) included as Exhibit "B." Such installation shall be pursuant to Rule 14-40.003, Florida Administrative Code, as it may be amended from time to time. The **AGENCY** shall not change or deviate from said plan(s) without written approval of the **DEPARTMENT**.

The **AGENCY** agrees to maintain the landscaping within the median and areas outside the travel way within the right of way pursuant to the Landscape Maintenance Plan(s) included as Exhibit "C", and Rule 14-40.003, Florida Administrative Code, as it may be amended from time to time. The above named functions to be performed by the **AGENCY**, shall be subject to periodic inspections by the **DEPARTMENT**. The **AGENCY** shall not change or deviate from said plan(s) without written approval of the **DEPARTMENT**.

3. All landscape installation and maintenance activities undertaken by **AGENCY** shall be pursuant to the Work Zone Traffic Control Plan(s) included as Exhibit "D", and Rule 14-40.003, Florida Administrative Code, as well as all other applicable laws (federal, state and local statutes, rules and regulations, ordinances, zoning, and permitting requirements). The **AGENCY** shall be responsible for locating all existing utilities, both aerial and underground, and for ensuring that all

utility locations be accurately documented on the Landscape Plans. All utility conflicts shall be fully resolved directly with the applicable utility. Section 337.403, Florida Statutes, shall determine whether the utility bears the costs of utility work. The **AGENCY** shall bear the costs of utility work not required to be borne by the utility by Section 337.403, Florida Statutes. Prior to commencing any field activity on the **PROJECT**, the **AGENCY** shall notify all utilities of its work schedule enabling facilities to be field located and marked to avoid damage. The **AGENCY** shall be responsible for monitoring construction operations and the maintenance of traffic ("MOT") throughout the course of the **PROJECT** in accordance with the latest edition of the Department's Standard Specifications for Road and Bridge Construction, Section 102. The **AGENCY** is responsible for the development of a MOT plan and making any changes to that plan as necessary. The MOT plan shall be in accordance with the latest version of the Department's Design Standards, Index 600 series. Any MOT plan developed by the **AGENCY** that deviates from the Department's Design Standards must be signed and sealed by a professional engineer. MOT plans will require approval by the **DEPARTMENT** prior to implementation. The **AGENCY** shall have a Worksite Traffic Supervisor certified in Advanced Maintenance of Traffic to supervise set-up and operation of MOT devices at the site of the construction or maintenance activity. Prior to proceeding with construction, the **AGENCY** shall provide the **DEPARTMENT** with the Worksite Traffic Supervisor's certification.

4. The **AGENCY** is responsible for obtaining all permits that may be required by any federal, state, or local agency.
5. Prior to commencing the **PROJECT**, the **AGENCY** shall request a Notice to Proceed from the **DEPARTMENT** by emailing: Ms. Dustie Moss, at dustie.mossdot.state.fl.us, or from an appointed designee.
6. The **AGENCY** is authorized, subject to the conditions in this **AGREEMENT**, to enter the **DEPARTMENT'S** right-of-way to construct and maintain the **PROJECT**. The Parties agree that this **AGREEMENT** creates a permissive use only. Neither the granting of permission to use the **DEPARTMENT'S** right-of-way nor the placing of facilities upon the **DEPARTMENT'S** right-of-way shall operate to create or vest any property right in or to the **AGENCY**. The **AGENCY** shall not acquire any right, title, interest, or estate in the **DEPARTMENT'S** right-of-way, of any nature or kind whatsoever, by virtue of the execution, operation, effect, or performance of this **AGREEMENT**, including, but not limited to, the **AGENCY'S** use, occupancy or possession of the **DEPARTMENT'S** right-of-way.
7. The **DEPARTMENT** shall have the right, but not the obligation, to perform independent assurance testing during the course of construction and throughout the maintenance term of the **PROJECT**. If the **DEPARTMENT** determines that a condition exists which threatens the public's safety, or interferes with the **DEPARTMENT'S** operation of the roadway, the **DEPARTMENT** may, at its discretion, cause the **PROJECT** to cease and/or immediately have any potential hazards removed from its right-of-way at the sole cost, expense, and effort of the **AGENCY**.
8. The **AGENCY** shall notify the **DEPARTMENT** a minimum of forty eight (48) hours before beginning the **PROJECT** within the **DEPARTMENT'S** right-of-way. The **AGENCY** shall notify the **DEPARTMENT** should construction be suspended for more than five (5) working days.
9. Upon completion of construction, the **AGENCY** and its contractors shall remove their presence, including, but not limited to, all of the **AGENCY** or its contractor's / subcontractor's / consultant's / subconsultant's property, machinery, and equipment from the **DEPARTMENT'S** right-of-way and shall restore those portions of the **DEPARTMENT'S** right-of-way disturbed or otherwise altered by the **PROJECT** to substantially the same condition that existed immediately prior to the commencement of the **PROJECT**, at the **AGENCY'S** sole cost and expense. The **AGENCY** shall notify the **DEPARTMENT** in writing that construction is complete. For all design work that originally required certification by a Professional Engineer or Landscape Architect, the notification shall contain a Responsible Professional's Certification of Compliance, signed and sealed by the Responsible Professional for the **PROJECT**. If the **DEPARTMENT** determines that the

construction is completed in accordance with the provisions of this **AGREEMENT**, the **DEPARTMENT** should issue a letter of final completion of construction to the **AGENCY** noting that it has fully met with the terms and conditions of this **AGREEMENT**.

10. If at any time after the **AGENCY** has assumed the landscaping installation or maintenance responsibility above-mentioned, it shall come to the attention of the **DEPARTMENT** that the limits or a part thereof is not properly installed or maintained pursuant to the terms of this **AGREEMENT**, the District Secretary or his designee may issue a written notice that a deficiency or deficiencies exist(s), by sending a certified letter to the **AGENCY** to place said **AGENCY** on notice thereof. Thereafter the **AGENCY** shall have a period of thirty (30) calendar days within which to correct the cited deficiencies. If said deficiencies are not corrected within this time period, the **DEPARTMENT** may at its option, proceed as follows:
 - a. If installation is not completed pursuant to the terms of this **AGREEMENT**, the **DEPARTMENT** may complete the installation, with **DEPARTMENT** or Contractor's personnel, and deduct the reasonable cost thereof from the money otherwise due the **AGENCY** under this **AGREEMENT**.
 - b. If installation has been properly completed or if the **DEPARTMENT** elects not to complete the landscaping under (a) above, and maintenance by **AGENCY** is not in compliance with the terms of this **AGREEMENT**, the **DEPARTMENT** may take action to maintain the landscaping or a part thereof, with **DEPARTMENT** or Contractor's personnel and invoice the **AGENCY** for expenses incurred, or
 - c. The **DEPARTMENT** may terminate the **AGREEMENT**, in which case the **AGENCY** shall at its own expense and within sixty (60) days after written notice by the **DEPARTMENT**, remove all of the landscaping that the **DEPARTMENT** directs be removed and return the right-of-way to its original condition. The **AGENCY** will own such materials as it removes and the **DEPARTMENT** shall own any materials remaining. The **DEPARTMENT** may, in its discretion, remove, relocate or adjust the landscaping materials, with the **AGENCY** being responsible for the cost of any removal.

Upon **DEPARTMENT** action under one of the above options and upon direction of the **DEPARTMENT**, **AGENCY** shall cease installation and maintenance activities under this **AGREEMENT**.

11. It is understood between the Parties hereto that the landscaping covered by this **AGREEMENT** may be removed, relocated or adjusted by the **DEPARTMENT** at any time in the future as determined to be necessary by the **DEPARTMENT** in order that the state road be widened, altered or otherwise changed to meet with future criteria or planning of the **DEPARTMENT**. The **AGENCY** shall be given sixty (60) calendar days' notice to remove said landscaping after which time the **DEPARTMENT** may remove the same.
12. **AGENCY** may utilize its employees or third parties to accomplish its obligations under paragraphs 1-9; however, **AGENCY** remains responsible for proper performance under this **AGREEMENT** and shall take all steps necessary to ensure that its employees or third parties perform as required under this **AGREEMENT**.
13. The **DEPARTMENT** hereby agrees that, upon satisfaction of the conditions of paragraphs 14 and 15 of this **AGREEMENT**, the **DEPARTMENT** will pay the **AGENCY** the amount of **NINETY EIGHT THOUSAND AND EIGHT HUNDRED DOLLARS AND 00/100 CENTS (\$98,800.00)** as a grant pursuant to Section 339.2405(11), Florida Statutes. For purposes of this provision, the cost of such installation may only include costs which are allowed by Section 339.2405(11), Florida Statutes.
14. Payment shall be made to the **AGENCY** by the **DEPARTMENT** under the following conditions.

- a. This **AGREEMENT** has not been terminated.
- b. Written certification of the completion of the installation and acceptance by the **AGENCY** is provided to the **DEPARTMENT**.
- c. The Beautification Grant Coordinator has inspected and issued written approval of the work or has issued a written waiver of its inspection rights pursuant to this **AGREEMENT**.
- d. A **DEPARTMENT** Landscape Architect has inspected the work and has issued a written determination that the **AGENCY** has completed the installation of the landscaping pursuant to the terms of this **AGREEMENT**. Payment shall be made only after receipt and approval of goods and services unless advance payments are authorized by the Chief Financial Officer of the State of Florida under Chapters 215 and 216, F.S. If the **DEPARTMENT** determines that the performance of the **AGENCY** is unsatisfactory, the **DEPARTMENT** shall notify the **AGENCY** of the deficiency to be corrected, which correction shall be made within a time-frame to be specified by the **DEPARTMENT**. The **AGENCY** shall, within five days after notice from the **DEPARTMENT**, provide the **DEPARTMENT** with a corrective action plan describing how the **AGENCY** will address all issues of contract non-performance, unacceptable performance, failure to meet the minimum performance levels, deliverable deficiencies, or contract noncompliance. If the corrective action plan is unacceptable to the **DEPARTMENT**, the **AGENCY** shall be assessed a non-performance retainage equivalent to 10% of the total invoice amount. The retainage shall be applied to the invoice for the current billing period. The retainage shall be withheld until the **AGENCY** resolves the deficiency. If the deficiency is subsequently resolved, the **AGENCY** may bill the **DEPARTMENT** for the retained amount during the next billing period. If the **AGENCY** is unable to resolve the deficiency, the funds retained will be forfeited at the end of the **AGREEMENT'S** term.

15. Payment under paragraph 13 of this **AGREEMENT** is also subject to the following conditions.

- a. Proof of receipt and approval of goods and services must be available upon request by the **DEPARTMENT** or the State Comptroller pursuant to Section 215.42, Florida Statutes.
- b. Invoices shall be submitted by the **AGENCY** in detail sufficient for a proper pre audit and post audit based on quantifiable, measurable and verifiable units of deliverables as established in Exhibit "E", which is the Scope of Services.

Vendor's Rights. The **AGENCY** providing goods and services to the **DEPARTMENT** should be aware of the following time frames. Upon receipt of a complete and accurate invoice, the **DEPARTMENT** has twenty (20) days to inspect and approve or reject the goods and services. The **DEPARTMENT** has 20 days to deliver a request for payment (voucher) to the Department of Financial Services ("DFS"). The 20 days are measured from the latter of the date the invoice is received or the goods and services are received, inspected, and approved.

If a payment is not available within forty (40) days after receipt of a complete and accurate invoice, a separate interest penalty at a rate established pursuant to Section 55.03(1), Florida Statutes, will be due and payable, in addition to the invoice amount, to the **AGENCY**. Interest penalties of less than one (1) dollar will not be enforced unless the **AGENCY** requests payment. Invoices that have to be returned to the **AGENCY** because of **AGENCY** preparation errors will result in delay in the payment. The invoice payment requirements do not start until a properly completed invoice is provided to the **DEPARTMENT**.

A Vendor Ombudsman has been established within DFS. The duties of this individual include acting as an advocate for Agencies who may be experiencing problems in obtaining timely payment(s) from the **DEPARTMENT**. The Vendor Ombudsman may be

contacted at (850)413-5516.

- c. Records of costs incurred under terms of this **AGREEMENT** shall be maintained and made available upon request to the **DEPARTMENT** at all times during the period of this **AGREEMENT** and for five (5) years after final payment for the work pursuant to this **AGREEMENT** is made. Copies of these documents and records shall be furnished to the **DEPARTMENT** upon request. Records of costs incurred shall include the **AGENCY'S** general accounting records and **PROJECT** records, together with supporting documents and records of the **AGENCY** and all subcontractors performing work on the **PROJECT**, and all other records of the **AGENCY** and subcontractors considered necessary by the **DEPARTMENT** for a proper audit of **PROJECT** costs.
16. The **AGENCY** agrees to include the following indemnification in all contracts with contractors, subcontractors, consultants, and subconsultants who perform work in connection with this **AGREEMENT**:

The contractor / subcontractor / consultant / subconsultant shall indemnify, defend, save and hold harmless the State of Florida, Department of Transportation and all of its officers, agents or employees from all suits, actions, claims, demands, liability of any nature whatsoever arising out of, because of, or due to any negligent act or occurrence of omission or commission of the contractor / subcontractor / consultant / subconsultant, its officers, agents or employees.
17. The **AGENCY** shall carry or cause its contractor/subcontractor/consultant/subconsultant to carry and keep in force during the period of this **AGREEMENT** a general liability insurance policy or policies with a company or companies authorized to do business in Florida, affording public liability insurance with combined bodily injury limits of at least \$1,000,000 per person and \$1,000,000 each occurrence, and property damage insurance of at least \$100,000 each occurrence, for the services to be rendered in accordance with this **AGREEMENT**. Additionally, the **AGENCY** or its contractor/subcontractor/consultant/subconsultant shall cause the **DEPARTMENT** to be an additional insured party on the policy or policies, and shall provide the **DEPARTMENT** with certificates documenting that the required insurance coverage is in place and effective. In addition to any other forms of insurance or bonds required under the terms of the **AGREEMENT**, when it includes construction within the limits of a railroad right-of-way, the **AGENCY** must provide or cause its contractor to obtain the appropriate rail permits and provide insurance coverage in accordance with Article 7-13 of the latest edition of the Department's Standard Specifications for Road and Bridge Construction.
18. The **AGENCY** shall also carry or cause its contractor/subcontractor/consultant/subconsultant to carry and keep in force Worker's Compensation insurance as required by the State of Florida under the Worker's Compensation Law.
19. When the **DEPARTMENT** receives a notice of claim for damages that may have been caused by the **AGENCY** in the performance of services pursuant to this **AGREEMENT**, the **DEPARTMENT** will immediately forward the claim to **AGENCY**, and the **DEPARTMENT** will evaluate the claim and report their findings to each other within seven working days and will jointly discuss options in defending the claim. After reviewing the claim, the **DEPARTMENT** will determine whether to require the participation of the **AGENCY** in the defense of the claim or to require that the **AGENCY** defend the **DEPARTMENT** in such claim pursuant to this section. The **DEPARTMENT's** failure to notify the **AGENCY** of a claim shall not release the **AGENCY** from any of the requirements of this section. The **DEPARTMENT** and the **AGENCY** will pay their own costs for the evaluation, settlement negotiations, and trial, if any. However, if only one Party participates in the defense of the claim at trial, that Party is responsible for all costs, but if the verdict determines that there is joint

responsibility, the costs and liability for damages will be shared in the same percentage as that judicially established.

20. This **AGREEMENT** is executed and entered into in the State of Florida and will be construed, performed, and enforced in all respects in strict conformity with local, state, and federal laws, rules, and regulations. Any and all litigation arising under this **AGREEMENT** shall be brought in a state court of appropriate jurisdiction in Leon County, Florida, applying Florida law.
21. If any term or provision of the **AGREEMENT** is found to be illegal or unenforceable, the remainder of the **AGREEMENT** will remain in full force and effect and such term or provision will be deemed stricken.
22. The **AGENCY** shall maintain and allow public access to all documents, papers, letters, or other material subject to the provisions of Chapter 119, Florida Statutes, and made or received by the **AGENCY** in conjunction with this **AGREEMENT**. Failure by the **AGENCY** to grant such public access shall be grounds for immediate unilateral cancellation of this **AGREEMENT** by the **DEPARTMENT**.
23. The **AGENCY** and the **DEPARTMENT** agree that the **AGENCY**, its employees, contractors, subcontractors, consultants, and subconsultants are not agents of the **DEPARTMENT** as a result of this **AGREEMENT**.
24. The **AGENCY** shall not cause any liens or encumbrances to attach to any portion of the **DEPARTMENT'S** right-of-way.
25. The **AGENCY** affirms that it is aware of the provisions of Section 287.133(2)(a), Florida Statutes. A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of thirty six (36) months from the date of being placed on the convicted vendor list. The **AGENCY** agrees that it shall not violate Section 287.133(2)(a), Florida Statutes, and further acknowledges and agrees that any conviction during the term of this **AGREEMENT** may result in the termination of this **AGREEMENT**.
26. The **DEPARTMENT** will consider the employment of unauthorized aliens, by any contractor or subcontractor, as described by Section 274A(e) of the Immigration and Nationalization Act, cause for termination of this **AGREEMENT**.
27. The **AGENCY** will not discriminate against any employee employed in the performance of this **AGREEMENT**, or against any applicant for employment because of age, ethnicity, race, religious belief, disability, national origin, or sex. The **AGENCY** shall provide a harassment-free workplace, with any allegation of harassment given priority attention and action by management. The **AGENCY** shall insert similar provisions in all contracts and subcontracts for services by this **AGREEMENT**.
28. The **AGENCY** affirms that it is aware of the provisions of Section 287.134(2)(a), Florida Statutes. An entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit

bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity. The **AGENCY** further agrees that it shall not violate Section 287.134(2)(a), Florida Statutes, and acknowledges and agrees that placement on the list during the term of this **AGREEMENT** may result in the termination of this **AGREEMENT**.

29. In the event this contract is for services in excess of \$25,000.00 and a term for a period of more than 1 year, the provisions of Section 339.135(6)(a), Florida Statutes, are hereby incorporated:

The **DEPARTMENT**, during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The **DEPARTMENT** shall require a statement from the Comptroller of the **DEPARTMENT** that such funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding 1 year, but any contract so made shall be executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years; and this paragraph shall be incorporated verbatim in all contracts of the **DEPARTMENT** which are for an amount in excess of \$25,000.00 and which have a term for a period of more than 1 year.

30. The **DEPARTMENT** and the **AGENCY** acknowledge and agree to the following:
- a. The **AGENCY** shall utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the **AGENCY** during the term of this **AGREEMENT**; and
 - b. The **AGENCY** shall expressly require any contractors and subcontractors performing work or providing services pursuant to this **AGREEMENT** to likewise utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the term of this **AGREEMENT**.
31. The Parties agree to comply with Section 20.055(5), Florida Statutes, and to incorporate in all subcontracts the obligations to comply with Section 20.055(5), Florida Statutes.
32. Each Party shall bear its own attorney's fees and costs.
33. There shall be no reimbursement for travel expenses under this **AGREEMENT**.
34. No delay or omission to exercise any right, power, or remedy accruing to either Party upon breach or default by either Party under this **AGREEMENT**, will impair any such right, power or remedy of either Party; nor will such delay or omission be construed as a waiver of any breach or default or any similar breach or default.
35. The **AGENCY** may not assign, sublicense, or otherwise transfer its rights, duties, or obligations under this **AGREEMENT** without the prior written consent of the **DEPARTMENT**. Any assignment, sublicense, or transfer occurring without the required prior written approval of the **DEPARTMENT**

will be null and void. The **DEPARTMENT** will at all times be entitled to assign or transfer its rights, duties, or obligations under this **AGREEMENT** to another governmental agency in the State of Florida, upon giving prior written notice to the **AGENCY**. In the event that the **DEPARTMENT** approves transfer of the **AGENCY'S** obligations, the **AGENCY** remains responsible for all work performed and all expenses incurred in connection with this **AGREEMENT**.

36. This **AGREEMENT** is binding upon and inures to the benefit of the Parties and their respective successors and assigns. Nothing in this **AGREEMENT** is intended to confer any rights, privileges, benefits, obligations, or remedies upon any other person or entity except as expressly provided for in this **AGREEMENT**.
37. No term or provision of this **AGREEMENT** shall be interpreted for or against any Party because that Party or that Party's legal representative drafted the provision.
38. This **AGREEMENT**, together with the attached exhibits and documents made a part by reference, embodies the entire agreement of the Parties. There are no provisions, terms, conditions, or obligations other than those contained in this **AGREEMENT**. This **AGREEMENT** supersedes all previous communication, representation, or agreement, either verbal or written, between the Parties. No amendment will be effective unless reduced to writing and signed by an authorized officer of the **AGENCY** and the authorized officer of the **DEPARTMENT** or his/her delegate.
39. The term of this **AGREEMENT** shall commence upon full execution of this **AGREEMENT** by both Parties and shall remain in full force and effect through the earlier of completion of services required or through June 30, 2019, unless terminated at an earlier date as provided in this **AGREEMENT**. The term of this **AGREEMENT** may be extended by mutual written agreement of the Parties for up to one five (5) year term.
40. The administration of resources awarded through the **DEPARTMENT** to the **AGENCY** by this **AGREEMENT** may be subject to audits and/or monitoring by the **DEPARTMENT**. The following requirements do not limit the authority of the **DEPARTMENT** to conduct or arrange for the conduct of additional audits or evaluations of state financial assistance or limit the authority of any state agency inspector general, the Auditor General, or any other state official. The **AGENCY** shall comply with all audit and audit reporting requirements as specified below.
 - a. In addition to reviews of audits conducted in accordance with Section 215.97, Florida Statutes, monitoring procedures to monitor the **AGENCY'S** use of state financial assistance may include but not be limited to on-site visits by **DEPARTMENT** staff and/or other procedures including, reviewing any required performance and financial reports, following up, ensuring corrective action, and issuing management decisions on weaknesses found through audits when those findings pertain to state financial assistance awarded through the **DEPARTMENT** by this **AGREEMENT**. By entering into this **AGREEMENT**, the **AGENCY** agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by the **DEPARTMENT**. The **AGENCY** further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the **DEPARTMENT**, the Department of Financial Services (DFS) or the Auditor General.
 - b. The **AGENCY**, a nonstate entity as defined by Section 215.97(2)(n), Florida Statutes, as a recipient of state financial assistance awarded by the **DEPARTMENT** through this **AGREEMENT** is subject to the following requirements:

- i. In the event the **AGENCY** meets the audit threshold requirements established by Section 215.97, Florida Statutes, the **AGENCY** must have a State single or project-specific audit conducted for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules of the Department of Financial Services; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. **Exhibit "F"** to this **AGREEMENT** indicates state financial assistance awarded through the **DEPARTMENT** by this **AGREEMENT** needed by the **AGENCY** to further comply with the requirements of Section 215.97, Florida Statutes. In determining the state financial assistance expended in a fiscal year, the Recipient shall consider all sources of state financial assistance, including state financial assistance received from the **DEPARTMENT** by this **AGREEMENT**, other state agencies and other nonstate entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a nonstate entity for Federal program matching requirements.
- ii. In connection with the audit requirements, the **AGENCY** shall ensure that the audit complies with the requirements of Section 215.97(8), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2)(e), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.
- iii. In the event the **AGENCY** does not meet the audit threshold requirements established by Section 215.97, Florida Statutes, the **AGENCY** is exempt for such fiscal year from the state single audit requirements of Section 215.97, Florida Statutes. However, the **AGENCY** must provide a single audit exemption statement to the **DEPARTMENT** at FDOTSingleAudit@dot.state.fl.us no later than nine months after the end of the **AGENCY'S** audit period for each applicable audit year. In the event the **AGENCY** does not meet the audit threshold requirements established by Section 215.97, Florida Statutes, in a fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the **AGENCY'S** resources (i.e., the cost of such an audit must be paid from the **AGENCY'S** resources obtained from other than State entities).
- iv. In accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, copies of financial reporting packages required by this **AGREEMENT** shall be submitted to:

Florida Department of Transportation
Office of Comptroller, MS 24
605 Suwannee Street
Tallahassee, FL 32399-0405
[Email: FDOTSingleAudit@dot.state.fl.us](mailto:FDOTSingleAudit@dot.state.fl.us)

and

State of Florida Auditor General
Local Government Audits/342
111 West Madison Street, Room 401
Tallahassee, FL 32399-1450
[Email: flaud_gen_localgovt@aud.state.fl.us](mailto:flaud_gen_localgovt@aud.state.fl.us)

- v. Any copies of financial reporting packages, reports or other information required to be submitted to the **DEPARTMENT** shall be submitted timely in accordance with Section 215.97, Florida Statutes, and Chapters 10.550 (local governmental

entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

- vi. The **AGENCY**, when submitting financial reporting packages to the **DEPARTMENT** for audits done in accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date the reporting package was delivered to the **AGENCY** in correspondence accompanying the reporting package.
 - vii. Upon receipt, and within six months, the **DEPARTMENT** will review the **AGENCY'S** financial reporting package, including corrective action plans and management letters, to the extent necessary to determine whether timely and appropriate corrective action on all deficiencies has been taken pertaining to the state financial assistance provided through the **DEPARTMENT** by this **AGREEMENT**. If the **AGENCY** fails to have an audit conducted consistent with Section 215.97, Florida Statutes, the **DEPARTMENT** may take appropriate corrective action to enforce compliance.
 - viii. As a condition of receiving state financial assistance, the **AGENCY** shall permit the **DEPARTMENT**, or its designee, DFS or the Auditor General access to the **AGENCY'S** records including financial statements, the independent auditor's working papers and project records as necessary. Records related to unresolved audit findings, appeals or litigation shall be retained until the action is complete or the dispute is resolved.
- c. The **AGENCY** shall retain sufficient records demonstrating its compliance with the terms of this **AGREEMENT** for a period of five years from the date the audit report is issued and shall allow the **DEPARTMENT**, or its designee, DFS or the Auditor General access to such records upon request. The **AGENCY** shall ensure that the audit working papers are made available to the **DEPARTMENT**, or its designee, DFS or the Auditor General upon request for a period of five years from the date the audit report is issued unless extended in writing by the **DEPARTMENT**.

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IN WITNESS WHEREOF, the Parties hereto have caused these presents to be executed the day and year first above written.

**CITY OF PENSACOLA
(AGENCY)**

**STATE OF FLORIDA
DEPARTMENT OF TRANSPORTATION**

By: _____ By: _____
Mayor or Chairman District Secretary

Attest: _____ (SEAL) Attest: _____ (SEAL)
Clerk/Director Executive Secretary

Legal Approval

Legal Approval

Catalog of State Financial Assistance (CSFA) Number - 55003
CSFA Title - Florida Highway Beautification Council
Object Code — 750003
Category — 088850

Exhibit A
Resolution

RESOLUTION 2019-02 CRA

A RESOLUTION OF THE CITY OF PENSACOLA COMMUNITY REDEVELOPMENT AGENCY AUTHORIZING THE EXECUTION OF A FLORIDA BEAUTIFICATION GRANT, LANDSCAPE CONSTRUCTION, AND MAINTENANCE MEMORANDUM OF AGREEMENT WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION

WHEREAS, the Florida Department of Transportation offers a competitive grant program, known as the "FDOT Beautification Grant Program," for the beautification of state transportation facilities through landscape improvements; and

WHEREAS, the City of Pensacola Community Redevelopment Agency (CRA) has an interest in constructing landscape improvements within the Garden Street corridor to support revitalization in accordance with the City's adopted Urban Core Community Redevelopment Area Plan; and

WHEREAS, in order that these improvements may be constructed to the fullest extent, the CRA has applied for and has been awarded a Beautification Grant;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PENSACOLA, FLORIDA THAT:

Section 1. The City of Pensacola Community Redevelopment Agency hereby authorizes the CRA Chairperson to execute, and take all actions necessary to effectuate the provisions of, a Florida Beautification, Landscape Construction, and Maintenance Memorandum of Agreement with the Florida Department of Transportation.

Section 2. This Resolution shall take effect immediately upon its adoption by the Community Redevelopment Agency of the City of Pensacola, Florida.

Adopted: _____
(Date)

Approved: _____
CRA Chairperson

ATTEST: _____
City Clerk

RESOLUTION 2019-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PENSACOLA AUTHORIZING THE EXECUTION OF A FLORIDA BEAUTIFICATION GRANT, LANDSCAPE CONSTRUCTION, AND MAINTENANCE MEMORANDUM OF AGREEMENT WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION

WHEREAS, the Florida Department of Transportation offers a competitive grant program, known as the "FDOT Beautification Grant Program," for the beautification of state transportation facilities through landscape improvements; and

WHEREAS, the City Council of the City of Pensacola has an interest in constructing landscape improvements within the Garden Street corridor to support revitalization in accordance with the City's adopted Urban Core Community Redevelopment Area Plan; and

WHEREAS, in order that these improvements may be constructed to the fullest extent, the City of Pensacola Community Redevelopment Agency has applied for and has been awarded a Beautification Grant;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA THAT:

Section 1. The City Council of the City of Pensacola hereby authorizes the Mayor to execute, and take all actions necessary to effectuate the provisions of, a Beautification Grant Agreement, Landscape Construction and Maintenance Memorandum of Agreement with the Florida Department of Transportation.

Section 2. This Resolution shall take effect upon the fifth day after adoption, unless otherwise provided pursuant to Section 4.03(d) of the City Charter of the City of Pensacola, Florida.

Adopted: _____
(Date)

Approved: _____
President of City Council

ATTEST: _____
City Clerk

Exhibit B
Landscape Concept/ Plans



West end emphasis is grass lawns with borders of Liriope and Drift Rose



Liriope masses in shade areas under trees to remain



Pine straw mulch in large shaded areas under existing trees.



Asian Jasmine and Liriope ground cover to edge grass lawns

- A Street to Donelson
- At Blue Star Highway Memorial sign trim existing boxwoods and add colorful ground cover
 - Remove 4 Sabal Palms, 1 Yucca, and all azaleas
 - Add 2 Crape Myrtles

- Coyle to DeVilliers
- Remove 3 sabal palms
 - Remove all shrubs

- Reus to Spring
- Remove 1 Crape Myrtle
 - Remove 3 Camelias
 - Limb up Camelia to remain
 - Remove damaged tree

- Spring to Baylen
- Add trash receptacle at plaza with benches similar to those used in previous Pensacola projects
 - Add 1 Crape Myrtle

- Palafox to Jefferson
- Remove Crape Myrtle
 - Remove 1 Pine
 - Add 1 Live Oak

- Tarragona to Alcaniz
- Remove all shrubs
 - Remove 1 Crape Myrtle
 - Remove 1 Sabal Palm
 - Add 1 Crape Myrtle
 - Limb up Crape Myrtles in circular planter and paint base terra cotta

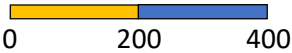


- Donelson to Coyle
- Remove 3 damaged trees
 - Remove shrubs
 - Add border of liriope at base of fence around locomotive

- DeVilliers to Reus
- Remove Pindo Palm
 - Remove 2 Crape Myrtles



Project Limits: SR 30-Bus. US 98
A Street to Alcaniz Street



- Baylen to Palafox
- Remove 3 Sabal Palms

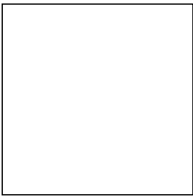
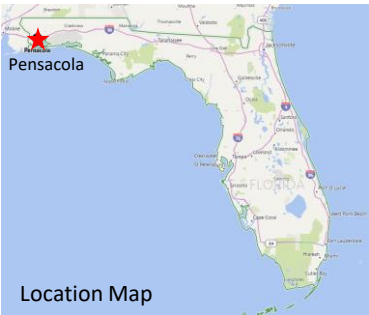
- Jefferson to Tarragona
- Remove 3 Sabal Palms
 - Remove 1 Crape Myrtle
 - Add 1 Live Oak

General Notes

- Evaluate and adjust existing irrigation, as needed, to provide full coverage
- Remove all existing shrubs
- Remove all palm trees
- Evaluate existing grass to remain; use selective herbicide; and, sod remaining areas, as needed
- Add large beds and bands of pine straw mulch in dense canopy areas where shade precludes grass lawns
- Remove all vines and prune existing trees to remain under the direction of a certified arborist
- Remove suckers from Crape Myrtles

Landscape Palette

- For ease of maintenance, plants selected are consistent with similar plants along the eastern end of Garden Street and other locations in Pensacola:
- Centiped Sod
 - Asian Jasmine
 - Liriope
 - Dwarf Yaupon Holly
 - Drift Roses
 - Dwarf Azaleas
 - Crape Myrtles
 - Live Oaks
 - Muhly Grass



Concept Design Narrative

Evaluation attributes indicated in the grant application are referenced by footnotes, in the order that they appear.*

The Garden Street (SR 30-Business US 98) median beautification concept extends from A Street at the West to Alcaniz Street at its eastern limit. The existing landscape includes mature oaks, crape myrtles, elms, magnolias, and pines that provide a great base of materials for a median landscape that can be augmented^{1,2} with the strategic placement of additional trees, shrubs, and groundcovers.⁷ Existing trees that are dead, dying, damaged, or are in locations no longer appropriate, shall be removed.⁷ All trees to remain shall be cleaned of vines, pruned and shaped under the direction of a certified arborist^{7,10}. New trees, shrubs, and groundcover materials shall be selected for low maintenance^{2,3,8} and to provide seasonal color and forms consistent for an urban median landscape¹. For open visibility in line with the principles of CPTED, as well as with FDOT limit of clear sight criteria⁴, the design intent is to maintain an open form with low growing groundcover and shrubs, and with tree canopies that are maintained for sight visibility⁷. Existing irrigation will be evaluated and upgraded to provide full coverage to the landscape materials with specific intent to eliminate potential overspray onto paved areas.^{2,3,8} To limit litter along the median⁵, a new trash receptacle will be installed near the existing benches between Spring and Reus Streets. Bedlines, planting areas, grassed lawn areas, and mulched spaces shall be designed to provide aesthetic forms that complement the existing tree groups.^{1,7} Within the project limits, there are no outdoor advertising sign impacts.⁴ Existing utilities within the medians will need to be located to assure conflicts do not occur with the new landscape and irrigation improvements.³ The concept has been developed to emphasize the aesthetic attributes of the urban street median, with cost effectiveness² and low maintenance^{3,8} criteria being considered in the plant palette selected⁹. The final design shall meet applicable FDOT and local street design criteria.⁴ The City of Pensacola is committed to the success of this project and is providing in-kind contributions through their CRA.^{6,10}

Exhibit C
Landscape Maintenance/ Continuing Maintenance

Maintenance of the Project shall be conducted as follows:

- **Year 1:** Improved landscape shall be maintained for a period of one (1) year from Project completion by the contractor.
- **Year 2 & Forward:** Improved landscape shall be maintained by the City of Pensacola Community Redevelopment Agency (CRA) through the existing interlocal agreement with the City of Pensacola for maintenance of CRA improvement areas.

Irrigation shall be installed as a component of the Project. Maintenance shall include regular mowing, edging and trimming, blowing, raking, weed control, insect control, tree trimming/pruning, mulching, fertilization, and aeration, as appropriate. The CRA shall maintain water and electrical service within the Project area for irrigation purposes.

Exhibit D
Work Zone Traffic Control

SHEET	CONTENTS
1	General Notes
2	Definitions Temporary Traffic Control Devices Pedestrian and Bicyclist Overhead Work Railroads Sight Distance Above Ground Hazard
3	Clear Zone Widths For Work Zones Superelevation Length Of Lane Closures Overweight/Oversize Vehicles Lane Widths High-Visibility Safety Apparel Regulatory Speeds In Work Zones
4	Flagger Control Survey Work Zones Signs
5	Work Zone Sign Supports
6	Project Information Sign
7	Commonly Used Warning and Regulatory Signs In Work Zones
8	Manholes/Crosswalks/Joints Truck Mounted Attenuators Removing Pavement Markings Signals Channelizing Devices Channelizing Devices Consistency Portable Changeable (Variable) Message Signs (PCMS) Advanced Warning Arrow Boards
9	Drop-Offs In Work Zones
10	Business Entrance Temporary Asphalt Separator
11	Channelizing Devices Notes Temporary Barrier Notes
12	Pavement Markings

GENERAL NOTES:

1. All projects and works on highways, roads and streets shall have a traffic control plan. All work shall be executed under the established plan and Department-approved procedures. This Index contains information specific to the Federal and State guidelines and standards for the preparation of traffic control plans and for the execution of traffic control in work zones, for construction and maintenance operations and utility work on highways, roads and streets on the State Highway System. Certain requirements in this Index are based on the high volume nature of State Highways. For highways, roads and streets off the State Highway System, the local agency (City/County) having jurisdiction may adopt requirements based on the minimum requirements provided in the MUTCD.
2. Indexes 102-601 through 102-670 are Department-specific typical applications of commonly encountered situations. Adjust device location or number thereof as recommended by the Worksite Traffic Supervisor and approved by the Engineer. Devices include, but are not limited to, Flaggers, portable temporary signals, signs, pavement markings, and channelizing devices. Comply with MUTCD or applicable Department criteria for any changes and document the reason for the change.
3. Except for emergencies, any road closure on State Highway System shall comply with Section 335.15, F.S.

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DEFINITIONS

Regulatory Speed (In Work Zones)

The maximum permitted travel speed posted for the work zone is indicated by the regulatory speed limit signs. The work zone speed must be shown or noted in the plans. This speed should be used as the minimum design speed to determine runoff lengths, departure rates, flare rates, lengths of need, clear zone widths, taper lengths, crash cushion requirements, marker spacings, superelevation and other similar features.

Advisory Speed

The maximum recommended travel speed through a curve or a hazardous area.

Travel Way

The portion of the roadway for the movement of vehicles. For traffic control through work zones, travel way may include the temporary use of shoulders and any other permanent or temporary surface intended for use as a lane for the movement of vehicular traffic.

- a. Travel Lane: The designated widths of roadway pavement marked to carry through traffic and to separate it from opposing traffic or traffic occupying other traffic lanes.
- b. Auxiliary Lane: The designated widths of roadway pavement marked to separate speed change, turning, passing and climbing maneuvers from through traffic.

Detour, Lane Shift, and Diversion

A detour is the redirection of traffic onto another roadway to bypass the temporary traffic control zone. A lane shift is the redirection of traffic onto a different section of the permanent pavement. A diversion is the redirection of traffic onto a temporary roadway, usually adjacent to the permanent roadway and within the limits of the right of way.

Aboveground Hazard

An aboveground hazard is any object, material or equipment other than traffic control devices that encroaches upon the travel way or that is located within the clear zone which does not meet the Department's safety criteria, i.e., anything that is greater than 4" in height and is firm and unyielding or doesn't meet breakaway requirements.

TEMPORARY TRAFFIC CONTROL DEVICES

All temporary traffic control devices shall be ON the Department's Approved Products List (APL). Ensure the appropriate APL number is permanently marked on the device in a readily visible location.

All temporary traffic control devices shall be removed as soon as practical when they are no longer needed. When work is suspended for short periods of time, temporary traffic control devices that are no longer appropriate shall be removed or covered.

Arrow Boards, Portable Changeable Message Signs, Radar Speed Display Trailer, Portable Regulatory Signs, and any other trailer mounted device shall be delineated with a channelizing device placed at each corner when in use and shall be moved outside the travel way and clear zone or be shielded by a barrier or crash cushion when not in use.

PEDESTRIAN AND BICYCLIST

When an existing pedestrian way or bicycle way is located within a traffic control work zone, accommodation must be maintained and provision for the disabled must be provided.

Only approved pedestrian longitudinal channelizing devices may be used to delineate a temporary traffic control zone pedestrian walkway.

Advanced notification of sidewalk closures and marked detours shall be provided by appropriate signs.

OVERHEAD WORK

Work is only allowed over a traffic lane when one of the following options is used:

OPTION 1 (OVERHEAD WORK USING A MODIFIED LANE CLOSURE)

Overhead work using a modified lane closure is allowed if all of the following conditions are met:

- a. Work operation is located in a signalized intersection and limited to signals, signs, lighting and utilities.
- b. Work operations are 60 minutes or less.
- c. Speed limit is 45 mph or less.
- d. Aerial lift equipment in the work area has high-intensity, rotating, flashing, oscillating, or strobe lights operating.
- e. Aerial lift equipment is placed directly below the work area to close the lane.
- f. Traffic control devices are placed in advance of the vehicle/equipment closing the lane using a minimum 100 foot taper.
- g. Volume or complexity of the roadway may dictate additional devices, signs, flagmen and/or a traffic control officer.

OPTION 2 (OVERHEAD WORK ABOVE AN OPEN TRAFFIC LANE)

Overhead work above a open traffic lane is allowed if all of the following conditions are met:

- a. Work operation is located on a utility pole, light pole, signal pole, or their appurtenances.
- b. Work operations are 60 minutes or less.
- c. Speed limit is 45 mph or less.
- d. No encroachment by any part of the work activities and equipment within an area bounded by 2 feet outside the edge of travel way and 18 feet high.
- e. Aerial lift equipment in the work area has high-intensity, rotating, flashing, oscillating, or strobe lights operating.
- f. Volume or complexity of the roadway may dictate additional devices, signs, flagmen and/or a traffic control officer.
- g. Adequate precautions are taken to prevent parts, tools, equipment and other objects from falling into open lanes of traffic.
- h. Other Governmental Agencies, Rail facilities, or Codes may require a greater clearance. The greater clearance required prevails as the rule.

OPTION 3 (OVERHEAD WORK ADJACENT TO AN OPEN TRAFFIC LANE)

Overhead work adjacent to an open traffic lane is allowed if all of the following conditions are met:

- a. Work operation is located on a utility pole, light pole, signal pole, or their appurtenances.
- b. Work operations are 1 day or less.
- c. Speed limit is 45 mph or less.
- d. No encroachment by any part of the work activities and equipment within 2 foot from the edge of travel way up to 18' height.

Above 18' in height, no encroachment by any part of the work activities and equipment over the open traffic lane (except as allowed in Option 2 for work operations of 60 minutes or less).
- e. Aerial lift equipment in the work area has high-intensity, rotating, flashing, oscillating, or strobe lights operating.
- f. Volume or complexity of the roadway may dictate additional devices, signs, flagmen and/or a traffic control officer.
- g. Adequate precautions are taken to prevent parts, tools, equipment and other objects from falling into open lanes of traffic.
- h. Other Governmental Agencies, Rail facilities, or Codes may require a greater clearance. The greater clearance required prevails as the rule.

OPTION 4 (OVERHEAD WORK MAINTAINING TRAFFIC WITH NO ENCROACHMENT BELOW THE OVERHEAD WORK AREA)

Traffic shall be detoured, shifted, diverted or paced as to not encroach in the area directly below the overhead work operations in accordance with the appropriate index drawing or detailed in the plans. This option applies to, but not limited to, the following construction activities:

- a. Beam, girder, segment, and bent/pier cap placement.
- b. Form and falsework placement and removal.
- c. Concrete placement.
- d. Railing construction located at edge of deck.
- e. Structure demolition.

OPTION 5 (CONDUCTOR/CABLE PULLING ABOVE AN OPEN TRAFFIC LANE)

Overhead cable and/or de-energized conductor installations initial pull to proper tension shall be done in accordance with the appropriate Index or temporary traffic control plan.

Continuous pulling operations of secured cable and/or conductors are allowed over open lane(s) of traffic with no encroachment by any part of the work activities, materials or equipment within the minimal vertical clearance above the travel way. The utility shall take precautions to ensure that pull ropes and conductors/cables at no time fall below the minimum vertical clearance.

On Limited Access facilities, a site specific temporary traffic control plan is required. The temporary traffic control plan shall include:

- a. The temporary traffic control set up for the initial pulling of the pull rope across the roadway.
- b. During pulling operations, advance warning consisting of no less than a Changeable Message Sign upstream of the work area with alternating messages, "Overhead Work Ahead" and "Be Prepared to Stop" followed by a traffic control officer and police vehicle with blue lights flashing during the pulling operation.

RAILROADS

Railroad crossings affected by a construction project should be evaluated for traffic controls to reduce queuing on the tracks. The evaluation should include as a minimum: traffic volumes, distance from the tracks to the intersections, lane closure or taper locations, signal timing, etc.

SIGHT DISTANCE

Tapers: Transition tapers should be obvious to drivers. If restricted sight distance is a problem (e.g., a sharp vertical or horizontal curve), the taper should begin well in advance of the view obstruction. The beginning of tapers should not be hidden behind curves.

Intersections: Traffic control devices at intersections must provide sight distances for the road user to perceive potential conflicts and to traverse the intersection safely. Construction equipment and materials shall not restrict intersection sight distance.

ABOVEGROUND HAZARD

Aboveground hazards (see definitions) are to be considered work areas during working hours and treated with appropriate work zone traffic control procedures. During nonworking hours, all objects, materials and equipment that constitute an aboveground hazard must be stored/placed outside the travel way and clear zone or be shielded by a barrier or crash cushion.

For aboveground hazards within a work zone the clear zone required should be based on the regulatory speed posted during construction.

LAST REVISION 11/01/17	REVISION	DESCRIPTION:	 FY 2019-20 STANDARD PLANS	GENERAL INFORMATION FOR TRAFFIC CONTROL THROUGH WORK ZONES	INDEX 102-600	SHEET 2 of 12
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CLEAR ZONE WIDTHS FOR WORK ZONES

The term 'clear zone' describes the unobstructed relatively flat area, impacted by construction, extending outward from the edge of the traffic lane. The table below gives clear zone widths in work zones for medians and roadside conditions other than for roadside canals; where roadside canals are present, clear zone widths are to conform with the distances to canals as described in the FDOT Design Manual 215.2.

CLEAR ZONE WIDTHS FOR WORK ZONES		
WORK ZONE SPEED (MPH)	TRAVEL LANES & MULTILANE RAMPS (feet)	AUXILIARY LANES & SINGLE LANE RAMPS (feet)
60-70	30	18
55	24	14
45-50	18	10
30-40	14	10
ALL SPEEDS CURB & GUTTER	4' BEHIND FACE OF CURB	4' BEHIND FACE OF CURB

SUPERELEVATION

Horizontal curves constructed in conjunction with work zone traffic control should have the required superelevation applied to the design radii. Under conditions where normal crown controls curvature, the minimum radii that can be applied are listed in the table below.

MINIMUM RADII FOR NORMAL CROWN	
WORK ZONE POSTED SPEED	MINIMUM RADIUS
MPH	feet
70	4090
65	3130
60	2400
55	1840
50	1390
45	1080
40	820
35	610
30	430
Superelevate When Smaller Radii is Used	

LENGTH OF LANE CLOSURES

For interstates and state highways with a posted speed of 55MPH or greater, lane closures must not exceed 3 miles (includes taper, buffer, and work zone) in any given direction and must not close two consecutive interchanges.

OVERWEIGHT/OVERSIZE VEHICLES

Restrictions to Lane Widths, Heights or Load Capacity can greatly impact the movement of over dimensioned loads. The Contractor shall notify the Engineer who in turn shall notify the State Permits Office, phone no. (850) 410-5777, at least seven calendar days in advance of implementing a maintenance of traffic plan which will impact the flow of overweight/oversized vehicles. Information provided shall include location, type of restriction (height, width or weight) and restriction time frames. When the roadway is restored to normal service the State Permits Office shall be notified immediately.

LANE WIDTHS

Lane widths of through roadways should be maintained through work zone travel ways wherever practical. The minimum widths for work zone travel lanes shall be as follows: 11' for Interstate with at least one 12' lane provided in each direction, unless formally excepted by the Federal Highway Administration; 11' for freeways; and 10' for all other facilities.

HIGH-VISIBILITY SAFETY APPAREL

All high-visibility safety apparel shall meet the requirements of the International Safety Equipment Association (ISEA) and the American National Standards Institute (ANSI) for "High-Visibility Safety Apparel", and labeled as ANSI/ISEA 107-2004 or newer. The apparel background (outer) material color shall be either fluorescent orange-red or fluorescent yellow-green as defined by the standard. The retroreflective material shall be orange, yellow, white, silver, yellow-green, or a fluorescent version of these colors, and shall be visible at a minimum distance of 1,000 feet. Class 3 apparel may be substituted for Class 2 apparel. Replace apparel that is not visible at 1,000 feet.

WORKERS: All workers within the right-of-way shall wear ANSI/ISEA Class 2 apparel. Workers operating machinery or equipment in which loose clothing could become entangled during operation shall wear fitted high-visibility safety apparel. Workers inside the bucket of a bucket truck are not required to wear high-visibility safety apparel.

UTILITIES: When other industry apparel safety standards require utility workers to wear apparel that is inconsistent with FDOT requirements such as NFPA, OSHA, ANSI, etc., the other standards for apparel may prevail.

FLAGGERS: For daytime activities, Flaggers shall wear ANSI/ISEA Class 2 apparel. For nighttime activities, Flaggers shall wear ANSI/ISEA Class 3 apparel.

REGULATORY SPEEDS IN WORK ZONES

Traffic Control Plans (TCP's) for all projects must include specific regulatory speeds for each phase of work. This can either be the posted speed or a reduced speed. The speed shall be noted in the TCPs; this includes indicating the existing speed if no reduction is to be made. Regulatory speeds are to be uniformly established through each phase.

In general, the regulatory speed should be established to route vehicles safely through the work zone as close as to normal highway speed as possible. The regulatory speed should not be reduced more than 10 mph below the posted speed and never below the minimum statutory speed for the class of facility. When a speed reduction greater than 10 mph is imposed, the reduction is to be done in 10 mph per 500' increments.

Temporary regulatory speed signs shall be removed as soon as the conditions requiring the reduced speed no longer exist. Once the work zone regulatory speeds are removed, the regulatory speed existing prior to construction will automatically go back into effect unless new speed limit signing is provided for in the plans.

On projects with interspaced work activities, speed reductions should be located in proximity to those activities which merit a reduced speed, and not "blanketed" for the entire project. At the departure of such activities, the normal highway speed should be posted to give the motorist notice that normal speed can be resumed.

If the existing regulatory speed is to be used, consideration should be given to supplementing the existing signs when the construction work zone is between existing regulatory speed signs. For projects where the reduced speed conditions exist for greater than 1 mile in rural areas (non-interstate) and on rural or urban interstate, additional regulatory speed signs are to be placed at no more than 1 mile intervals. Engineering judgement should be used in placement of the additional signs. Locating these signs beyond ramp entrances and beyond major intersections are examples of proper placement. For urban situations (non-interstate), additional speed signs are to be placed at a maximum of 1000' apart.

When field conditions warrant speed reductions different from those shown in the TCP the contractor may submit to the project engineer for approval by the Department, a signed and sealed study to justify the need for further reducing the posted speed, or, the engineer may request the District Traffic Operations Engineer (DTOE) to investigate the need. It will not be necessary for the DTOE to issue regulations for regulatory speeds in work zones due to the revised provisions of F.S. 316.07451(2) (b). Advisory Speed plates will be used at the option of the field engineer for temporary use while processing a request to change the regulatory speed specified in the plans when deemed necessary. Advisory speed plates cannot be used alone but must be placed below the construction warning sign for which the advisory speed is required.

For additional information, refer to the FDOT Design Manual 240.

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FLAGGER CONTROL

Where flaggers are used, a FLAGGER symbol or legend sign must replace the WORKERS symbol or legend sign.

The flagger must be clearly visible to approaching traffic for a distance sufficient to permit proper response by the motorist to the flagging instructions, and to permit traffic to reduce speed or to stop as required before entering the work site. Flaggers shall be positioned to maintain maximum color contrast between the Flagger's high-visibility safety apparel and equipment and the work area background.

Hand-Signaling Devices

STOP/SLOW paddles are the primary hand-signaling device. The STOP/SLOW paddle shall have an octagonal shape on a rigid handle. If the STOP/SLOW paddle is placed on a rigid staff, the minimum length of the staff, measured from the bottom of the paddle to the end of the staff that rests on the ground, must not be less than 6 ft. STOP/SLOW paddles shall be at least 24 inches wide with letters at least 6 inches high and should be fabricated from light semirigid material. The background of the STOP face shall be red with white letters and border. The background of the SLOW face shall be orange with black letters and border. When used at night-time, the STOP/SLOW paddle shall be retroreflectorized.

Flag use is limited to immediate emergencies, intersections, and when working on the centerline or shared left turn lanes where two (2) flaggers are required and there is opposing traffic in the adjacent lanes. Flags, when used, shall be a minimum of 24 inches square, made of a good grade of red material, and securely fastened to a staff that is approximately 36 inches in length. When used at nighttime, flags shall be retroreflectorized red.

Flashlight, lantern or other lighted signal that will display a red warning light shall be used at night.

Flagger Stations

Flagger stations shall be located far enough in advance of the work space so that approaching road users will have sufficient distance to stop before entering the work space. When used at nighttime, the flagger station shall be illuminated.

SURVEY WORK ZONES

The SURVEY CREW AHEAD symbol or legend sign shall be the principal Advance Warning Sign used for Traffic Control Through Survey Work Zones and may replace the ROAD WORK AHEAD sign when lane closures occur, at the discretion of the Party Chief.

When Traffic Control Through Work Zones is being used for survey purposes only, the END ROAD WORK sign as called for on certain 102 Series of Indexes should be omitted.

Survey Between Active Traffic Lanes or Shared Left Turn Lanes

The following provisions apply to Main Roadway Traffic Control Work Zones. These provisions must be adjusted by the Party Chief to fit roadway and traffic conditions when the Survey Work Zone includes intersections.

(A) A STAY IN YOUR LANE (MOT-1-06) sign shall be added to the Advance Warning Sign sequence as the second most immediate sign from the work area.

(B) Elevation Surveys-Cones may be used at the discretion of the Party Chief to protect prism holder and flagger(s). Cones, if used, may be placed at up to 50' intervals along the break line throughout the work zone.

(C) Horizontal Control-With traffic flow in the same direction, cones shall be used to protect the backsight tripod and/or instrument. Cones shall be placed at the equipment, and up to 50' intervals for at least 200' towards the flow of traffic.

(D) Horizontal Control-With traffic flow in opposite directions, cones shall be used to protect the backsight tripod and/or instrument. Cones shall be placed at the equipment, and up to 50' intervals for at least 200' in both directions towards the flow of traffic.

SIGNS

SIGN MATERIALS

Mesh signs and non-retroreflective vinyl signs may only be used for daylight operations. Non-retroreflective vinyl signs must meet the requirements of Specifications Section 994.

Retroreflective vinyl signs meeting the requirements of Specification Section 994 may be used for daylight or night operations not to exceed 1 day except as noted in the Indexes.

Rigid or Lightweight sign panels may be used in accordance with the vendor APL drawing for the sign stand to which they are attached.

INTERSECTING ROAD SIGNING

Signing for the control of traffic entering and leaving work zones by way of intersecting crossroads shall be adequate to make drivers aware of work zone conditions. When Work operations exceed 60 minutes, place the ROAD WORK AHEAD sign on the side street entering the work zone.

ADJOINING AND/OR OVERLAPPING WORK ZONE SIGNING

Adjoining work zones may not have sufficient spacing for standard placement of signs and other traffic control devices in their advance warning areas or in some cases other areas within their traffic control zones. Where such restraints or conflicts occur or are likely to occur, one of the following methods will be employed to avoid conflicts and prevent conditions that could lead to misunderstanding on the part of the traveling public as to the intended travel way by the traffic control procedure applied:

(A) For scheduled projects the engineer in responsible charge of project design will resolve anticipated work zone conflicts during the development of the project traffic control plan. This may entail revision of plans on preceding projects and coordination of plans on concurrent projects.

(B) Unanticipated conflicts arising between adjoining in progress highway construction projects will be resolved by the Resident Engineer for projects under his residency, and, by the District Construction Engineer for in progress projects under adjoining residencies.

(C) The District Maintenance Engineer will resolve anticipated and occurring conflicts within scheduled maintenance operations.

(D) The Unit Maintenance Engineer will resolve conflicts that occur within routine maintenance works; between routine maintenance work, unscheduled work and/or permitted work; and, between unit controlled maintenance works and highway construction projects.

SIGN COVERING AND INTERMITTENT WORK STOPPAGE SIGNING

Existing or temporary traffic control signs that are no longer applicable or are inconsistent with intended travel paths shall be removed or fully covered.

Sign blanks or other available coverings must completely cover the existing sign. Rigid sign coverings shall be the same size as the sign it is covering, and bolted in a manner to prevent movement.

Sign covers are incidental to work operations and are not paid for separately.

SIGNING FOR DETOURS, LANE SHIFTS AND DIVERSIONS

Detours should be signed clearly over their entire length so that motorists can easily determine how to return to the original roadway. The reverse curve (W1-4) warning sign should be used for the advanced warning for a lane shift. A diversion should be signed as a lane shift.

EXTENDED DISTANCE ADVANCE WARNING SIGN

Advance Warning Signs shall be used at extended distance of one-half mile or more when limited sight distance or the nature of the obstruction may require a motorist to bring their vehicle to a stop. Extended distance Advanced Warning Signs may be required on any type roadway, but particularly be considered on multilane divided highways where vehicle speed is generally in the higher range (45 MPH or more).

UTILITY WORK AHEAD SIGN

The UTILITY WORK AHEAD (W21-7) sign may be used as an alternate to the ROAD WORK AHEAD or the ROAD WORK XX FT (W20-1) sign for utility operations on or adjacent to a highway.

LENGTH OF ROAD WORK SIGN

The length of road work sign (G20-1) bearing the legend ROAD WORK NEXT_____ MILES is required for all projects of more than 2 miles in length. The number of miles entered should be rounded up to the nearest mile. The sign shall be located at begin construction points.

SPEEDING FINES DOUBLED WHEN WORKERS PRESENT SIGN

The SPEEDING FINES DOUBLED WHEN WORKERS PRESENT sign should be installed on all projects, but may be omitted if the work operation is less than 1 day. The placement should be 500 feet beyond the ROAD WORK AHEAD sign or midway to the next sign whichever is less.

GROOVED PAVEMENT AHEAD SIGN

The GROOVED PAVEMENT AHEAD sign is required 500 feet in advance of a milled or grooved surface open to traffic. The W8-15P placard shall be used in conjunction with the GROOVED PAVEMENT AHEAD sign.

END ROAD WORK SIGN

The END ROAD WORK sign (G20-2) should be installed on all projects, but may be omitted where the work operation is less than 1 day. The sign should be placed approximately 500 feet beyond the end of a construction or maintenance project unless other distance is called for in the plans. When other Construction or Maintenance Operations occur within 1 mile this sign should be omitted and signing coordinated in accordance with Index 102-600, ADJOINING AND/OR OVERLAPPING WORK ZONE SIGNING.

PROJECT INFORMATION SIGN

The Project information sign shall be installed when called for in the plans.



FY 2019-20
STANDARD PLANS

GENERAL INFORMATION FOR TRAFFIC
CONTROL THROUGH WORK ZONES

INDEX
102-600

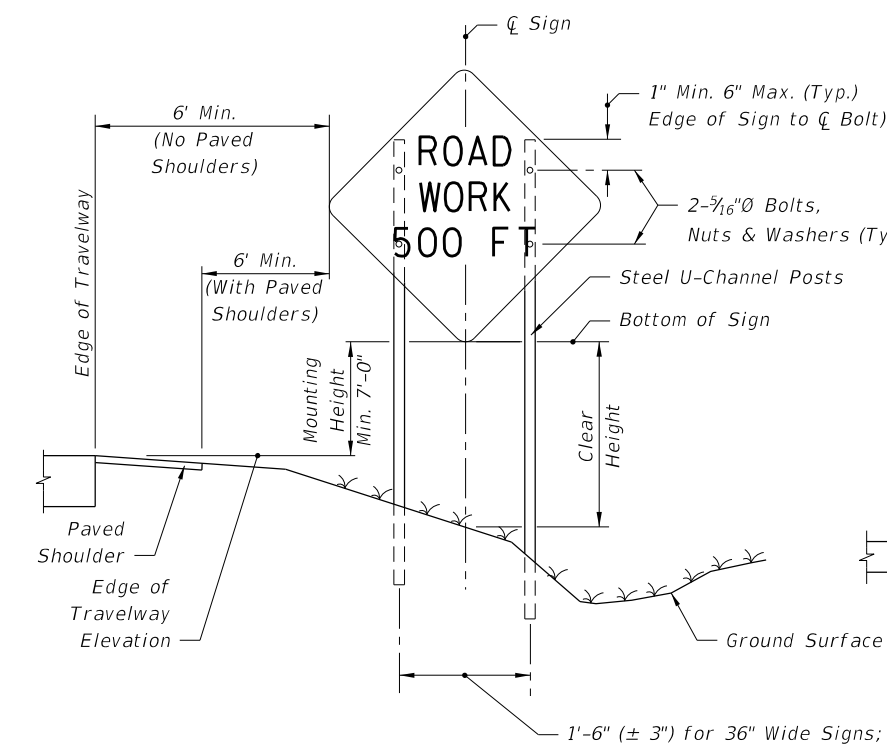
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TEMPORARY SIGN SUPPORT NOTES:

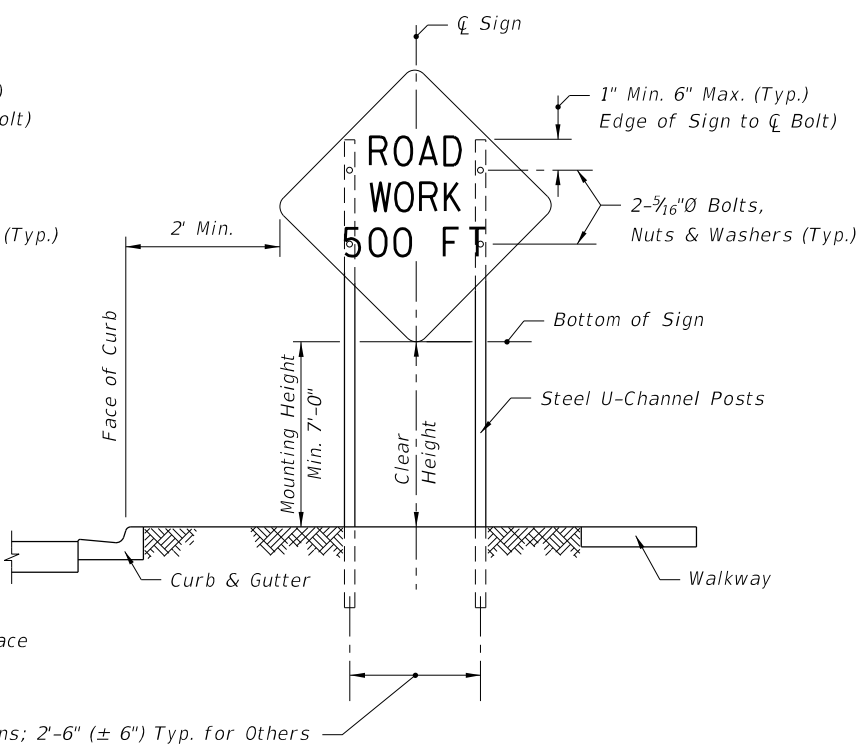
1. All signs shall be post mounted when work operations exceed one day except for:
- a. Road closure signs mounted in accordance with the vendor drawing for the Type III Barricade shown on the APL.

b. Pedestrian advanced warning or pedestrian regulatory signs mounted on sign supports in accordance with the vendor drawing shown on the APL.

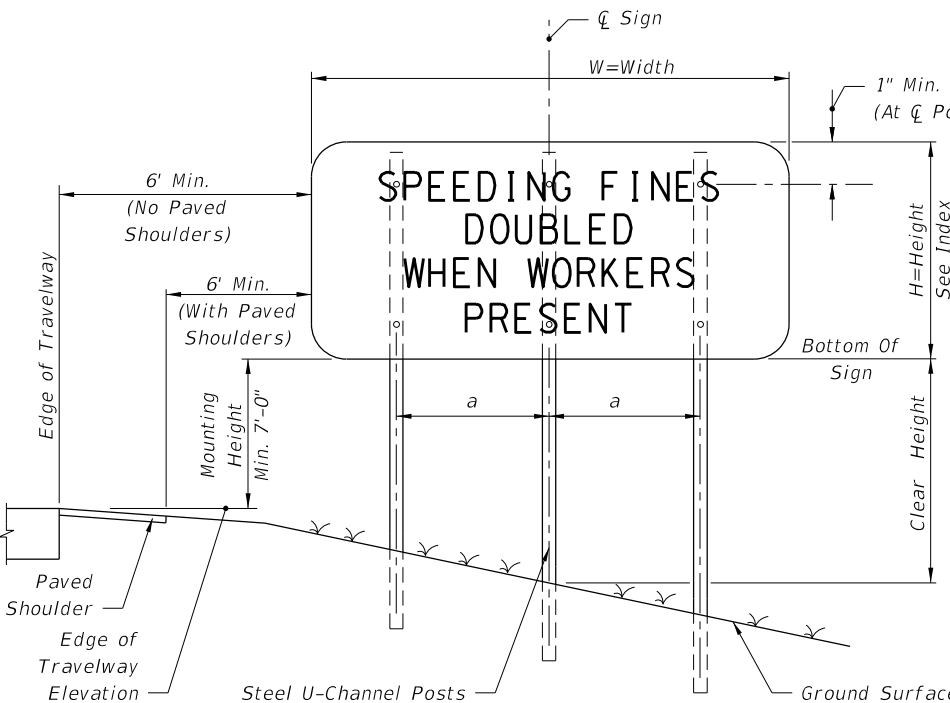
c. Median barrier mounted signs per Index 700-013.
2. Unless shielded with barrier or outside of the Clear Zone, signs mounted on temporary supports or barricades, and barricade/sign combination must be crashworthy in accordance with NCHRP 350 requirements and included on the Approved Products List (APL).
3. Use only approved systems listed on the Department's Approved Products List (APL).
4. Manufacturers seeking approval of U-Channel and steel square tube sign support assemblies for inclusion on the Approved Products List (APL) must submit a APL application, design calculations (for square tube only), and detailed drawings showing the product meets all the requirements of this Index.
5. Provide 3 lb/ft Steel U-Channel Posts with a minimum section modulus of 0.43 in³ for 60 ksi steel, a minimum section modulus of 0.37 in³ for 70 ksi steel, or a minimum section modulus of 0.34 in³ for 80 ksi steel.
6. Provide 4 lb/ft Steel U-Channel Posts with a minimum section modulus of 0.56 in³ for 60 ksi steel, or a minimum section modulus of 0.47 in³ for 70 ksi or 80 ksi steel.
7. U-channel posts shall conform with ASTM A 499, Grade 60, or ASTM A 576, Grade 1080 (with a minimum yield strength of 60 ksi). Square tube posts shall conform with ASTM A 653, Grade 50, or ASTM A 1011, Grade 50.
8. Sign attachment bolts, washers, nuts, and spacers shall conform with ASTM A307 or A 36.
9. For diamond warning signs with supplement plaque (up to 5 ft² in area), use 4 lb/ft posts for up to 10 ft Clear Height (measure to the bottom of diamond warning sign).
10. Install 4 lb/ft Steel U-Channel Posts with approved breakaway splice in accordance with the manufacturer's detail shown on the APL.
11. The contractor may install 3 lb/ft Steel U-Channel Posts with approved breakaway splice in accordance with the manufacturer's detail shown on the APL.
12. Install all posts plumb.
13. The contractor may set posts in preformed holes to the specified depth with suitable backfill tamped securely on all sides, or drive 3 lb/ft sign posts and any size base post in accordance with the manufacturer's detail shown on the APL.



2 POST SIGN SUPPORT MOUNTING DETAILS
(SINGLE POST SIMILAR)
RURAL

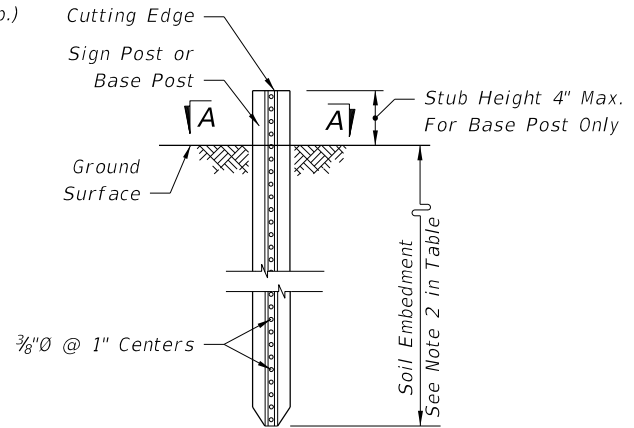


2 POST SIGN SUPPORT MOUNTING DETAILS
(SINGLE POST SIMILAR)
URBAN



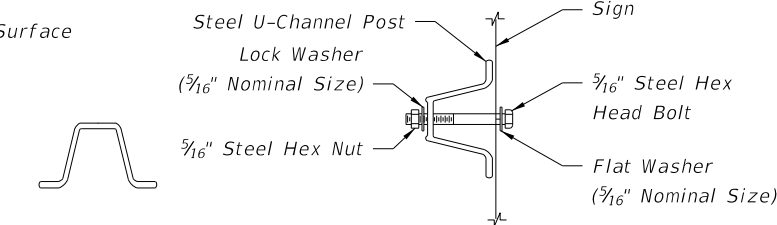
3 POST SIGN SUPPORT MOUNTING DETAILS

Where W = 48": a = 1' - 4 1/2" (± 1")
W = 60": a = 1' - 9" (± 1")
W = 72": a = 2' - 1" (± 1")



TYPICAL FOUNDATION DETAIL

See APL for post, splice and connection details.
No bolts installed closer than 1" to cutting edge.

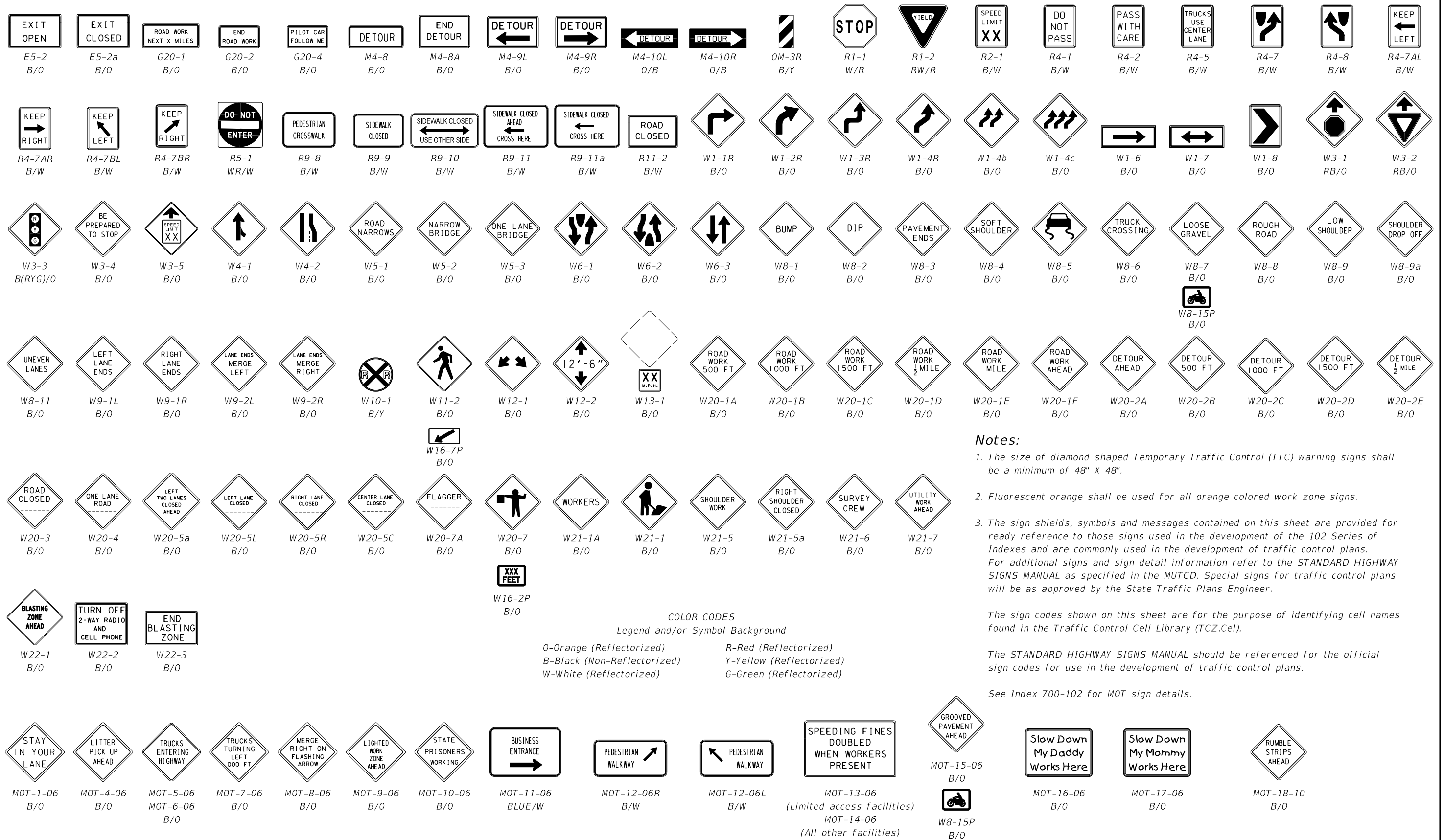


SECTION A-A (SCHEMATIC)
SIGN ATTACHMENT DETAIL
(WITHOUT Z-BRACKET)

POST AND FOUNDATION TABLE FOR WORK ZONE SIGNS		
SIGN SHAPE	SIGN SIZE (inches)	NUMBER OF STEEL U CHANNEL POSTS
Octagon	30x30	1
	36x36	1
Triangle	48x48x48	1
	60x60x60	2
	72x72x72	2
Rectangle (W x H)	24x18	1
	24x30	1
	30x24	1
	36x18	1
	36x24	1
	48x18	1
	48x24	1
	36x48	2
	48x30	2
	48x36	2
	54x36	2
	48x60	3
Square	30x30	1
	36x36	2
	48x48	2
Diamond (See Note 7)	48x48	2
Circle	36Ø	2

- Notes For Table:
1. Use 3 lb/ft posts for Clear Height up to 10' and 4 lb/ft posts for Clear Height up to 12'.
- * Use 4 lb/ft U-channel sign post with a mounting height of 7' min. and 8' max. Attach sign panel using Z-bracket detail on Sheet 6.
2. Minimum foundation depth is 4.0' for 3 lb/ft posts and 4.5' for 4 lb/ft posts.
3. For both 3 lb/ft and 4 lb/ft base or sign posts installed in rock, a minimum cumulative depth of 2' of rock layer is required.
4. The soil plate as shown on the APL vendor drawing is not required for base posts or sign posts installed in existing rock (as defined in Note 3), asphalt roadway, shoulder pavement or soil under sidewalk.

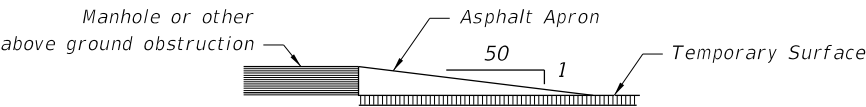




MANHOLES/CROSSWALKS/JOINTS

Manholes extending 1" or more above the travel lane and crosswalks having an uneven surface greater than ¼" shall have a temporary asphalt apron constructed as shown in the diagram below.

All transverse joints that have a difference in elevation of 1" or more shall have a temporary asphalt apron constructed as shown in the diagram below.



The apron is to be removed prior to constructing the next lift of asphalt. The cost of the temporary asphalt shall be included in the contract unit price for Maintenance of Traffic, LS.

REMOVING PAVEMENT MARKINGS

Existing pavement markings that conflict with temporary work zone delineation shall be removed by any method approved by the Engineer, where operations exceed one daylight period. Remove conflicting pavement marking using a method that will not damage the surface texture of the pavement, unless the pavement will be restored prior to traffic use. Painting over existing pavement markings with black paint or spraying with asphalt shall not be accepted as substitute for removal or obliteration. Full pavement width overlays of either a structural or friction course (non-final surface) are an acceptable alternate means to achieve removal.

SIGNALS

Existing traffic signal operations that require modification in order to carry out work zone traffic control shall be included in the TCP and be approved by the District Traffic Operations Engineer.

Maintain all existing actuated or traffic responsive mode signal operations for main and side street movements for the duration of the Contract and require restoration of any loss of detection within 12 hours. The contractor shall select only detection technology listed on the Department's Approved Products List (APL) and approved by the Engineer to restore detection capabilities.

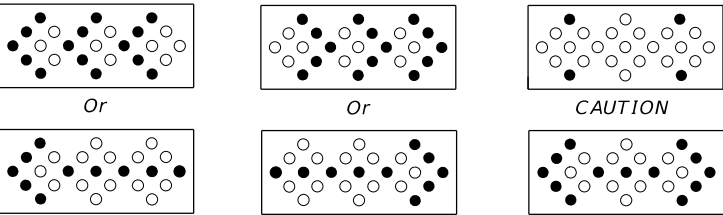
ADVANCE WARNING ARROW BOARDS

An arrow board in the arrow or chevron mode shall be used only for stationary or moving lane closures on multilane roadways.

For shoulder work, blocking the shoulder, for roadside work near the shoulder, or for temporarily closing one lane on a two-lane, two-way roadway, an arrow board shall be used only in the caution mode.

A single arrow board shall not be used to merge traffic laterally more than one lane. When arrow boards are used to close multiple lanes, a single board shall be used at the merging taper for each closed lane.

When Advance Warning Arrow Boards are used at night, the intensity of the flashers shall be reduced during darkness when lower intensities are desirable.



MOVE/MERGE LEFT

MOVE/MERGE RIGHT

MOVE/MERGE RIGHT OR LEFT

- Minimum Required Lamps
- Additional Lamps Allowed

MODES

PORTABLE CHANGEABLE MESSAGE SIGNS (PCMS)

The PCMS can be used to:

1. Supplement standard signing in construction or maintenance work zones.
2. Reinforce static advance warning messages.
3. Provide motorists with updated guidance information.

PCMS should be placed approx. 500 to 800 feet in advance of the work zone conflicts or 0.5 to 2 miles in advance of complex traffic control schemes which require new and/or unusual traffic maneuvers.

If PCMS are to be used at night, the intensity of the flashers shall be reduced during darkness when lower intensities are desirable.

For additional information refer to the FDOT Design Manual 240.

TRUCK/TRAILER-MOUNTED ATTENUATORS

Truck/Trailer-mounted attenuators (TMA) can be used for moving operations and short-term stationary operations. For moving operations, see Indexes 102-607 and 102-619. For short-term, stationary operations, see Part VI of the MUTCD.

CHANNELIZING DEVICES

Channelizing devices for work zone traffic control shall be as prescribed in Part VI of the MUTCD, subject to supplemental revisions provided in the contract documents and the 102 Series of Indexes. Lighting Devices must not be used to supplement channelization.

CHANNELIZING DEVICE CONSISTENCY

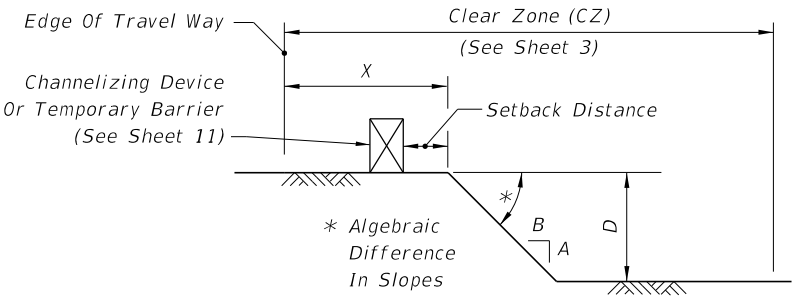
Barricades, vertical panels, cones, tubular markers and drums shall not be intermixed within either the lateral transition or within the tangent alignment.

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DROP-OFF CONDITION NOTES

- 1. These conditions and treatments can be applied only in work areas that fall within a properly signed work zone.
- 2. When drop-offs occur within the clear zone due to construction or maintenance activities, protection devices are required (See Table 1). A drop-off is defined as a drop in elevation, parallel to the adjacent travel lanes, greater than 3" with slope (A:B) steeper than 1:4. In superelevated sections, the algebraic difference in slopes should not exceed 0.25 (See Drop-off Condition Detail).
- 3. Drop-offs may be mitigated by placement of slopes with optional base material per Specifications Section 285. Slopes shallower than 1:4 may be required to avoid algebraic difference in slopes greater than 0.25. Include the cost for the placement and removal of the material in Maintenance of Traffic, LSD. Use of this treatment in lieu of a temporary barrier is not eligible for CSIP consideration. Conduct daily inspections for deficiencies related to erosion, excessive slopes, rutting or other adverse conditions. Repair any deficiencies immediately.
- 4. For Setback Distance, refer to the Index or Approved Products List (APL) drawing of the selected barrier.
- 5. For Conditions 1 and 3 provided in Table 1, an isolated drop-off condition less than 100 feet in length that is created and restored within the same work period will not be subject to the use of temporary barriers; however, channelizing devices will be required.
- 6. When permanent curb heights are ≥ 6", no channelizing device will be required. For curb heights < 6", see Table 1.

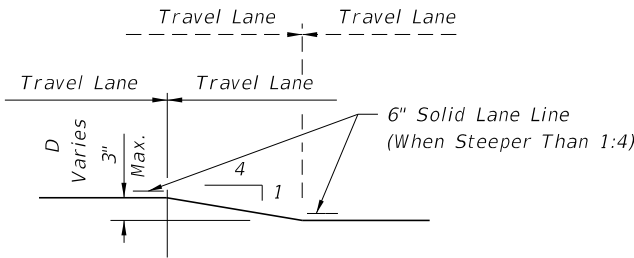


DROP-OFF CONDITION DETAIL

Table 1 Drop-off Protection Requirements			
Condition	X (ft)	D (in.)	Device Required
1	0-12	> 3	Temporary Barrier
2	> 12-CZ	> 3 to ≤ 5	Channelizing Device
3	0-CZ	> 5	Temporary Barrier
4	Removal of Bridge or Retaining Wall Barrier		Temporary Barrier
5	Removal of portions of Bridge Deck		Temporary Barrier

TRAVEL LANE TREATMENT FOR MILLING OR RESURFACING NOTES

- 1. This treatment applies to resurfacing or milling operations between adjacent travel lanes.
- 2. Whenever there is a difference in elevation between adjacent travel lanes, the W8-11 sign with "UNEVEN LANES" is required at intervals of 1/2 mile maximum.
- 3. If D is 1 1/2" or less, no treatment is required.
- 4. Treatment allowed only when D is 3" or less.
- 5. If the slope is steeper than 1:4 (not to be steeper than 1:1), the R4-1 and MOT-1-06 signs shall be used as a supplement to the W8-11; this condition should never exceed 3 miles in length.



TRAVEL LANE TREATMENT FOR MILLING OR RESURFACING DETAIL

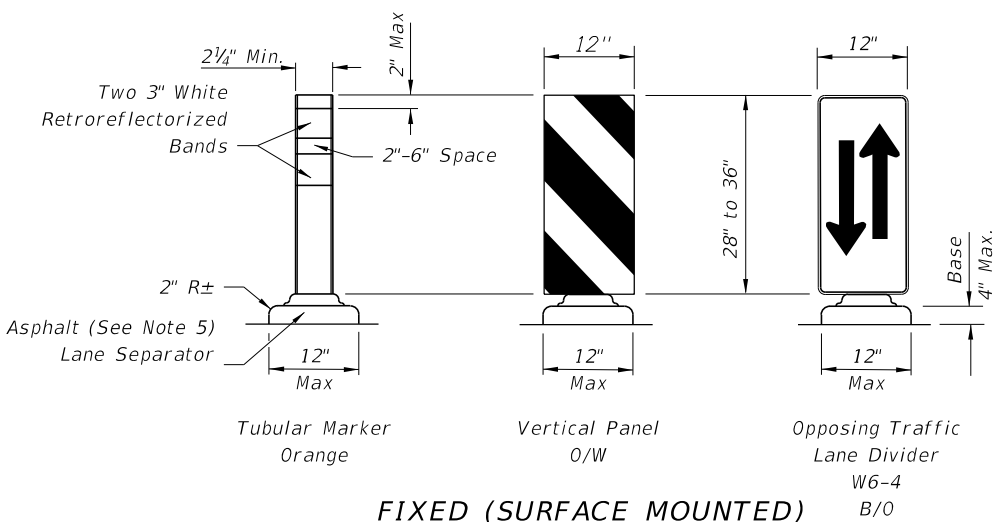
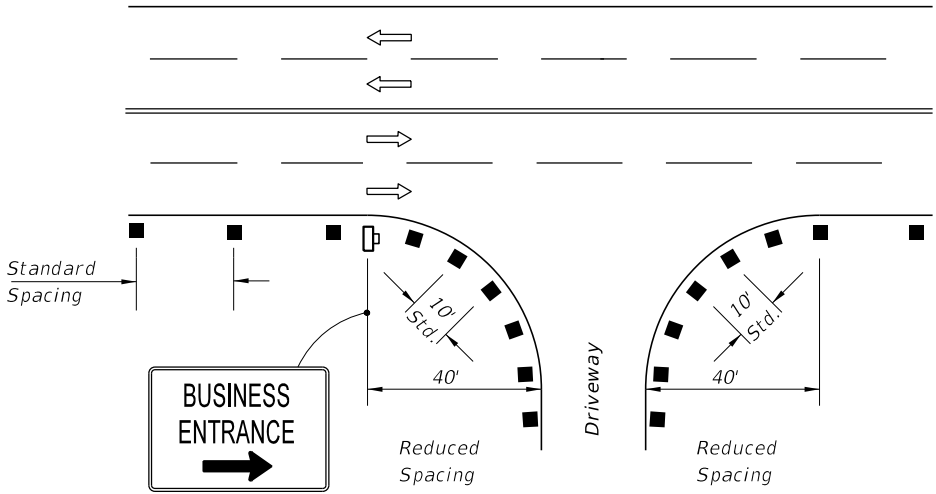
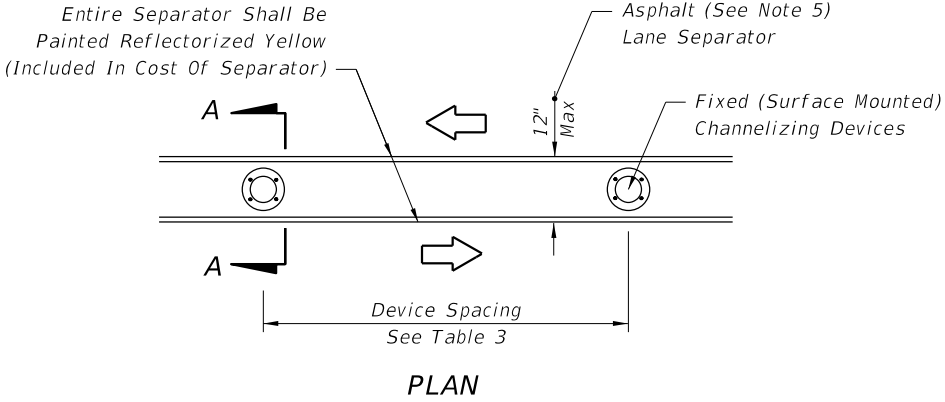
PEDESTRIAN WAY DROP-OFF CONDITION NOTES

- 1. A pedestrian way drop-off is defined as:
 - a. a drop in elevation greater than 10" that is closer than 2' from the edge of the pedestrian way
 - b. a slope steeper than 1:2 that begins closer than 2' from the edge of the pedestrian way when the total drop-off is greater than 60"
- 2. Protect any drop-off adjacent to a pedestrian way with pedestrian longitudinal channelizing devices, temporary barrier wall, or approved handrail.

DROP-OFFS IN WORK ZONES

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Table 3 Device Spacing				
Speed (mph)	Max. Distance Between Devices (ft.)			
	Tubular Markers		Vertical Panels or Opposing Traffic Lane Divider	
	Taper	Tangent	Taper	Tangent
25	25	50	25	50
30 to 45	25	50	30	50
50 to 70	25	50	50	100



FIXED (SURFACE MOUNTED)
CHANNELIZING DEVICES

SECTION AA

1. For single business entrances, place one 24" x 36" business sign for each driveway entrance affected. Signs shall show specific business names. Logos may be provided by business owners. Standard BUSINESS ENTRANCE sign in Index 700-102 may be used when approved by the Engineer.
2. When several businesses share a common driveway entrance, place one 24" x 36" standard BUSINESS ENTRANCE sign in accordance with Index 700-102 at the common driveway entrance.
3. Channelizing devices shall be placed at a reduced spacing on each side of the driveway entrance, but shall not restrict sight distance for the driveway users.
4. Business entrance signs are intended to guide motorist to business entrances moved/modified or disturbed during construction projects. Business entrance signs are not required where there is minimal disruption to business driveways which is often the case with resurfacing type projects.

PLACEMENT OF BUSINESS ENTRANCE SIGNS AND
CHANNELIZING DEVICES AT BUSINESS ENTRANCE

1. Temporary lane separators shall be supplemented with any of the following approved fixed (surface mounted) channelizing devices: tubular markers, vertical panels, or opposing traffic lane divider panels. Opposing traffic lane divider panels (W6-4) shall only be used as center lane dividers to separate opposing vehicular traffic on a two-lane, two-way operation. Tubular Markers, Vertical Panels and Opposing Traffic Lane Divider panels shall not be intermixed within the limits where the temporary lane separator is used. The connection between the channelizing device and the temporary lane separator curb shall hold the channelizing device in a vertical position.
2. Reflectorized materials shall have a smooth sealed outer surface which will display the same approximate color day and night. Furnish channelizing devices having retroreflective sheeting meeting the requirements of Section 990.
3. 12" openings for drainage shall be constructed in the asphalt and portable temporary lane separator at a maximum spacing of 25' in areas with grades of 1% or less or 50' in areas with grades over 1% as directed by the Engineer.
4. Tapered ends shall be used at the beginning and end of each run of the temporary lane separator to form a gradual increase in height from the pavement level to the top of the temporary lane separator.
5. The Contractor has the option of using portable temporary lane separators containing fixed channelizing devices in lieu of the temporary asphalt separator and channelizing devices detailed on this sheet. The portable temporary lane separator shall come in portable sections that can be connected to maintain continuous alignment between the separate curb sections. Each temporary lane separator section shall be 36 inches to 48 inches in total length. Portable temporary lane separators shall duplicate the color of the pavement marking. Portable temporary lane separators shall be one of those listed on the Approved Products List.
6. Any damage to existing pavement caused by the removal of temporary lane separator shall be satisfactorily repaired and the cost of such repairs are to be included in the cost of Maintenance of Traffic, LS.

TEMPORARY LANE SEPARATOR



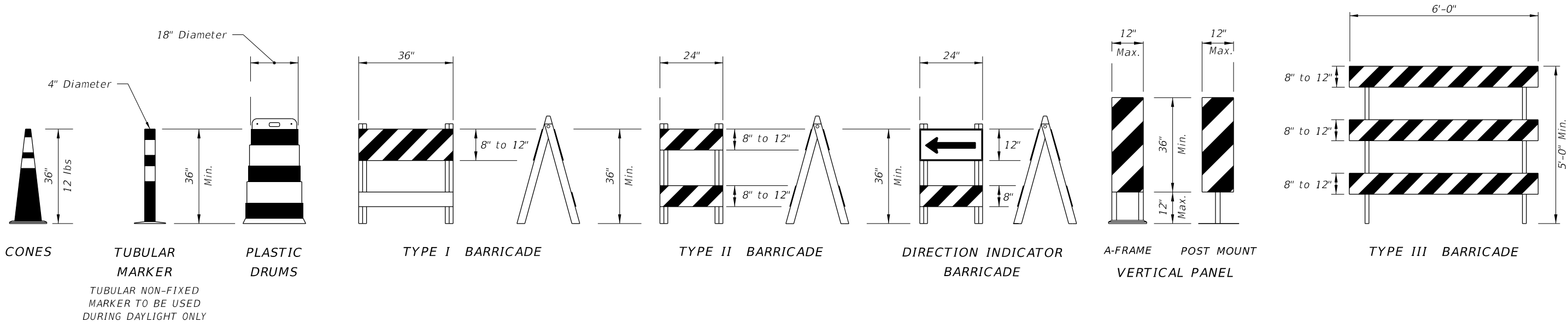
FY 2019-20
STANDARD PLANS

GENERAL INFORMATION FOR TRAFFIC
CONTROL THROUGH WORK ZONES

INDEX
102-600

SHEET
10 of 12

10/25/2018 8:44:42 AM



CHANNELIZING DEVICES

CHANNELIZING DEVICE NOTES:

- The details shown on this sheet are for the following purposes:
 - For ease of identification and
 - To provide information that supplements or supersedes that provided by the MUTCD.
- The Type III Barricade shall have a unit length of 6'-0" only. When barricades of greater lengths are required those lengths shall be in multiples of the 6'-0" unit.
- No sign panel should be mounted on any channelizing device unless the channelizing device/sign combination was found to be crashworthy and the sign panel is mounted in accordance with the vendor drawing for the channelizing device shown on the Approved Products List (APL).
- Ballast shall not be placed on top rails or any striped rails or higher than 13" above the driving surface.
- The direction indicator barricade may be used in tapers and transitions where specific directional guidance to drivers is necessary. If used, direction indicator barricades shall be used in series to direct the driver through the transition and into the intended travel lane.
- The splicing of sheeting is not permitted on either channelizing devices or MOT signs.
- For rails less than 3'-0" long, 4" stripes shall be used.
- Cones shall:
 - Be used only in active work zones where workers are present.
 - Not exceed 2 miles in length of use at any one time.
 - Be reflectorized as per the MUTCD with Department-approved reflective collars when used at night.
- Vehicular longitudinal channelizing devices shall not exceed 36" in height. For vehicular longitudinal channelizing devices (LCDs) less than 32" in height, the LCD shall be supplemented with approved fixed (surface mounted) channelizing devices (tubular markers, vertical panels, etc.) along the run of the LCD, at the ends, at 50' centers on tangents, and 25' centers on radii. The cost of the fixed supplemented channelizing devices shall be included in the cost of the LCD. LCDs less than 32" in height shall not be used for speeds greater than 45 mph.

10. For pedestrian longitudinal channelizing devices, the device shall have a minimum of 8" continuous detectable edging above the walkway. A gap not exceeding a height of 2" is allowed to facilitate drainage. The top surface of the device shall be a minimum height of 32" and have a $\frac{1}{8}$ " or less difference in any plane at all connection points between the devices to facilitate hand trailing. The bottom and the top surface of the device shall be in the same vertical plane. If pedestrian drop-off protection is required, the device shall have a footprint or offset of at least 2', otherwise the device must be at least 42" in height above the walkway and be anchored or ballasted to withstand a 200 lb lateral point load at the top of the device.

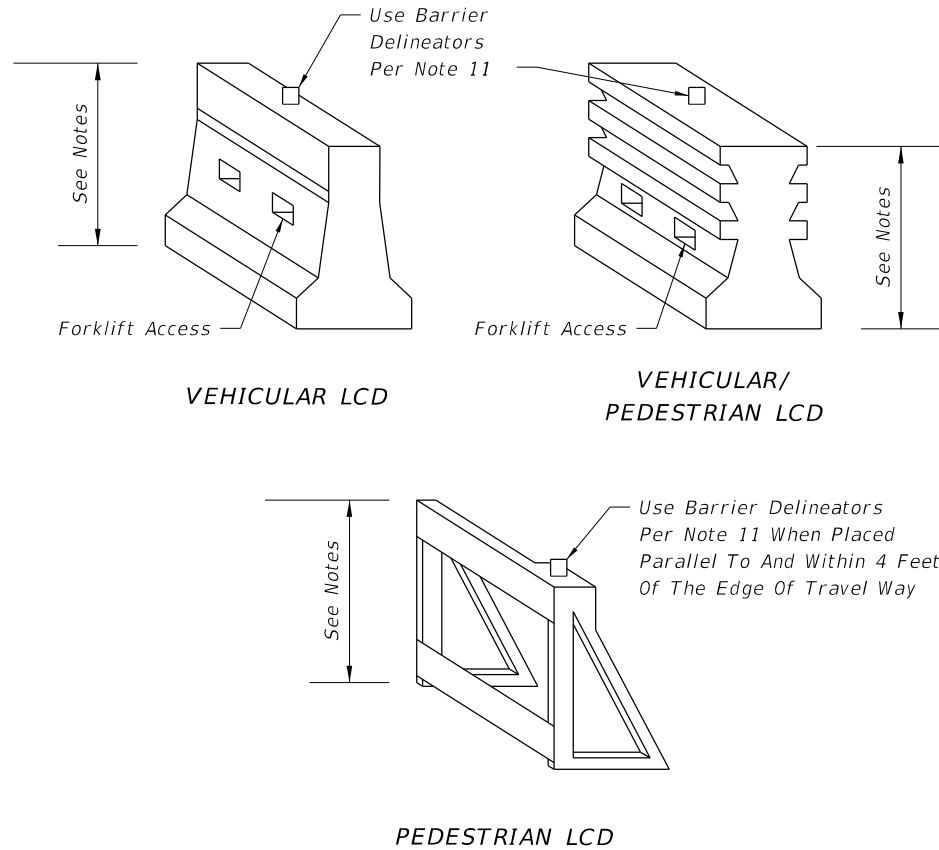
11. For Barrier Delineators, see Specification 102. Place on top of unit so that retroreflective sheeting faces vehicular traffic. Color must match adjacent longitudinal pavement marking.

TEMPORARY BARRIER NOTES:

1. Where a barrier is specified, any of the types below may be used in accordance with the applicable Index:

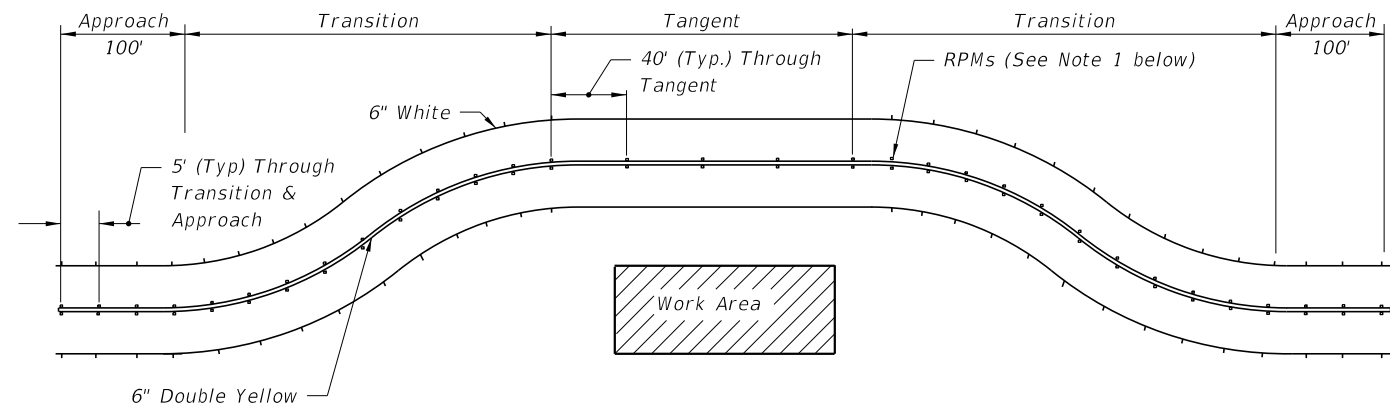
Index	Description
102-100	Temporary Barrier
102-120	Low Profile Barrier
536-001	Guardrail

2. Trailer Mounted Barriers may be used to provide positive protection for workers within the work areas. APL drawings may be used as a guide to develop project specific Temporary Traffic Control Plans that are signed and sealed by the Contractor's Engineer.



LONGITUDINAL CHANNELIZING DEVICE

LAST REVISION	DESCRIPTION:	FY 2019-20 STANDARD PLANS	GENERAL INFORMATION FOR TRAFFIC CONTROL THROUGH WORK ZONES	INDEX	SHEET
11/01/17				102-600	11 of 12



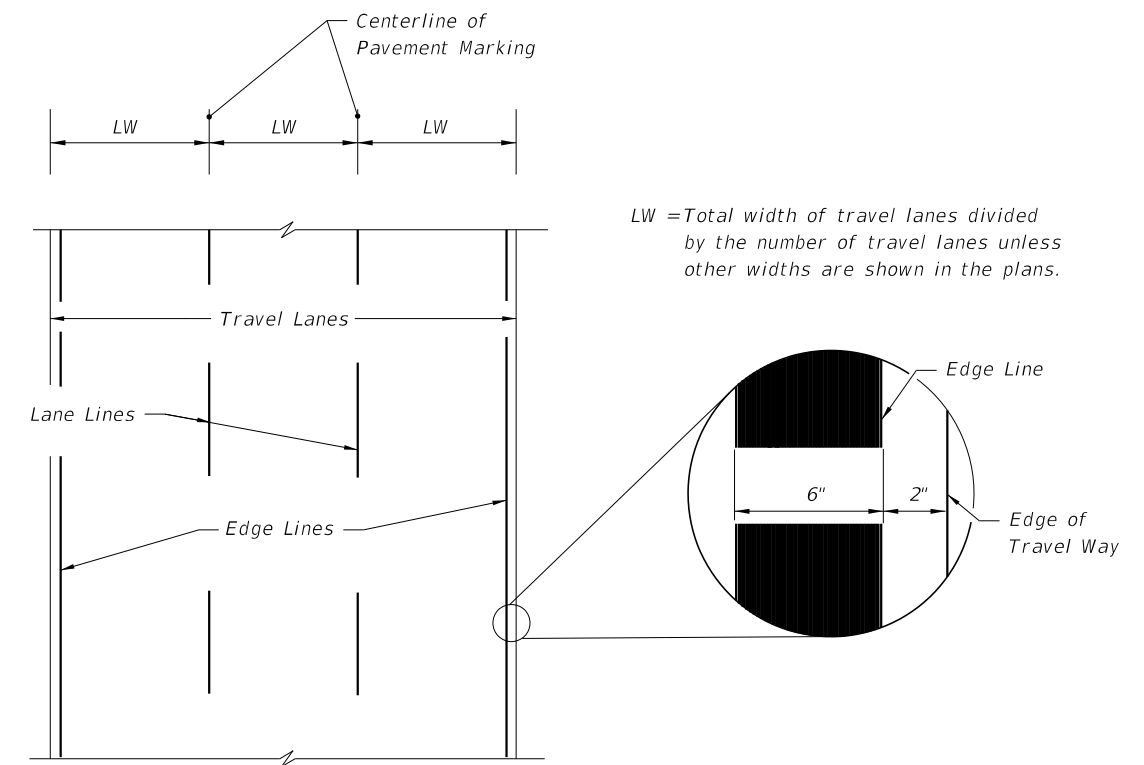
USE OF RPMs TO SUPPLEMENT PAINT OR REMOVABLE TAPE IN WORK ZONES

1. RPMs shall be installed as a supplement to:
 - a. All lane lines.
 - b. Edge lines in transition & approach areas.
 - c. Edge lines of gore areas.
2. Placement of RPMs should be as shown in Index 706-001 with the following exceptions:

RPMs shall be placed at 5 feet center to center in approach and transition areas.

NOTES FOR RAISED PAVEMENT MARKERS:

1. The color of the raised pavement marker under both day and night conditions shall conform to the color of the marking for which they serve as a positioning guide, or for which they supplement.
2. RPMs used to supplement lane lines are to be paid for as Raised Pavement Marker (Temporary), EA. RPMs used as a temporary substitute for paint or removable tape due to equipment malfunction are to be placed at the Contractor's expense.



PLACEMENT OF PAVEMENT MARKINGS

PAVEMENT MARKINGS

10/25/2018 8:44:43 AM

LAST REVISION 11/01/17	REVISION	DESCRIPTION:		FY 2019-20 STANDARD PLANS	GENERAL INFORMATION FOR TRAFFIC CONTROL THROUGH WORK ZONES	INDEX 102-600	SHEET 12 of 12
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Exhibit E
Scope of Services

The scope of services provided shall include all services referenced within the landscape concept plan referenced in Exhibit B. Any deviations shall be approved by the Florida Department of Transportation (FDOT).

Exhibit F
STATE FINANCIAL ASSISTANCE (FLORIDA SINGLE AUDIT ACT)

THE STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

SUBJECT TO SECTION 215.97, FLORIDA STATUTES:

Awarding Agency: Florida Department of Transportation

State Project Title: HIGHWAY BEAUTIFICATION GRANTS — KEEP FLORIDA BEAUTIFUL

CSFA Number: 55.003

*Award Amount: \$98,800.00

***The state award amount may change with supplemental agreements**

Specific project information for CSFA Number 55.003 is provided at:
<https://apps.fldfs.com/fsaa/searchCatalog.aspx>

COMPLIANCE REQUIREMENTS APPLICABLE TO STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT:

State Project Compliance Requirements for CSFA Number 55.003 are provided at:

<https://apps.fldfs.com/fsaa/searchCompliance.aspx>

The State Projects Compliance Supplement is provided at: <https://apps.fldfs.com/fsaa/compliance.aspx>

To: Stephen.Anderson@dot.state.fl.us

**FLORIDA DEPARTMENT OF TRANSPORTATION
FUNDS APPROVAL**

G1391

12/17/2018

CONTRACT INFORMATION

Contract:	G1391
Contract Type:	GD - GRANT DISBURSEMENT (GRANT)
Method of Procurement:	G - GOVERNMENTAL AGENCY (287.057,F.S.)
Vendor Name:	PENSACOLA, CITY OF
Vendor ID:	F596000406002
Beginning Date of This Agreement:	11/20/2018
Ending Date of This Agreement:	06/30/2020
Contract Total/Budgetary Ceiling:	ct = \$98,800.00
Description:	Beautification Grant 339.2405 (11) FS - Garden Street

FUNDS APPROVAL INFORMATION

FUNDS APPROVED/REVIEWED FOR ROBIN M. NAITOVE, CPA, COMPTROLLER ON 12/17/2018

Action	Original
Reviewed or Approved	APPROVED
Organization Code:	55034040312
Expansion Option.	AB
Object Code	751000
Amount	\$98,800.00
Financial Project:	43517827401
Work Activity (FCT).	215
CFDA.	
Fiscal Year:	2019
Budget Entity	55150200
Category/Category Year	088850/19
Amendment ID.	0001
Sequence:	00
User Assigned ID:	
Enc Line (6s)/Status:	0001/04

Total Amount: \$98,800.00



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 2019-08

City Council

2/28/2019

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

SUPPLEMENTAL BUDGET RESOLUTION NO. 2019-08 - CRA - FLORIDA BEAUTIFICATION GRANT

RECOMMENDATION:

That City Council adopt Supplemental Budget Resolution No. 2019-08:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2019, PROVIDING FOR AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

On September 10, 2018 and September 13, 2018, the Community Redevelopment Agency (CRA) and City Council respectively authorized the CRA to apply for and accept a Florida Department of Transportation (FDOT) Beautification Grant to provide landscape improvements to Garden Street from Alcaniz Street to North "A" Street.

The CRA has been awarded funding in the amount of \$98,800 with an estimated \$91,975 CRA match, however, a second resolution authorizing execution of the grant agreement is required to secure the funding and initiate the project. A copy of the resolution and agreement is attached. A separate resolution will be presented to both the CRA and City Council appropriating the grant funds.

PRIOR ACTION:

August 6, 2018 - The CRA adopted Resolution No. 2018-01 CRA adopting a budget for the fiscal year beginning October 1, 2018.

September 10, 2018 - The CRA adopted Resolution No. 2018-03 CRA authorizing the CRA to apply for and accept an FDOT Beautification Grant for landscape improvements to Garden Street.

September 13, 2018 - City Council adopted Resolution No. 18-43 authorizing the CRA to apply for and accept 453

an FDOT Beautification Grant for landscape improvements to Garden Street.

September 19, 2018 - City Council adopted Resolution No. 18-40 adopting the Fiscal Year 2019 Budget.

FUNDING:

Budget:	\$ 98,800	FDOT Beautification Grant
	70,000	CRA Fund - Garden Street Improvements
	13,300	CRA Fund - Landscape Maintenance Operating
	<u>8,675</u>	CRA Fund
	<u>\$ 190,775</u>	

Actual:	\$114,800	Plant Materials (Estimated)
	25,000	Irrigation System (Estimated)
	19,000	Design Fee (Estimated)
	14,000	Establishment Period Costs (Estimated)
	10,000	Tree & Shrub Removal (Estimated)
	<u>7,975</u>	Miscellaneous (Estimated)
	<u>\$ 190,775</u>	

FINANCIAL IMPACT:

Funds have been appropriated in the Fiscal Year 2019 CRA Budget. A separate supplemental budget resolution has been submitted to allocate the grant funds.

CITY ATTORNEY REVIEW: Yes

1/31/2019

STAFF CONTACT:

Christopher L. Holley, City Administrator
M. Helen Gibson, AICP, CRA Administrator
Victoria D'Angelo, Assistant CRA Administrator

ATTACHMENTS:

- 1) Supplemental Budget Resolution No. 2019-08
- 2) Supplemental Budget Explanation No. 2019-08

PRESENTATION: No

**RESOLUTION
NO. 2019-08**

A RESOLUTION
TO BE ENTITLED:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE
FISCAL YEAR ENDING SEPTEMBER 30, 2019; 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. SPECIAL REVENUE FUND

As Reads	State Grants	458,998
To:		
Reads	State Grants	557,798
As Reads	Operating Expenses	312,206
To:		
Reads	Operating Expenses	411,006

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**FEBRUARY 2019 - SUPPLEMENTAL BUDGET RESOLUTION - CRA BEAUTIFICATION GRANT - RES NO. 2019-08**

FUND		AMOUNT	DESCRIPTION
SPECIAL REVENUE FUND			
Estimated Revenues			
State Grants		98,800	Increase estimated revenue from State Grants
Total Revenues		<u>98,800</u>	
Appropriations			
Operating Expenses		98,800	Increase appropriation for Operating Expenses
Total Appropriations		<u>98,800</u>	



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 06-19

City Council

2/28/2019

LEGISLATIVE ACTION ITEM

SPONSOR: City Council Member Sherri Myers

SUBJECT:

PROPOSED ORDINANCE NO. 06-19 - AMENDMENT TO SECTION 6-2-1 OF THE CITY CODE - PARKS AND RECREATION BOARD - ESTABLISHMENT; COMPOSITION; COMPENSATION; TERMS OF OFFICE; VACANCIES AND REMOVAL

RECOMMENDATION:

That City Council approve Proposed Ordinance No. 06-19 on first reading:

AN ORDINANCE AMENDING SECTION 6-2-1 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA, PARKS AND RECREATION BOARD - ESTABLISHMENT; COMPOSITION; COMPENSATION; TERMS OF OFFICE; VACANCIES AND REMOVAL; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

Currently, by Code, the Parks and Recreation Board is made up of nine (9) members; this amendment will reduce that number to seven (7), and provide a mechanism for direct appointment to the Board by each Council Member of someone who is a resident or property owner within their district, thereby creating equal representation of all districts within the City.

With approval of this Ordinance, in March of 2019, Council members of Districts 3, 5, 6 and 7 will nominate a member to the parks and recreation board, subject to ratification by the Council. Upon the expiration of the current term of the remaining three (3) members of the board, the Council members from Districts 1, 2 and 4 will make appointments, respectively, subject to Council ratification.

PRIOR ACTION:

August 22, 2013 - City Council amended Section 6-2-1

FUNDING:

N/A

FINANCIAL IMPACT:

None

STAFF CONTACT:

Don Kraher, Council Executive

ATTACHMENTS:

- 1) Proposed Ordinance No. 06-19

PRESENTATION: No

PROPOSED
ORDINANCE NO. 06-19

ORDINANCE NO. _____

AN ORDINANCE
TO BE ENTITLED:

AN ORDINANCE AMENDING SECTION 6-2-1 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA, PARKS AND RECREATION BOARD - ESTABLISHMENT; COMPOSITION; COMPENSATION; TERMS OF OFFICE; VACANCIES AND REMOVAL; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

SECTION 1. Section 6-2-1 of the Code of the City of Pensacola, Florida, is hereby amended to read as follows:

Sec. 6-2-1. - Establishment; composition; compensation; terms of office; vacancies and removal.

There is hereby established a parks and recreation board of the city. This board shall consist of ~~nine (9)~~ seven (7) persons serving without pay who shall be appointed by ~~the direct appointment by each council member of a representative who either resides or is a property owner within his or her district and shall be ratified by the council.~~ Effective March 2019, the Council members of Districts 3,5,6 and 7 shall nominate a member to the parks and recreation board, subject to ratification by the council. Upon the expiration of the current term of the remaining three (3) members of the board, the Council members from Districts 1,2 and 4 shall make appointments, respectively, subject to Council ratification. The term of office shall be for three (3) years in staggered terms or until ~~their~~ a successors are ~~is~~ appointed and ~~qualified~~ ratified by Council. Vacancies~~in~~ on the board occurring otherwise than by expiration of term shall be filled for the remaining term of the board member by appointment from the council ~~member from which the vacancy occurs making an appointment for the unexpired term.~~ member of the district from which the vacancy occurs, subject to Council ratification.

It is the expressed intent of this city to recognize the importance of balance in the appointment of minority and nonminority persons to membership on the parks and recreation board and to promote that balance through the provisions of this section.

For purposes of this Code Section, "minority person" means:

- (a) An African American; that is, a person having origins in any of the racial groups of the African Diaspora.
- (b) A Hispanic American; that is, a person of Spanish or Portuguese culture with origins in Spain, Portugal, Mexico, South America, Central America, or the Caribbean, regardless of race.

- (c) An Asian American; that is, a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands, including the Hawaiian Islands prior to 1778.
- (d) A Native American; that is, a person who has origins in any of the Indian Tribes of North America prior to 1835.
- (e) An American woman.

In addition, the city recognizes the importance of including persons with physical disabilities on this board. Furthermore, it is recognized that the parks and recreation board plays a vital role in shaping public policy for the city, and the selection of the best-qualified candidates is the paramount obligation.

In appointing members to the parks and recreation board, the council should select, from among the best-qualified persons, those persons whose appointment would ensure that the membership of the board accurately reflects the proportion that minority persons represent in the population of the city as a whole, unless the law regulating such appointment requires otherwise, or minority persons cannot be recruited. If the size of the board precludes an accurate representation of minority persons, appointments should be made which conform to the requirements of this section insofar as possible.

Each board member serves at the pleasure of city council and may be removed at any time with reasonable cause or by recommendation by the parks and recreation board. Any board member missing three (3) consecutive board meetings or five (5) board meetings over the course of a calendar year shall forfeit their membership on the board. Absences may be excused by the chair.

SECTION 2. If any word, phrase, clause, paragraph, section or provision of this ordinance or the application thereof to any person or circumstance is held invalid or unconstitutional, such finding shall not affect the other provision or applications of the ordinance which can be given effect without the invalid or unconstitutional provisions or application, and to this end the provisions of this ordinance are declared severable.

SECTION 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4. This ordinance shall take effect 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



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 08-19

City Council

2/28/2019

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

PROPOSED ORDINANCE NO. 08-19 - AMENDING DEFERRED RETIREMENT OPTION PLAN (DROP) CITY CODE SECTION 9-9-4(l) AND CREATING CITY CODE SECTION 9-4-4(m)

RECOMMENDATION:

That City Council approve Proposed Ordinance No. 08-19 on first reading.

AN ORDINANCE AMENDING SECTION 9-9-4 (l) OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; ALLOWING THE RE-EMPLOYMENT OF FORMER DROP PARTICIPANTS INTO AUTHORIZED POSITIONS; CREATING SECTION 9-9-4 (m) OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; AUTHORIZING THE RE-EMPLOYMENT OF RETIRED PENSACOLA POLICE OFFICERS INTO PART-TIME POSITIONS AS PARTICIPANTS IN THE FLORIDA RETIREMENT SYSTEM; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

HEARING REQUIRED: Public

SUMMARY:

The City's current Deferred Retirement Option Program (DROP) prohibits the re-employment of City law enforcement officers who have retired under the City's Police Pension Plan. The Proposed Ordinance would permit the re-employment of retired City law enforcement officers as part-time employees who would participate in the Florida Retirement System, but not the Police Pension Plan.

PRIOR ACTION:

November 18, 1999 - City Council adopted Ordinance No. 46-99 establishing a Deferred Retirement Option Plan (DROP).

FUNDING:

N/A

FINANCIAL IMPACT:

None

CITY ATTORNEY REVIEW: Yes

2/20/2019

STAFF CONTACT:

Christopher L. Holley, City Administrator
Tommi Lyter, Police Chief

ATTACHMENTS:

- 1) Proposed Ordinance No. 08-19

PRESENTATION: No

PROPOSED
ORDINANCE NO. 08-19

ORDINANCE NO. _____

AN ORDINANCE
TO BE ENTITLED:

AN ORDINANCE AMENDING SECTION 9-9-4 (l) OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; ALLOWING THE RE-EMPLOYMENT OF FORMER DROP PARTICIPANTS INTO AUTHORIZED POSITIONS; CREATING SECTION 9-9-4 (m) OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; AUTHORIZING THE RE-EMPLOYMENT OF RETIRED PENSACOLA POLICE OFFICERS INTO PART-TIME POSITIONS AS PARTICIPANTS IN THE FLORIDA RETIREMENT SYSTEM; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

SECTION 1. Section 9-9-4 (l) of the Code of the City of Pensacola, Florida, is hereby amended to read:

Sec. 9-9-4 (l). Employment limitation after DROP participation. A DROP participant who is not a member of the General Pension and Retirement Fund shall not be eligible for ~~civil service or contract~~ reemployment with the City of Pensacola after the conclusion of the DROP period if the nature and extent of such employment or re-employment could result in the participant being eligible to participate in any defined benefit retirement plan of the city other than participation in the Florida Retirement System in a position of the city established by the Mayor pursuant to the provisions of Sec. 9-9-4 (m).

SECTION 2. Section 9-9-4 (m) of the Code of the City of Pensacola, Florida is hereby created to read:

Sec. 9-9-4 (m). Mayor's authority to re-employ former police DROP participants. The Mayor is authorized to create appropriate part-time employment positions for the purpose of enhancing and supplementing the public safety services rendered by the city's regular, sworn law enforcement employees. These positions shall be structured so as to permit, but not require, the employment of retired, former city law enforcement officers who shall not become participants in the Police Officers' Retirement Fund.

SECTION 3. If any word, phrase, clause, paragraph, section or provision of this ordinance or the application thereof to any person or circumstance is held invalid or unconstitutional, such finding shall not affect the other provision or applications of the ordinance which can be given effect without the invalid or unconstitutional provisions or application, and to this end the provisions of this ordinance are declared severable.

SECTION 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 5. This ordinance shall take effect 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.

Passed: _____

Approved: _____

President of the City Council

Attest:

City Clerk



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 02-19

City Council

2/28/2019

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

PROPOSED ORDINANCE NO. 02-19 AMENDING SECTION 7-10-179(f) - OPERATIONAL PROCEDURES

RECOMMENDATION:

That City Council adopt Proposed Ordinance No. 02-19 on second reading.

AN ORDINANCE AMENDING SECTION 7-10-179(f) OF THE CODE OF THE CITY OF PENSACOLA REQUIRING CREDIT CARD ACCEPTANCE BY TAXICABS; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

Ground transportation operators comprised of local taxicabs and national transportation network companies such as Uber and Lyft provide vital services to the patrons using the Pensacola International Airport. In FY 2018, these operators had a combined total of over sixty thousand trips from the facility.

Ground transportation activity at the Pensacola International Airport is managed through State Statute and operating agreements for the national transportation network companies, and City Code for the local taxicabs. Under a current provision of City Code, taxicabs providing service to the Airport are not required to accept payment via credit card UNLESS the taxicab operator advertises the fact that they accept credit cards. While most taxicab operators do accept credit cards and advertise the same, there are still several that do not. Of the one hundred sixty-eight cabs currently permitted at the Airport, only seven do not advertise credit card acceptance. All transportation network providers are required to accept credit cards.

Given the growth of activity at the Pensacola International Airport and given customer expectations with respect to the use of credit cards, it is recommended that the City Code be amended to require all taxicabs to accept credit cards if they want to provide service from the facility. Doing so will improve the level of customer service and reduce curbside issues between those operators accepting credit cards and the few that do not.

PRIOR ACTION:

February 14, 2019- City Council voted to approve Proposed Ordinance No. 02-19 on first reading.

FUNDING:

N/A

FINANCIAL IMPACT:

None

CITY ATTORNEY REVIEW: Yes

1/23/2019

STAFF CONTACT:

Christopher L. Holley, City Administrator
Daniel E. Flynn, Airport Director

ATTACHMENTS:

- 1) Proposed Ordinance No. 02-19

PRESENTATION: No

PROPOSED ORDINANCE
NO. 02-19

AN ORDINANCE
TO BE ENTITLED

AN ORDINANCE AMENDING SECTION 7-10-179(f) OF THE CODE OF THE CITY OF PENSACOLA REQUIRING CREDIT CARD ACCEPTANCE BY TAXICABS; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA;

SECTION 1. Section 7-10-179 of the Code of the City of Pensacola, is hereby amended to read:

Sec. 7-10-179. - Operational procedures.

- (a) Passenger pickup will be on a first-come, first-out basis, from the terminal regardless of the fact that a specific taxicab has been called.
- (b) All taxicabs with valid airport permits wishing to pick up passengers at the terminal must enter the taxicab queuing area. No taxicabs may pick up passengers without first entering the queuing area.
- (c) A maximum of four (4) taxicabs at any one time will be allowed in the taxicab passenger loading zone. The airport director may, by rule, change the location of the passenger loading zone and the number of taxicabs allowed to occupy the passenger loading zone. Notification by telephone to the company dispatching office, verbal communication to a taxicab driver who is operating a taxicab controlled by the operator or written notification by mail will constitute adequate notification of a rule change in this section. Copies of such rule changes shall be available in the airport director's office during normal business hours. Notification shall be given by the airport director or an authorized representative who in turn must notify the mayor in writing of such rule changes within forty-eight (48) hours.
- (d) All passenger pickups at the terminal shall be made at the taxicab passenger loading zone. It is a violation of this section to pick up or solicit passengers at any location upon airport property except as authorized by this section.
- (e) Taxicabs shall not refuse a passenger fare while waiting at the passenger loading zone. Taxicabs refusing a fare shall immediately leave the passenger loading zone without picking up any other fare and either leave the airport or move to the rear of the queuing area.
- (f) Taxicabs shall ~~not~~ be required to accept a fare that desires to have the taxicab bill placed on a charge basis, ~~whether it is an individual, company, or other charge basis, and the operator shall advertise unless the operator accepts and/or advertises~~

acceptance of credit cards. ~~In the event the taxicab driver refuses such a fare, the person shall be referred by the traffic officer to the next taxicab in line.~~

- (g) Reserved.
- (h) Reserved.
- (i) The first-in-line taxicab may refuse to carry baggage, packages, or other items requested by airport tenants. Nothing in this section shall authorize a taxicab to refuse service to any fare paying passenger.
- (j) The driver of any taxicab shall remain within the vehicle or immediately adjacent to the vehicle at all times while on airport property; except that, when necessary for use of restroom facilities, a driver may be absent from his taxicab for not more than ten (10) consecutive minutes in the taxi queuing area. Taxicab drivers are prohibited from loitering or standing inside the airport terminal while their taxicab is in the queuing area or at the passenger loading zone except as allowed in this section.
- (k) Taxicab drivers shall not handle passenger baggage except to load passenger baggage into the vehicle from curbside when requested by the passenger or unload the baggage to curbside when requested by the passenger.
- (l) Taxicab vehicles shall not be repaired or have mechanical or auto body work performed on them while at the airport; except, when necessary to conduct emergency repairs for the purpose of removing a malfunctioning vehicle to a place where normal repairs may be accomplished.
- (m) Arriving taxicabs which are bringing passengers to the airport may proceed directly to the terminal passenger drop-off zones for discharge only but must remain clear of the designated taxicab passenger loading zone.
- (n) Arriving taxicabs that deliver passengers to the airport and are requested by the passenger to wait so the passenger can continue to his final destination in the same taxicab are not required to enter the queuing area, provided the taximeter continues to run and the passenger is charged for waiting time. Taxicabs waiting for passengers to continue on their original journey may not pick up passengers and may leave the airport only with their original passenger. Taxicabs that deliver passengers as allowed by this section and turn the taximeter off while at the airport shall not be permitted to wait for the passenger and shall be required to enter the rear of the queuing area.
- (o) The traffic officer is responsible for maintaining orderly operations as specified above. Violations of these operational procedures will be subject to permanent suspension or revocation as determined by the airport director.

SECTION 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 3. This ordinance shall become effective of the fifth business day after adoption, unless otherwise provided pursuant to Section 4.03(d) of the City Charter of the City of Pensacola.

Passed: _____

Approved: _____
President of City Council

Attest:

City Clerk



Memorandum

File #: 03-19

City Council

2/28/2019

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

PROPOSED ORDINANCE NO. 03-19 - REQUEST FOR FUTURE LAND USE MAP AMENDMENT - ANNEXED AIRPORT PARCELS

RECOMMENDATION:

That City Council adopt Proposed Ordinance No. 03-19 on second reading.

AN ORDINANCE AMENDING THE FUTURE LAND USE CLASSIFICATION OF CERTAIN PROPERTY PURSUANT TO AND CONSISTENT WITH THE COMPREHENSIVE PLAN OF THE CITY OF PENSACOLA; AMENDING THE FUTURE LAND USE MAP OF THE CITY OF PENSACOLA; REPEALING CLAUSE AND EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

Pensacola International Airport is requesting to rezone the City-owned properties included in the adoption of Ordinance No. 14-18, which annexed these parcels into the City limits. This request is to rezone the parcels from County zoning to ARZ, Airport Restricted Zoning District. This request also requires a Future Land Use Map (FLUM) Amendment to A, Airport. The zoning district and FLUM designation were previously under the jurisdiction of Escambia County. Since the properties now lie within the jurisdictional boundary of the City of Pensacola, the applicable zoning district and FLUM designation need to be established.

On January 8, 2019, the Planning Board unanimously recommended approval of the proposed Future Land Use Map and Zoning Map amendment.

PRIOR ACTION:

February 14, 2019 - City Council voted to approve Ordinance No. 03-19 on first reading.

December 13, 2018 - City Council adopted Ordinance No. 14-18, annexing subject parcels owned by the Pensacola International Airport.

FUNDING:

N/A

FINANCIAL IMPACT:

None

CITY ATTORNEY REVIEW: Yes

1/28/2019

STAFF CONTACT:

Christopher L. Holley, City Administrator
Sherry H. Morris, AICP, Planning Services Administrator
Daniel E. Flynn, Airport Director

ATTACHMENTS:

- 1) Proposed Ordinance No. 03-19
- 2) Map of Annexation Area to be Rezoned
- 3) Ordinance No. 14-18
- 4) January 8, 2019 Planning Board Minutes

PRESENTATION: No

PROPOSED
ORDINANCE NO. 03-19

ORDINANCE NO. _____

AN ORDINANCE
TO BE ENTITLED:

AN ORDINANCE AMENDING THE FUTURE LAND USE
CLASSIFICATION OF CERTAIN PROPERTY PURSUANT TO
AND CONSISTENT WITH THE COMPREHENSIVE PLAN OF
THE CITY OF PENSACOLA; AMENDING THE FUTURE
LAND USE MAP OF THE CITY OF PENSACOLA;
REPEALING CLAUSE AND EFFECTIVE DATE.

WHEREAS, the City of Pensacola adopted a Comprehensive
Plan on October 4, 1990, pursuant to applicable law; and

WHEREAS, a proposed amended future land use
classification has been referred to the local planning agency
pursuant to §163.3174, Fla. Stat., and a proper public hearing was
held on February 14, 2019 concerning the following proposed future
land use classification affecting the property described therein;
and

WHEREAS, after due deliberation, the City Council has
determined that the amended future land use classification set
forth herein will affirmatively contribute to the health, safety,
and general welfare of the citizens of the City of Pensacola; and

WHEREAS, said amended future land use classification is
consistent with all applicable elements of the Comprehensive Plan
as amended, NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

SECTION 1. That the Future Land Use Map of the City of
Pensacola and all notations, references and information shown
thereon is hereby amended so that the following described real
property located in the City of Pensacola, Florida, to-wit:

COMMENCE AT THE SOUTHEAST CORNER OF LOT 3, AIRPORT EXECUTIVE
PLAZA, AS RECORDED IN PLAT BOOK 11 AT PAGE 40 OF THE PUBLIC
RECORDS OF ESCAMBIA COUNTY, FLORIDA; THENCE GO N60°55'16"W ALONG
THE SOUTH LINE OF SAID LOT A DISTANCE OF 776.96 FEET TO THE
SOUTHWEST CORNER OF LOT 2 OF SAID AIRPORT EXECUTIVE PLAZA; THENCE
GO N03°10'03"E ALONG THE EAST RIGHT OF WAY LINE OF TIPPIN AVENUE

(RIGHT OF WAY WIDTH VARIES) A DISTANCE OF 1276.01 FEET TO A POINT ON THE SOUTH LINE OF THAT PARCEL OF LAND DESCRIBED IN OFFICIAL RECORDS BOOK 374 AT, PAGE 57 OF THE PUBLIC RECORDS OF ESCAMBIA COUNTY, FLORIDA; THENCE DEPARTING SAID RIGHT OF WAY LINE, GO S87°18'36"E ALONG THE SOUTH LINE OF SAID PARCEL A DISTANCE OF 238.06 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL FOR THE POINT OF BEGINNING; THENCE GO S87°18'36"E A DISTANCE OF 61.28 FEET TO THE NORTHEAST CORNER OF LOT 1, BLOCK 1 CAMPUS HEIGHTS, AS RECORDED IN PLAT BOOK 4 AT PAGE 36 OF SAID COUNTY; THENCE GO S55°55'01"E A DISTANCE OF 77.34 FEET TO THE NORTHWEST CORNER OF LOT 9, BLOCK 2, OF SAID CAMPUS HEIGHTS; THENCE GO S86°56'30"E ALONG THE NORTH LINE OF SAID BLOCK 2 AND ITS EXTENSION A DISTANCE OF 778.95 FEET TO A POINT ON THE WEST LINE OF BLOCK 4 OF SAID CAMPUS HEIGHTS; THENCE GO N03°05'12"E A DISTANCE OF 65.74 FEET TO A CONCRETE MONUMENT ON THE SOUTH LINE OF BLOCK 5, COLLEGE HEIGHTS, AS RECORDED IN PLAT BOOK 5 AT PAGE 9 OF SAID COUNTY; THENCE N86°53'48"W ALONG THE SOUTH LINE OF SAID BLOCK 5 A DISTANCE OF 130.24 FEET TO THE SOUTHWEST CORNER OF LOT 1, BLOCK 5 OF SAID COLLEGE HEIGHTS; THENCE DEPARTING SAID SOUTH LINE, GO NORTHEASTERLY ALONG THE WEST LINE OF BLOCK 5, SAID WEST LINE BEING A CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 700.00 FEET, A DELTA ANGLE OF 26°32'42", A CHORD BEARING OF N16°25'12"E, AND A CHORD DISTANCE OF 321.41 FEET, FOR AN ARC DISTANCE OF 324.31 FEET TO THE NORTHWEST CORNER OF LOT 3, BLOCK 5 OF SAID COLLEGE HEIGHTS; THENCE GO N29°31'35"E A DISTANCE OF 66.00 FEET TO THE SOUTHWEST CORNER OF LOT 22, BLOCK 7 OF SAID COLLEGE HEIGHTS; THENCE GO N60°28'25"W A DISTANCE OF 66.00 FEET TO THE SOUTHEAST CORNER OF LOT 16, BLOCK 2 OF SAID COLLEGE HEIGHTS; THENCE GO NORTHWESTERLY ALONG THE SOUTH LINE OF BLOCK 2, SAID SOUTH LINE BEING A CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 373.00 FEET, A DELTA ANGLE OF 23°17'52", A CHORD BEARING OF N72°07'21"W, AND A CHORD DISTANCE OF 150.63', FOR AN ARC DISTANCE OF 151.67 FEET TO A POINT; THENCE DEPARTING SAID SOUTH LINE, GO N03°19'10"E A DISTANCE OF 127.17 FEET TO THE SOUTHEAST CORNER OF LOT 12 IN SAID BLOCK 2; THENCE GO N86°52'44"W ALONG THE SOUTH LINE OF SAID LOT 12 A DISTANCE OF 75.19 FEET TO THE SOUTHWEST CORNER OF SAID LOT 12; THENCE DEPARTING SAID SOUTH LINE, GO N03°18'20"E ALONG THE WEST LINE OF SAID LOT 12 AND ITS EXTENSION A DISTANCE OF 192.64 FEET TO THE SOUTHEAST CORNER OF LOT 18 IN BLOCK 1 OF SAID COLLEGE HEIGHTS; THENCE GO N87°04'35"W ALONG THE SOUTH LINE OF SAID LOT 18 A DISTANCE OF 75.01 FEET TO THE SOUTHWEST CORNER OF SAID LOT 18; THENCE DEPARTING SAID SOUTH LINE, GO N03°17'53"E ALONG THE WEST LINE OF SAID LOT 18 A DISTANCE OF 126.69 FEET TO THE NORTHWEST CORNER OF SAID LOT 18; THENCE DEPARTING SAID WEST LINE, GO N87°00'35"W ALONG THE NORTH LINE OF LOT 19 IN SAID BLOCK 1 AND ITS EXTENSION A DISTANCE OF 750.59 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF SAID TIPPIN AVENUE; THENCE GO S03°15'02"W ALONG SAID EAST RIGHT-OF-WAY

LINE A DISTANCE OF 120.05 FEET TO A POINT; THENCE GO SOUTH 42°56'03"E ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 9.26 FEET TO A POINT ON THE SOUTH LINE OF LOT 28 IN SAID BLOCK 1; THENCE GO S87°00'15"E ALONG THE SOUTH LINE OF SAID BLOCK 1 A DISTANCE OF 143.94 FEET TO A THE SOUTHEAST CORNER OF LOT 27 IN SAID BLOCK 1; THENCE DEPARTING SAID SOUTH LINE OF BLOCK 1, GO S03°19'58"W A DISTANCE OF 66.36 FEET TO THE NORTHEAST CORNER OF LOT 2 IN BLOCK 2 OF SAID COLLEGE HEIGHTS; THENCE GO N87°02'07"W ALONG THE NORTH LINE OF SAID LOT 2 A DISTANCE OF 75.12 FEET TO THE NORTHWEST CORNER OF SAID LOT 2; THENCE DEPARTING SAID NORTH LINE, GO S03°13'09"W ALONG THE WEST LINE OF LOTS 2 AND 27 IN SAID BLOCK 2 TO A DISTANCE OF 253.04 FEET TO THE SOUTHWEST CORNER OF SAID LOT 27; THENCE GO N86°50'42"W ALONG THE SOUTH LINE OF SAID BLOCK 2 A DISTANCE OF 86.96 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF SAID TIPPIN AVENUE; THENCE GO S03°15'02"W ALONG SAID EAST RIGHT-OF-WAY LINE A DISTANCE OF 386.53 FEET TO A POINT ON THE NORTH LINE OF THAT PARCEL OF LAND DESCRIBED IN OFFICIAL RECORDS BOOK 374 AT PAGE 57 OF THE PUBLIC RECORDS OF ESCAMBIA COUNTY, FLORIDA; THENCE DEPARTING SAID EAST RIGHT-OF-WAY LINE, GO S87°07'22"E ALONG THE THE NORTH LINE OF SAID PARCEL A DISTANCE OF 238.49 FEET TO THE NORTHEAST CORNER OF SAID PARCEL; THENCE DEPARTING SAID NORTH LINE, GO S03°35'24"W ALONG THE EAST LINE OF SAID PARCEL A DISTANCE OF 80.16 FEET TO THE POINT OF BEGINNING. THE ABOVE DESCRIBED PROPERTY LIES IN SECTION 14, TOWNSHIP 1 SOUTH, RANGE 29 WEST, ESCAMBIA COUNTY, FLORIDA AND CONTAINS 19.345 ACRES

is hereby changed from County Zoning to Airport (A) Future Land Use District.

A map depicting the area to be rezoned is attached hereto as Exhibit A.

SECTION 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

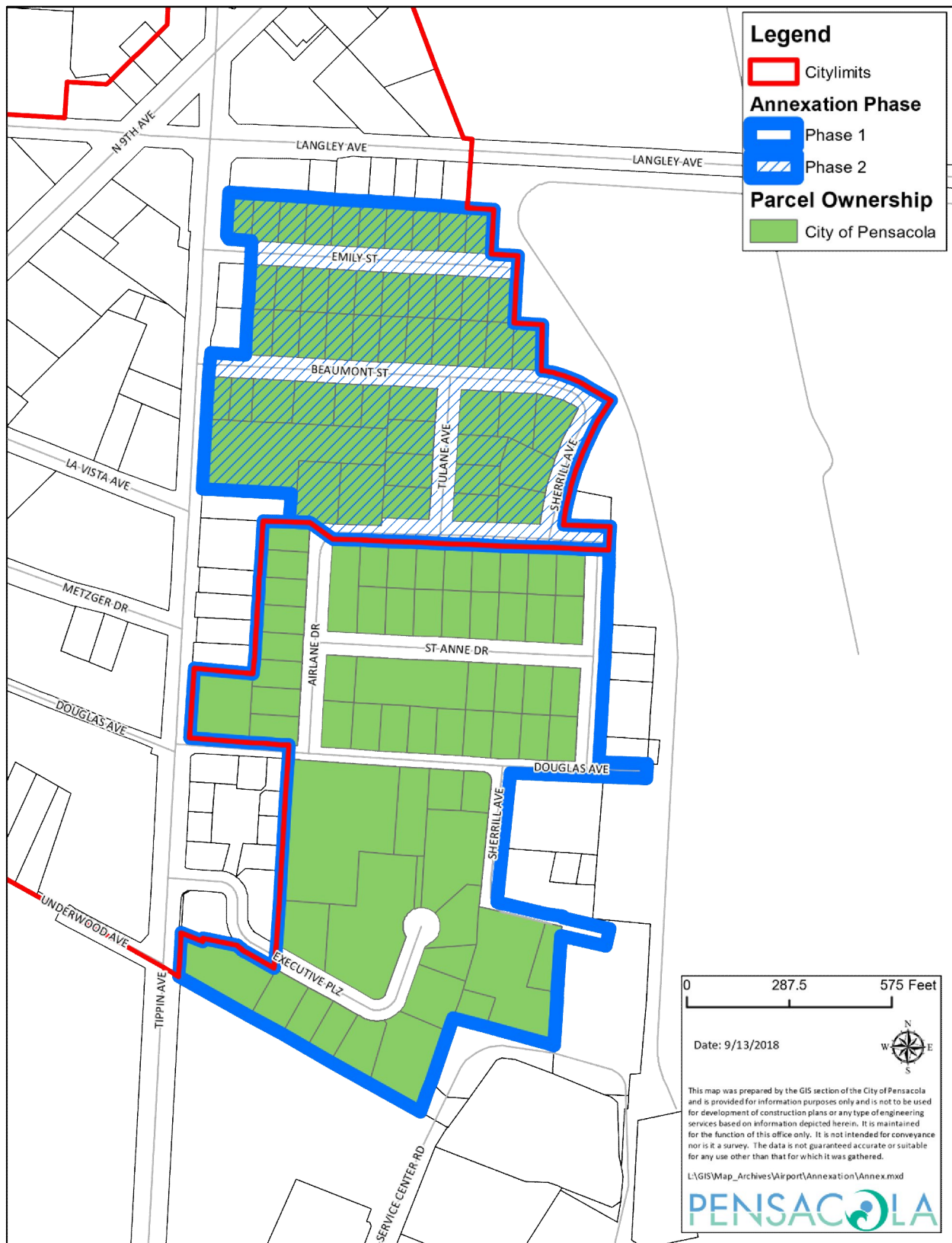
SECTION 3. This ordinance shall become effective on the fifth business day after adoption, unless otherwise provided pursuant to Section 4.03(d) of the City Charter of the City of Pensacola.

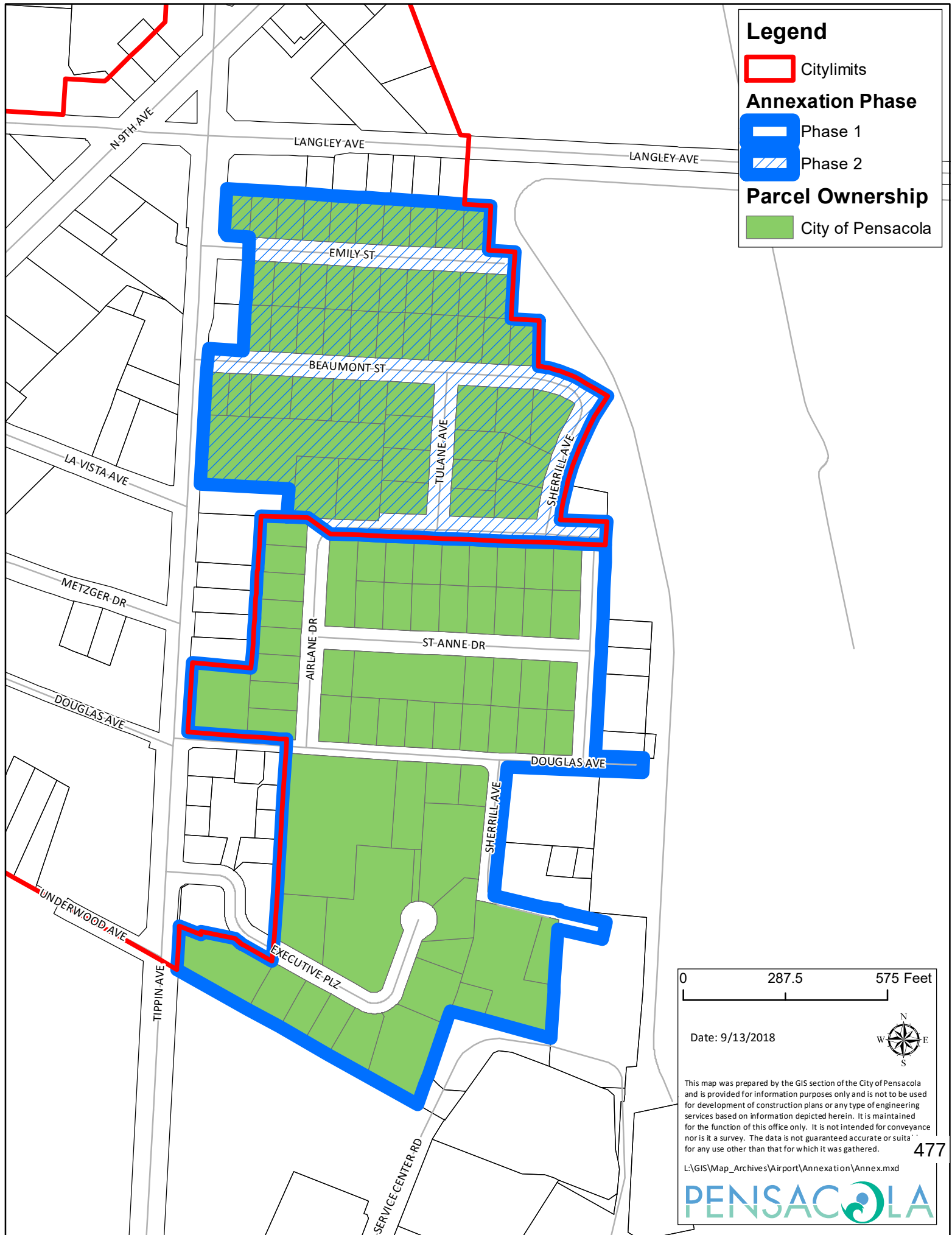
Passed: _____

Approved: _____
President of City Council

Attest:

City Clerk





Legend

 City limits

Annexation Phase

 Phase 1

 Phase 2

Parcel Ownership

 City of Pensacola

0 287.5 575 Feet

Date: 9/13/2018



This map was prepared by the GIS section of the City of Pensacola and is provided for information purposes only and is not to be used for development of construction plans or any type of engineering services based on information depicted herein. It is maintained for the function of this office only. It is not intended for conveyance nor is it a survey. The data is not guaranteed accurate or suitable for any use other than that for which it was gathered.

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PENSACOLA

PROPOSED
ORDINANCE NO. 25-18

ORDINANCE NO. 14-18

AN ORDINANCE
TO BE ENTITLED:

AN ORDINANCE INCORPORATING AND ANNEXING A
CERTAIN AREA CONTIGUOUS AND ADJACENT TO THE
CITY OF PENSACOLA INTO THE CITY OF PENSACOLA,
AND DECLARING SAID AREA TO BE A PART OF THE
CITY OF PENSACOLA; REPEALING CLAUSE, AND
PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Pensacola has
found that the property described below is contiguous to the
City of Pensacola and reasonably compact in nature; and meets
the requirements of Section 171.043, Florida Statutes.

WHEREAS, the City Council of the City of Pensacola has
determined that the area described below does not have any
registered voters and that the owners of more than 50 percent of
the parcels of land in such area consent to such area being
annexed into the City of Pensacola as provided by Section
171.0413(6), Florida Statutes; and

WHEREAS, the City Council has caused to be prepared a
report setting forth the plans to provide urban services to the
area described below, which report is in conformance with the
requirements of Section 171.042, Florida Statutes and said
report has been distributed in accordance with said act; NOW
THEREFORE,

BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

SECTION 1. That the City of Pensacola hereby finds
and declares that all requirements of law provided by Chapter
171, Florida Statutes, have been met, for the purpose of
integrating and annexing said area into the City of Pensacola,
the hereafter described area, and that the City of Pensacola
does hereby accept into the City of Pensacola the following
described properties which are being integrated and annexed by
the City of Pensacola and made a part and portion of the City of
Pensacola, lying within and hereby incorporated into the City of
Pensacola, to-wit:

DESCRIPTION OF PROPOSED ANNEXATION:

COMMENCE AT THE SOUTHEAST CORNER OF LOT 3, AIRPORT EXECUTIVE PLAZA, AS RECORDED IN PLAT BOOK 11 AT PAGE 40 OF THE PUBLIC RECORDS OF ESCAMBIA COUNTY, FLORIDA; THENCE GO N60°55'16"W ALONG THE SOUTH LINE OF SAID LOT A DISTANCE OF 776.96 FEET TO THE SOUTHWEST CORNER OF LOT 2 OF SAID AIRPORT EXECUTIVE PLAZA; THENCE GO N03°10'03"E ALONG THE EAST RIGHT OF WAY LINE OF TIPPIN AVENUE (RIGHT OF WAY WIDTH VARIES) A DISTANCE OF 1276.01 FEET TO A POINT ON THE SOUTH LINE OF THAT PARCEL OF LAND DESCRIBED IN OFFICIAL RECORDS BOOK 374 AT, PAGE 57 OF THE PUBLIC RECORDS OF ESCAMBIA COUNTY, FLORIDA; THENCE DEPARTING SAID RIGHT OF WAY LINE, GO S87°18'36"E ALONG THE SOUTH LINE OF SAID PARCEL A DISTANCE OF 238.06 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL FOR THE POINT OF BEGINNING; THENCE GO S87°18'36"E A DISTANCE OF 61.28 FEET TO THE NORTHEAST CORNER OF LOT 1, BLOCK 1 CAMPUS HEIGHTS, AS RECORDED IN PLAT BOOK 4 AT PAGE 36 OF SAID COUNTY; THENCE GO S55°55'01"E A DISTANCE OF 77.34 FEET TO THE NORTHWEST CORNER OF LOT 9, BLOCK 2, OF SAID CAMPUS HEIGHTS; THENCE GO S86°56'30"E ALONG THE NORTH LINE OF SAID BLOCK 2 AND ITS EXTENSION A DISTANCE OF 778.95 FEET TO A POINT ON THE WEST LINE OF BLOCK 4 OF SAID CAMPUS HEIGHTS; THENCE GO N03°05'12"E A DISTANCE OF 65.74 FEET TO A CONCRETE MONUMENT ON THE SOUTH LINE OF BLOCK 5, COLLEGE HEIGHTS, AS RECORDED IN PLAT BOOK 5 AT PAGE 9 OF SAID COUNTY; THENCE N86°53'48"W ALONG THE SOUTH LINE OF SAID BLOCK 5 A DISTANCE OF 130.24 FEET TO THE SOUTHWEST CORNER OF LOT 1, BLOCK 5 OF SAID COLLEGE HEIGHTS; THENCE DEPARTING SAID SOUTH LINE, GO NORTHEASTERLY ALONG THE WEST LINE OF BLOCK 5, SAID WEST LINE BEING A CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 700.00 FEET, A DELTA ANGLE OF 26°32'42", A CHORD BEARING OF N16°25'12"E, AND A CHORD DISTANCE OF 321.41 FEET, FOR AN ARC DISTANCE OF 324.31 FEET TO THE NORTHWEST CORNER OF LOT 3, BLOCK 5 OF SAID COLLEGE HEIGHTS; THENCE GO N29°31'35"E A DISTANCE OF 66.00 FEET TO THE SOUTHWEST CORNER OF LOT 22, BLOCK 7 OF SAID COLLEGE HEIGHTS; THENCE GO N60°28'25"W A DISTANCE OF 66.00 FEET TO THE SOUTHEAST CORNER OF LOT 16, BLOCK 2 OF SAID COLLEGE HEIGHTS; THENCE GO NORTHWESTERLY ALONG THE SOUTH LINE OF BLOCK 2, SAID SOUTH LINE BEING A CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 373.00 FEET, A DELTA ANGLE OF 23°17'52", A CHORD BEARING OF N72°07'21"W, AND A CHORD DISTANCE OF 150.63', FOR AN ARC DISTANCE OF 151.67 FEET TO A POINT; THENCE DEPARTING SAID SOUTH LINE, GO N03°19'10"E A DISTANCE OF 127.17 FEET TO THE SOUTHEAST CORNER OF LOT 12 IN SAID BLOCK 2; THENCE GO N86°52'44"W ALONG THE SOUTH LINE OF SAID LOT 12 A DISTANCE OF 75.19 FEET TO THE SOUTHWEST CORNER OF SAID LOT 12; THENCE DEPARTING SAID SOUTH LINE, GO N03°18'20"E ALONG THE WEST LINE OF

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A map depicting the area to be annexed is attached hereto as Exhibit A.

SECTION 2. If any word, phrase, clause, paragraph, section or provision of this ordinance or the application thereof to any person or circumstance is held invalid or unconstitutional, such finding shall not affect the other provision or applications of the ordinance which can be given effect without the invalid or

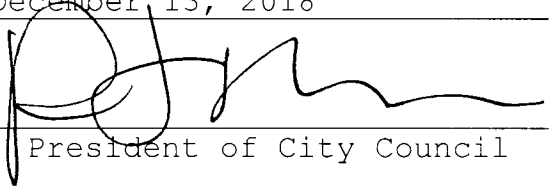
unconstitutional provisions or application, and to this end the provisions of this ordinance are declared severable.

SECTION 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4. This ordinance 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.

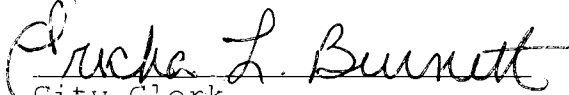
Adopted: December 13, 2018

Approved: _____



President of City Council

Attest:



City Clerk



PROOF OF PUBLICATION

State of Florida:

Escambia County FL:

Before the undersigned authority personally appeared

Diana Figueroa who on oath says that he or
she is a Legal Advertising Representative of the Pensacola News Journal
a daily newspaper published in Escambia, Florida that the attached copy
of advertisement, being a Legal Ad in the matter of

NOTICE OF PROPOSED ORDINANCES

Ad Description

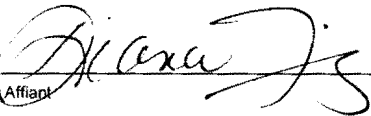
as published in said newspaper in the issue(s) of:

December 03, 2018

Run Date(s)

Affiant further says that the said Pensacola News Journal
is a newspaper in said Escambia County, Florida and that the said newspaper
has heretofore been continuously published in said Escambia County, Florida,
and has been entered as a second class matter at the Post Office in said
Escambia County, Florida, for a period of one year next preceding the
first publication of the attached copy of advertisement; and affiant
further says that he or she has neither paid nor promised any person,
firm or corporation any discount, rebate, commission or refund for the
purpose of securing this advertisement for publication the said newspaper.

Sword to and Subscribed before me this 12th day of December
2018, by Diana Figueroa
who is personally known to me.


(Affiant)

Notary

Publication Cost \$ 1,654.20

Ad Number 407008

Customer # PNJ-25615500

PLANNING SERVICES

MINUTES OF THE PLANNING BOARD

January 8, 2019

MEMBERS PRESENT: Chairman Paul Ritz, Nathan Monk, Danny Grundhoefer, Kurt Larson, Ryan Wiggins, Nina Campbell

MEMBERS ABSENT: None

STAFF PRESENT: Brandi Deese, Assistant Planning Services Administrator, Leslie Statler, Planner, Mayor Robinson, Laurie Byrne, Constituent Services, Ross Pristera, Advisor

OTHERS PRESENT: Bill Weeks, Teresa Hill, Bennett Shuman, Nannette Chandler, David Peaden, Greg Dziadon, Kacee Bidnick, Steven Sebold, Chris Palmer, Marcie Whitaker, Fred Gunther, Tim Evans, Drew Buchanan, Councilwoman Ann Hill

AGENDA:

- Quorum/Call to Order
- Approval of Meeting Minutes from November 13, 2018.
- New Business:
 - 1. **Consider Zoning & FLUM Amendment for Airport Annexation Parcels**
- **Discussion Item: Amendment to Land Development Code for Historic Preservation Commission**
- Open Forum
- Adjournment

Call to Order / Quorum Present

Chairman Ritz called the meeting to order at 2:02 pm with a quorum present.

Approval of Meeting Minutes

Ms. Wiggins made a motion to approve the November 13, 2018 minutes, seconded by Mr. Larson, and it carried unanimously.

New Business

Consider Zoning & FLUM Amendment for Airport Annexation Parcels

Mr. Dan Flynn, Pensacola International Airport Director, is requesting to rezone the City-owned properties included within the recent City of Pensacola annexation approved through Ordinance 25-18 to ARZ, Airport Restricted Zoning District. This request also requires a Future Land Use Map (FLUM) Amendment to A, Airport. The zoning district and FLUM designation were previously under the jurisdiction of Escambia County. Since the properties now lie within the jurisdictional boundary of the City of Pensacola, the applicable zoning district and FLUM designation need to be established.

Mr. Grundhoefer asked why this was pertinent, and Chairman Ritz explained it was because the property was in Escambia County prior to annexation and needed to be changed in jurisdictional coverage. Ms. Deese confirmed the property was city-owned and annexed in December 2018.

Mr. Larson made a motion to approve, seconded by Ms. Wiggins. Chairman Ritz asked for audience speakers, and there were none. **The motion then carried unanimously.**

Discussion Item: Amendment to Land Development Code for Historic Preservation Commission

Chairman Ritz stated he appreciated all the public dialogue regarding this item. It seemed the 50-year time limit was the point of concern and was an awkward time limit. He expressed his concern over the suburban ranch house with attached garages being considered historic in just a few years. Ms. Wiggins had researched this item and had spoken with the head of the Certified Local Government with the State to get more background. Her biggest concern was with property rights, and she advised the 50-year timeframe was with the Department of State and was not historically significant; our ordinance automatically considered the 50-year measure as historic, and she did not feel that was the intent of the Department of State. She referred to the last meeting when Mr. Weeks brought up Florida Statute 70 addressing property rights. She had asked the City Attorney through the staff to weigh in regarding this ordinance. A determination to see if this was a conflict was not available at this time. She further stated that being on the National Registry was an honorary title and did not prevent demolition. In order to be certified, the staff has to attend workshops and conferences, and money would have to be allocated for staff and these functions. Also, there would be competition between 75 cities for any grant money. She felt if the City could govern demolition within the structure they currently have, there was no reason to form another board.

Mr. Monk agreed that the work on the 2016 ordinance was very exhaustive and specifically targeted demolition. It had been workshopped with tremendous citizen involvement and was a very good beginning. He felt it was not the government's responsibility to oversee morals and ethics. If the Board was to start over with another ordinance, it would be another nine months, with more demolitions occurring in the meantime. He agreed property rights were very important, but the history of Pensacola was owned by every resident. He emphasized more and more of what makes us Pensacola was disappearing. Other cities had found ways to balance property rights and manage demolition; this was also covered in the ordinance of 2016 and was closer to where the citizens wanted us to be.

Mayor Robinson thanked the Board for their service and stated he grew up in the Pensacola Heights and Cordova Park neighborhoods which were not considered historic. He was concerned about where we draw the timeline to consider what is defined as historic. He was reminded there were some Frank Lloyd Wright houses from the 1960s that would be architecturally worth saving, but there were some ranch homes that could be replaced without making Pensacola a worse place.

Chairman Ritz explained with having this item as a discussion, no action was anticipated at this time, and there had been enough input to keep the discussion open longer to answer any remaining questions. He referenced Councilwoman Cannada-Wynn's letter regarding historic homes versus property rights and used his own home of 100 years+ as an example - having nothing historically relevant to it but certainly at the 50-year mark. Mr. Monk was comfortable without the 50-year mark but was concerned with the shotgun type homes disappearing and wanted more discussion. Ms. Wiggins stated we need to be careful in defining "old" as "historic" and not devalue the true historic assets in the city. Saving something just to save it would lead to dilapidation due to the costs to maintain as well as gentrification because homeowners can't afford to live in their homes. Chairman Ritz pointed out if your renovation cost exceeds 50 percent of the building cost, you must bring it up to Code. Mr. Grundhoefer stated the guidelines set up two years ago specifically addressed the types of structures considered historic or significant. He asked if the Board should take Councilwoman Cannada-Wynn's suggestion and establish a historic preservation commission which could vet this document the Board was putting together.

He still felt it was a good document since it did not restrict or deny but simply delayed demolition in order to vet another opportunity to save the structure.

Mr. Monk felt the Board could take on the responsibility for review and fit it into the agenda rather than establishing another commission. Ms. Wiggins added there was only one benefit to being certified which was the ability to apply for grant money and obtain training, but it was very political and would not pay for the board itself or the accommodating staff. Mr. Monk stated he would not be offended if the City reinvested in those types of hardships. Ms. Wiggins suggested there might be private investors who were passionate about historic rehabilitation and might be willing to invest.

Bill Weeks referred to Section 5 of the Historic Preservation Commission document regarding knowledge of and a demonstrated interest in historic, architectural and aesthetic development. He was concerned with ending up with airstream trailers and a coffeehouse made out of shipping containers which were all approved by the ARB. He also pointed out Section 6 (d) stating he could opt out in writing, but the commission and Council could place him in a historic site or area and violate his property rights. He suggested the Board had the perfect opportunity two years ago when UWF offered to perform a study of Pensacola to determine the historic areas. He advised this needed to be defined and let the experts decide what is historic and what is not – not taking a shotgun approach to the entire city to determine what is historic and what is not.

Mr. Gunther advised he had purchased and renovated a number of older houses, and his biggest concern was the age determination and thought it was over-reaching in determining the color and landscaping which might deter investment within the city.

Mr. Pristera stated he liked the work they performed two years ago but did not like the current document. However, there were some misconceptions he wanted to clarify. He explained the National Park Service set a standard, with 50 years being the starting point, to look at a property to determine if it is historic – it was just a starting point. After that, they have established criteria for evaluation, and you must meet one or more categories either associated with events, significant people, architectural significance or archaeological significance. Once you have met one, the next would be integrity and how the property has changed over the years and did it retain its significance. There would still need to be additional research to make the historical determination. This was what the National Parks and National Registry followed. He pointed out most 50-year old structures would not qualify as historical.

Mr. Pristera performed a district survey in Defuniak Springs of over 300 properties following the National Park Service standards. On the Florida Master Site File, it asked if the structure was National Register eligible and/or National District Register eligible. Concerning ranch houses, some places not significant on their own could potentially be significant as a district. He pointed out the City could file for Survey and Planning Grants and either hire a consultant or have someone in-house to do survey work and define which areas of the city needed some attention and what potentially was historic. The neighborhood could then give their input if they wanted an ordinance to protect their resources which is the only way it works – a buy-in from the community. He considered Section F with powers and duties and did not know who on the Commission would be performing all the homework, but felt something needed to address demolition and offer an evaluation on a property with an opportunity to possibly move the structure, however, he was not in favor of another board. Mr. Grundhoefer asked if a demolition permit was applied for a 50-year old house, could it be forwarded to Mr. Pristera for a determination, and Mr. Pristera advised he could assist, with simple ones taking possibly 30 minutes and older ones a little longer. But if it was determined historic, he also did not want to see it rot. He was also concerned with what would replace it.

Chris Palmer, the incoming President of the Northwest Florida Chapter of NAIOP, their commercial real estate trade association, stated from their prospective they were concerned about this document and were not opposed to changing demolition ideas or things which preserve character, but this document was something they were keeping their eye on because they thought it might be problematic.

Nanette Chandler, a realtor, stated she had done historic renovations.

She explained some clients will specifically say they do not want to be in a historic district because they cannot adhere to the parameters for construction renovation or they are not interested in doing so. If there was a buy-in from specific districts stating this was a new historic district and those people who live there would agree to it, whenever they sell their home, the next person could adhere to those requirements. You would not be forcing a property owner to do anything differently and infringing on their property rights. The document needed to be specific with the requirements for each district and very straight forward. She pointed out gentrification was also a real concern. She stated her home was relocated and completely renovated, however, there was no way her neighbor could accomplish this on a fixed income.

Chairman Ritz offered the document in this agenda item was inadequate for Pensacola's needs and not wanted by anyone. This document was best served by being taken away from the Board's plate. Mr. Monk then recommended that the 2016 ordinance be on next month's agenda for discussion and vote. Chairman Ritz agreed since citizens had gotten more involved, and the Board needed to address the historic fabric of Pensacola in a way that was fair and equitable to the citizens as a whole as well as individual property owners. He did not believe there was a need for another board; this board could do that evaluation, and if it got too cumbersome, it could be addressed at that time. Going forward, the Board should revert to discussing the previous 2016 ordinance and restart that process.

Ms. Wiggins addressed the current document referring to 1(g) "The city council desires for the city to become a Certified Local Government." She wanted clarification on what the Board was being asked to do. Mr. Grundhoefer stated the document was an example, and the Board was to decide to use it or not use it. Chairman Ritz stated it was a discussion point, and the Board could recommend anything. Mr. Grundhoefer explained Councilwoman Cannada-Wynn was asking the Board to evaluate if we should develop the preservation board or the Planning Board, ARB or city staff could take care of these structures. Mr. Monk pointed out that Council had asked this of the Board two years ago and then punted. Ms. Campbell advised she was comfortable with the 2016 ordinance and comfortable in making a recommendation to Council to revisit that 2016 ordinance. Ms. Deese stated the Board had recommended a workshop and because of the light agenda, staff scheduled the document as a discussion item, and this was something which needed to be discussed at a regularly scheduled meeting as an agenda item. A formal recommendation or vote should not be held today. She explained staff has already received an application for the February 12th meeting, and this could be added as an agenda item for that meeting.

Mr. Monk made a motion to bring back the 2016 ordinance at next month's meeting for further discussion and potential vote, seconded by Ms. Campbell. Ms. Wiggins was worried there would not be time for public input and requested possibly two months. Chairman Ritz explained the Board could make recommendations at the February meeting to include future workshops. Mr. Monk stated the ordinance was workshopped substantially, and the Board would simply be passing this as a recommendation to Council; it would then have the previous workshop materials, review and discussion in February, and then proceed to Council to pass or fail. Ms. Deese explained the ordinance would go through at least two Council meetings, and Ms. Wiggins was comfortable with that timeframe.

Mr. Shuman informed the Board he was not familiar with the document, and Ms. Deese advised it was part of the agenda packet and offered to furnish him with a copy. **The motion then carried unanimously.**

Mr. Grundhoefer suggested since the ordinance was only six pages, the Board should recommend a process, and if the Planning Board would take this on instead of developing a Preservation Commission, that recommendation should be made since Councilwoman Cannada-Wynn asked for that consideration. Chairman Ritz advised this Board's official term ends July 2019, and whoever sits on that Board would reap the benefits of the decision coming from the Board in either making or not making more work for them.

Open Forum – None.

Adjournment – With no further business, Chairman Ritz adjourned the meeting at 3:04 pm.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Brandi C. Deese", with a long horizontal flourish extending to the right.

Brandi C. Deese
Secretary to the Board



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 04-19

City Council

2/28/2019

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

PROPOSED ORDINANCE NO. 04-19 - REQUEST FOR ZONING MAP AMENDMENT - ANNEXED AIRPORT PARCELS

RECOMMENDATION:

That City Council adopt Proposed Ordinance No. 04-19 on second reading.

AN ORDINANCE AMENDING THE ZONING CLASSIFICATION OF CERTAIN PROPERTY PURSUANT TO AND CONSISTENT WITH THE COMPREHENSIVE PLAN OF THE CITY OF PENSACOLA; AMENDING THE ZONING MAP OF THE CITY OF PENSACOLA; REPEALING CLAUSE AND EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

Pensacola International Airport is requesting to rezone the City-owned properties included in the adoption of Ordinance No. 14-18, which annexed these parcels into the City limits. This request is to rezone the parcels from County zoning to ARZ, Airport Restricted Zoning District. This request also requires a Future Land Use Map (FLUM) Amendment to A, Airport. The zoning district and FLUM designation were previously under the jurisdiction of Escambia County. Since the properties now lie within the jurisdictional boundary of the City of Pensacola, the applicable zoning district and FLUM designation need to be established.

On January 8, 2019, the Planning Board unanimously recommended approval of the proposed Future Land Use Map and Zoning Map amendment.

PRIOR ACTION:

February 14, 2019 - City Council voted to approve Ordinance No. 04-19 on first reading.

December 18, 2018 - City Council adopted Ordinance No. 14-18, annexing subject parcels owned by the Pensacola International Airport.

FUNDING:

490

N/A

FINANCIAL IMPACT:

None

CITY ATTORNEY REVIEW: Yes

1/28/2019

STAFF CONTACT:

Christopher L. Holley, City Administrator
Sherry H. Morris, AICP, Planning Services Administrator
Daniel E. Flynn, Airport Director

ATTACHMENTS:

- 1) Proposed Ordinance No. 04-19
- 2) Map of Annexation Area to be Rezoned
- 3) Ordinance No. 14-18
- 4) January 8, 2019 Planning Board Minutes

PRESENTATION: No

PROPOSED
ORDINANCE NO. 04-19

ORDINANCE NO. _____

AN ORDINANCE
TO BE ENTITLED:

AN ORDINANCE AMENDING THE ZONING CLASSIFICATION OF CERTAIN PROPERTY PURSUANT TO AND CONSISTENT WITH THE COMPREHENSIVE PLAN OF THE CITY OF PENSACOLA; AMENDING THE ZONING MAP OF THE CITY OF PENSACOLA; REPEALING CLAUSE AND EFFECTIVE DATE.

WHEREAS, the City of Pensacola adopted a Comprehensive Plan on October 4, 1990, pursuant to applicable law; and

WHEREAS, a proposed amended zoning classification has been referred to the local planning agency pursuant to §163.3174, Fla. Stat., and a proper public hearing was held on February 14, 2019 concerning the following proposed zoning classification affecting the property described therein; and

WHEREAS, after due deliberation, the City Council has determined that the amended zoning classification set forth herein will affirmatively contribute to the health, safety, and general welfare of the citizens of the City of Pensacola; and

WHEREAS, said amended zoning classification is consistent with all applicable elements of the Comprehensive Plan as amended,
NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

SECTION 1. That the Zoning Map of the City of Pensacola and all notations, references and information shown thereon is hereby amended so that the following described real property located in the City of Pensacola, Florida, to-wit:

COMMENCE AT THE SOUTHEAST CORNER OF LOT 3, AIRPORT EXECUTIVE PLAZA, AS RECORDED IN PLAT BOOK 11 AT PAGE 40 OF THE PUBLIC RECORDS OF ESCAMBIA COUNTY, FLORIDA; THENCE GO N60°55'16"W ALONG THE SOUTH LINE OF SAID LOT A DISTANCE OF 776.96 FEET TO THE SOUTHWEST CORNER OF LOT 2 OF SAID AIRPORT EXECUTIVE PLAZA; THENCE GO N03°10'03"E ALONG THE EAST RIGHT OF WAY LINE OF TIPPIN AVENUE (RIGHT OF WAY WIDTH VARIES) A DISTANCE OF 1276.01 FEET TO A POINT ON THE SOUTH LINE OF THAT PARCEL OF LAND DESCRIBED IN OFFICIAL

RECORDS BOOK 374 AT, PAGE 57 OF THE PUBLIC RECORDS OF ESCAMBIA COUNTY, FLORIDA; THENCE DEPARTING SAID RIGHT OF WAY LINE, GO S87°18'36"E ALONG THE SOUTH LINE OF SAID PARCEL A DISTANCE OF 238.06 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL FOR THE POINT OF BEGINNING; THENCE GO S87°18'36"E A DISTANCE OF 61.28 FEET TO THE NORTHEAST CORNER OF LOT 1, BLOCK 1 CAMPUS HEIGHTS, AS RECORDED IN PLAT BOOK 4 AT PAGE 36 OF SAID COUNTY; THENCE GO S55°55'01"E A DISTANCE OF 77.34 FEET TO THE NORTHWEST CORNER OF LOT 9, BLOCK 2, OF SAID CAMPUS HEIGHTS; THENCE GO S86°56'30"E ALONG THE NORTH LINE OF SAID BLOCK 2 AND ITS EXTENSION A DISTANCE OF 778.95 FEET TO A POINT ON THE WEST LINE OF BLOCK 4 OF SAID CAMPUS HEIGHTS; THENCE GO N03°05'12"E A DISTANCE OF 65.74 FEET TO A CONCRETE MONUMENT ON THE SOUTH LINE OF BLOCK 5, COLLEGE HEIGHTS, AS RECORDED IN PLAT BOOK 5 AT PAGE 9 OF SAID COUNTY; THENCE N86°53'48"W ALONG THE SOUTH LINE OF SAID BLOCK 5 A DISTANCE OF 130.24 FEET TO THE SOUTHWEST CORNER OF LOT 1, BLOCK 5 OF SAID COLLEGE HEIGHTS; THENCE DEPARTING SAID SOUTH LINE, GO NORTHEASTERLY ALONG THE WEST LINE OF BLOCK 5, SAID WEST LINE BEING A CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 700.00 FEET, A DELTA ANGLE OF 26°32'42", A CHORD BEARING OF N16°25'12"E, AND A CHORD DISTANCE OF 321.41 FEET, FOR AN ARC DISTANCE OF 324.31 FEET TO THE NORTHWEST CORNER OF LOT 3, BLOCK 5 OF SAID COLLEGE HEIGHTS; THENCE GO N29°31'35"E A DISTANCE OF 66.00 FEET TO THE SOUTHWEST CORNER OF LOT 22, BLOCK 7 OF SAID COLLEGE HEIGHTS; THENCE GO N60°28'25"W A DISTANCE OF 66.00 FEET TO THE SOUTHEAST CORNER OF LOT 16, BLOCK 2 OF SAID COLLEGE HEIGHTS; THENCE GO NORTHWESTERLY ALONG THE SOUTH LINE OF BLOCK 2, SAID SOUTH LINE BEING A CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 373.00 FEET, A DELTA ANGLE OF 23°17'52", A CHORD BEARING OF N72°07'21"W, AND A CHORD DISTANCE OF 150.63', FOR AN ARC DISTANCE OF 151.67 FEET TO A POINT; THENCE DEPARTING SAID SOUTH LINE, GO N03°19'10"E A DISTANCE OF 127.17 FEET TO THE SOUTHEAST CORNER OF LOT 12 IN SAID BLOCK 2; THENCE GO N86°52'44"W ALONG THE SOUTH LINE OF SAID LOT 12 A DISTANCE OF 75.19 FEET TO THE SOUTHWEST CORNER OF SAID LOT 12; THENCE DEPARTING SAID SOUTH LINE, GO N03°18'20"E ALONG THE WEST LINE OF SAID LOT 12 AND ITS EXTENSION A DISTANCE OF 192.64 FEET TO THE SOUTHEAST CORNER OF LOT 18 IN BLOCK 1 OF SAID COLLEGE HEIGHTS; THENCE GO N87°04'35"W ALONG THE SOUTH LINE OF SAID LOT 18 A DISTANCE OF 75.01 FEET TO THE SOUTHWEST CORNER OF SAID LOT 18; THENCE DEPARTING SAID SOUTH LINE, GO N03°17'53"E ALONG THE WEST LINE OF SAID LOT 18 A DISTANCE OF 126.69 FEET TO THE NORTHWEST CORNER OF SAID LOT 18; THENCE DEPARTING SAID WEST LINE, GO N87°00'35"W ALONG THE NORTH LINE OF LOT 19 IN SAID BLOCK 1 AND ITS EXTENSION A DISTANCE OF 750.59 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF SAID TIPPIN AVENUE; THENCE GO S03°15'02"W ALONG SAID EAST RIGHT-OF-WAY LINE A DISTANCE OF 120.05 FEET TO A POINT; THENCE GO SOUTH 42°56'03"E ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 9.26 FEET

TO A POINT ON THE SOUTH LINE OF LOT 28 IN SAID BLOCK 1; THENCE GO S87°00'15"E ALONG THE SOUTH LINE OF SAID BLOCK 1 A DISTANCE OF 143.94 FEET TO A THE SOUTHEAST CORNER OF LOT 27 IN SAID BLOCK 1; THENCE DEPARTING SAID SOUTH LINE OF BLOCK 1, GO S03°19'58"W A DISTANCE OF 66.36 FEET TO THE NORTHEAST CORNER OF LOT 2 IN BLOCK 2 OF SAID COLLEGE HEIGHTS; THENCE GO N87°02'07"W ALONG THE NORTH LINE OF SAID LOT 2 A DISTANCE OF 75.12 FEET TO THE NORTHWEST CORNER OF SAID LOT 2; THENCE DEPARTING SAID NORTH LINE, GO S03°13'09"W ALONG THE WEST LINE OF LOTS 2 AND 27 IN SAID BLOCK 2 TO A DISTANCE OF 253.04 FEET TO THE SOUTHWEST CORNER OF SAID LOT 27; THENCE GO N86°50'42"W ALONG THE SOUTH LINE OF SAID BLOCK 2 A DISTANCE OF 86.96 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF SAID TIPPIN AVENUE; THENCE GO S03°15'02"W ALONG SAID EAST RIGHT-OF-WAY LINE A DISTANCE OF 386.53 FEET TO A POINT ON THE NORTH LINE OF THAT PARCEL OF LAND DESCRIBED IN OFFICIAL RECORDS BOOK 374 AT PAGE 57 OF THE PUBLIC RECORDS OF ESCAMBIA COUNTY, FLORIDA; THENCE DEPARTING SAID EAST RIGHT-OF-WAY LINE, GO S87°07'22"E ALONG THE THE NORTH LINE OF SAID PARCEL A DISTANCE OF 238.49 FEET TO THE NORTHEAST CORNER OF SAID PARCEL; THENCE DEPARTING SAID NORTH LINE, GO S03°35'24"W ALONG THE EAST LINE OF SAID PARCEL A DISTANCE OF 80.16 FEET TO THE POINT OF BEGINNING. THE ABOVE DESCRIBED PROPERTY LIES IN SECTION 14, TOWNSHIP 1 SOUTH, RANGE 29 WEST, ESCAMBIA COUNTY, FLORIDA AND CONTAINS 19.345 ACRES

is hereby changed from County Zoning to ARZ (Airport Restricted Zoning District).

A map depicting the area to be rezoned is attached hereto as Exhibit A.

SECTION 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

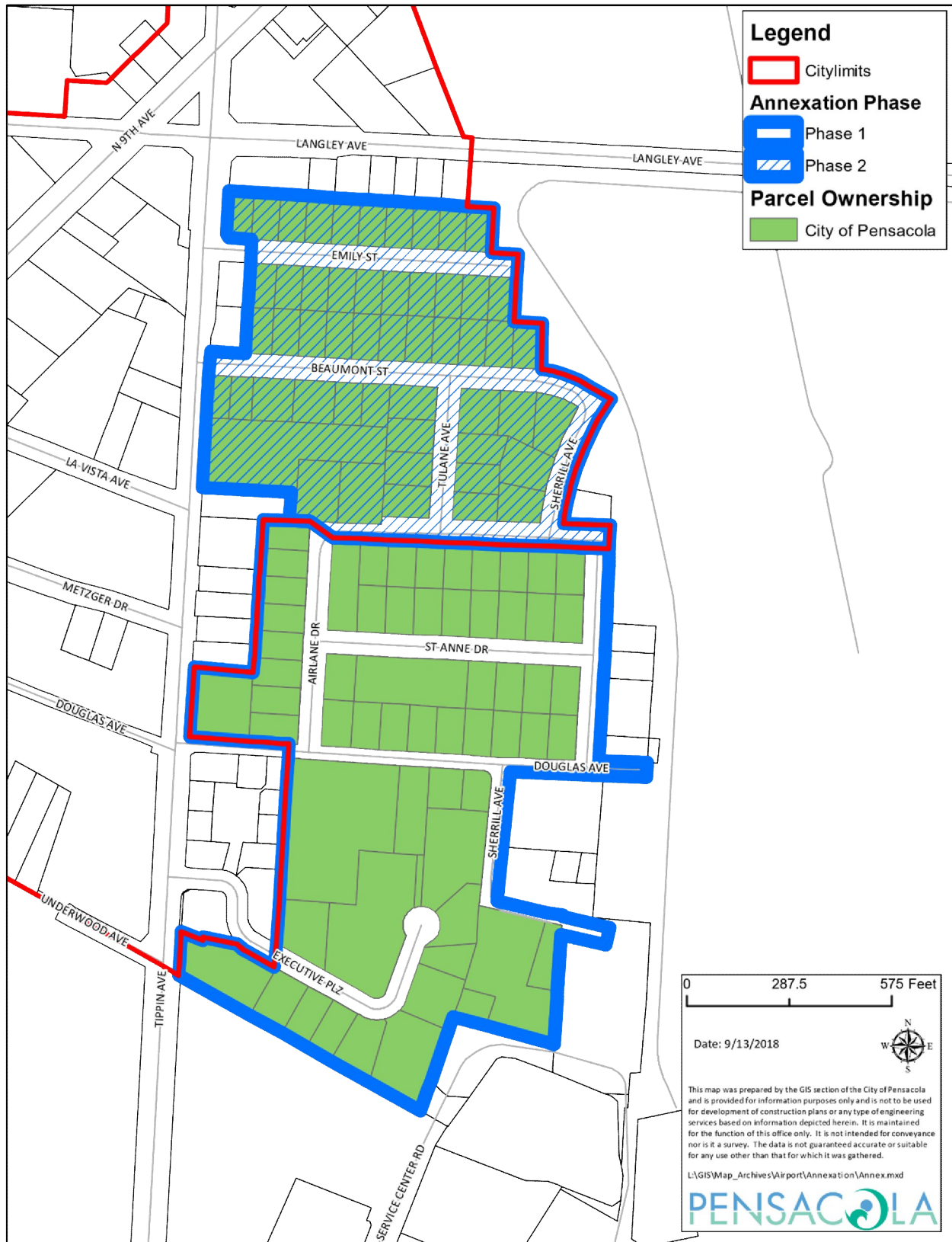
SECTION 3. This ordinance shall become effective on the fifth business day after adoption, unless otherwise provided pursuant to Section 4.03(d) of the City Charter of the City of Pensacola.

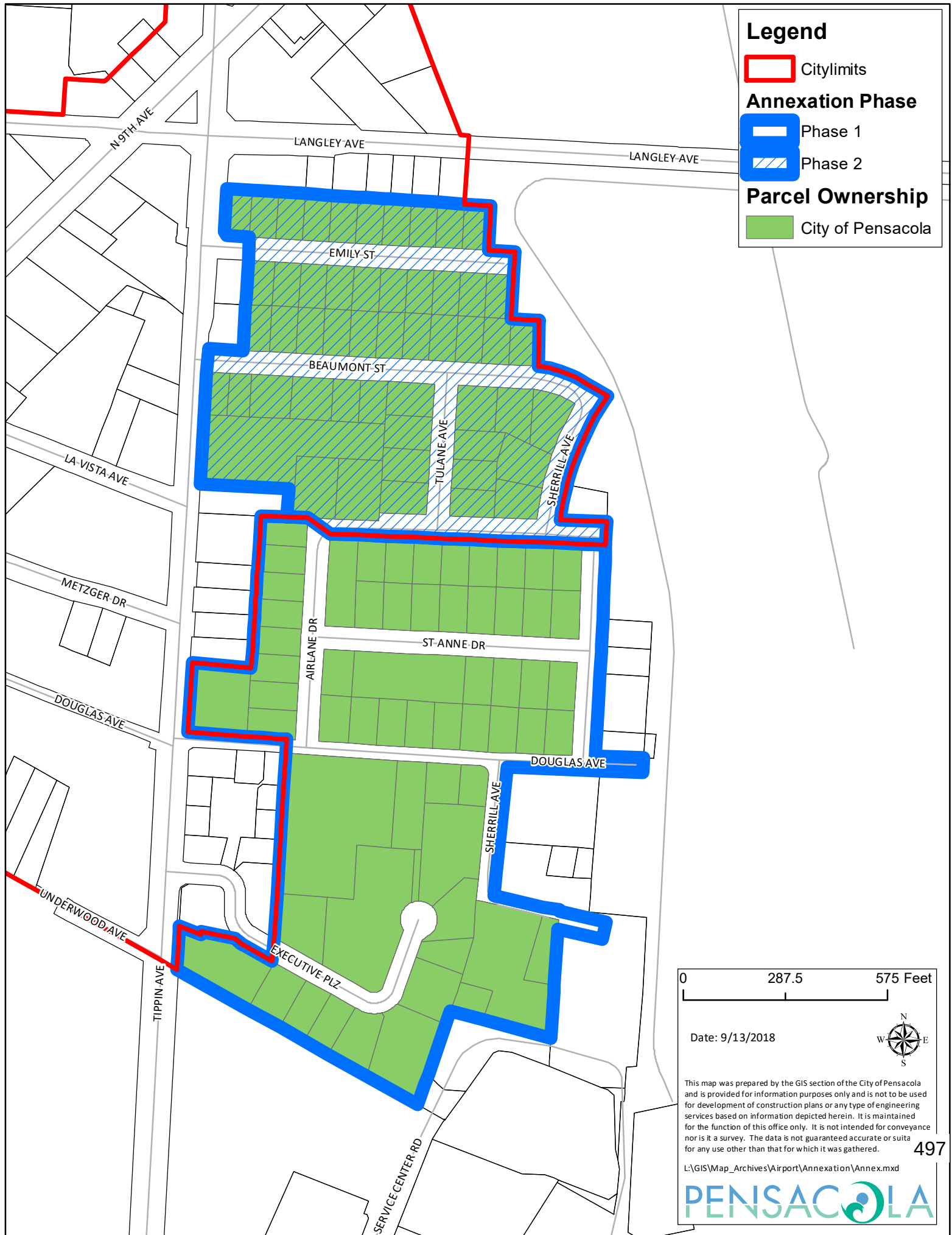
Passed: _____

Approved: _____
President of City Council

Attest:

City Clerk





Legend

 City limits

Annexation Phase

 Phase 1

 Phase 2

Parcel Ownership

 City of Pensacola

0 287.5 575 Feet

Date: 9/13/2018



This map was prepared by the GIS section of the City of Pensacola and is provided for information purposes only and is not to be used for development of construction plans or any type of engineering services based on information depicted herein. It is maintained for the function of this office only. It is not intended for conveyance nor is it a survey. The data is not guaranteed accurate or suitable for any use other than that for which it was gathered.

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PENSACOLA

PROPOSED
ORDINANCE NO. 25-18

ORDINANCE NO. 14-18

AN ORDINANCE
TO BE ENTITLED:

AN ORDINANCE INCORPORATING AND ANNEXING A
CERTAIN AREA CONTIGUOUS AND ADJACENT TO THE
CITY OF PENSACOLA INTO THE CITY OF PENSACOLA,
AND DECLARING SAID AREA TO BE A PART OF THE
CITY OF PENSACOLA; REPEALING CLAUSE, AND
PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Pensacola has
found that the property described below is contiguous to the
City of Pensacola and reasonably compact in nature; and meets
the requirements of Section 171.043, Florida Statutes.

WHEREAS, the City Council of the City of Pensacola has
determined that the area described below does not have any
registered voters and that the owners of more than 50 percent of
the parcels of land in such area consent to such area being
annexed into the City of Pensacola as provided by Section
171.0413(6), Florida Statutes; and

WHEREAS, the City Council has caused to be prepared a
report setting forth the plans to provide urban services to the
area described below, which report is in conformance with the
requirements of Section 171.042, Florida Statutes and said
report has been distributed in accordance with said act; NOW
THEREFORE,

BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

SECTION 1. That the City of Pensacola hereby finds
and declares that all requirements of law provided by Chapter
171, Florida Statutes, have been met, for the purpose of
integrating and annexing said area into the City of Pensacola,
the hereafter described area, and that the City of Pensacola
does hereby accept into the City of Pensacola the following
described properties which are being integrated and annexed by
the City of Pensacola and made a part and portion of the City of
Pensacola, lying within and hereby incorporated into the City of
Pensacola, to-wit:

DESCRIPTION OF PROPOSED ANNEXATION:

COMMENCE AT THE SOUTHEAST CORNER OF LOT 3, AIRPORT EXECUTIVE PLAZA, AS RECORDED IN PLAT BOOK 11 AT PAGE 40 OF THE PUBLIC RECORDS OF ESCAMBIA COUNTY, FLORIDA; THENCE GO N60°55'16"W ALONG THE SOUTH LINE OF SAID LOT A DISTANCE OF 776.96 FEET TO THE SOUTHWEST CORNER OF LOT 2 OF SAID AIRPORT EXECUTIVE PLAZA; THENCE GO N03°10'03"E ALONG THE EAST RIGHT OF WAY LINE OF TIPPIN AVENUE (RIGHT OF WAY WIDTH VARIES) A DISTANCE OF 1276.01 FEET TO A POINT ON THE SOUTH LINE OF THAT PARCEL OF LAND DESCRIBED IN OFFICIAL RECORDS BOOK 374 AT, PAGE 57 OF THE PUBLIC RECORDS OF ESCAMBIA COUNTY, FLORIDA; THENCE DEPARTING SAID RIGHT OF WAY LINE, GO S87°18'36"E ALONG THE SOUTH LINE OF SAID PARCEL A DISTANCE OF 238.06 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL FOR THE POINT OF BEGINNING; THENCE GO S87°18'36"E A DISTANCE OF 61.28 FEET TO THE NORTHEAST CORNER OF LOT 1, BLOCK 1 CAMPUS HEIGHTS, AS RECORDED IN PLAT BOOK 4 AT PAGE 36 OF SAID COUNTY; THENCE GO S55°55'01"E A DISTANCE OF 77.34 FEET TO THE NORTHWEST CORNER OF LOT 9, BLOCK 2, OF SAID CAMPUS HEIGHTS; THENCE GO S86°56'30"E ALONG THE NORTH LINE OF SAID BLOCK 2 AND ITS EXTENSION A DISTANCE OF 778.95 FEET TO A POINT ON THE WEST LINE OF BLOCK 4 OF SAID CAMPUS HEIGHTS; THENCE GO N03°05'12"E A DISTANCE OF 65.74 FEET TO A CONCRETE MONUMENT ON THE SOUTH LINE OF BLOCK 5, COLLEGE HEIGHTS, AS RECORDED IN PLAT BOOK 5 AT PAGE 9 OF SAID COUNTY; THENCE N86°53'48"W ALONG THE SOUTH LINE OF SAID BLOCK 5 A DISTANCE OF 130.24 FEET TO THE SOUTHWEST CORNER OF LOT 1, BLOCK 5 OF SAID COLLEGE HEIGHTS; THENCE DEPARTING SAID SOUTH LINE, GO NORTHEASTERLY ALONG THE WEST LINE OF BLOCK 5, SAID WEST LINE BEING A CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 700.00 FEET, A DELTA ANGLE OF 26°32'42", A CHORD BEARING OF N16°25'12"E, AND A CHORD DISTANCE OF 321.41 FEET, FOR AN ARC DISTANCE OF 324.31 FEET TO THE NORTHWEST CORNER OF LOT 3, BLOCK 5 OF SAID COLLEGE HEIGHTS; THENCE GO N29°31'35"E A DISTANCE OF 66.00 FEET TO THE SOUTHWEST CORNER OF LOT 22, BLOCK 7 OF SAID COLLEGE HEIGHTS; THENCE GO N60°28'25"W A DISTANCE OF 66.00 FEET TO THE SOUTHEAST CORNER OF LOT 16, BLOCK 2 OF SAID COLLEGE HEIGHTS; THENCE GO NORTHWESTERLY ALONG THE SOUTH LINE OF BLOCK 2, SAID SOUTH LINE BEING A CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 373.00 FEET, A DELTA ANGLE OF 23°17'52", A CHORD BEARING OF N72°07'21"W, AND A CHORD DISTANCE OF 150.63', FOR AN ARC DISTANCE OF 151.67 FEET TO A POINT; THENCE DEPARTING SAID SOUTH LINE, GO N03°19'10"E A DISTANCE OF 127.17 FEET TO THE SOUTHEAST CORNER OF LOT 12 IN SAID BLOCK 2; THENCE GO N86°52'44"W ALONG THE SOUTH LINE OF SAID LOT 12 A DISTANCE OF 75.19 FEET TO THE SOUTHWEST CORNER OF SAID LOT 12; THENCE DEPARTING SAID SOUTH LINE, GO N03°18'20"E ALONG THE WEST LINE OF

SAID LOT 12 AND ITS EXTENSION A DISTANCE OF 192.64 FEET TO THE SOUTHEAST CORNER OF LOT 18 IN BLOCK 1 OF SAID COLLEGE HEIGHTS; THENCE GO N87°04'35"W ALONG THE SOUTH LINE OF SAID LOT 18 A DISTANCE OF 75.01 FEET TO THE SOUTHWEST CORNER OF SAID LOT 18; THENCE DEPARTING SAID SOUTH LINE, GO N03°17'53"E ALONG THE WEST LINE OF SAID LOT 18 A DISTANCE OF 126.69 FEET TO THE NORTHWEST CORNER OF SAID LOT 18; THENCE DEPARTING SAID WEST LINE, GO N87°00'35"W ALONG THE NORTH LINE OF LOT 19 IN SAID BLOCK 1 AND ITS EXTENSION A DISTANCE OF 750.59 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF SAID TIPPIN AVENUE; THENCE GO S03°15'02"W ALONG SAID EAST RIGHT-OF-WAY LINE A DISTANCE OF 120.05 FEET TO A POINT; THENCE GO SOUTH 42°56'03"E ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 9.26 FEET TO A POINT ON THE SOUTH LINE OF LOT 28 IN SAID BLOCK 1; THENCE GO S87°00'15"E ALONG THE SOUTH LINE OF SAID BLOCK 1 A DISTANCE OF 143.94 FEET TO A THE SOUTHEAST CORNER OF LOT 27 IN SAID BLOCK 1; THENCE DEPARTING SAID SOUTH LINE OF BLOCK 1, GO S03°19'58"W A DISTANCE OF 66.36 FEET TO THE NORTHEAST CORNER OF LOT 2 IN BLOCK 2 OF SAID COLLEGE HEIGHTS; THENCE GO N87°02'07"W ALONG THE NORTH LINE OF SAID LOT 2 A DISTANCE OF 75.12 FEET TO THE NORTHWEST CORNER OF SAID LOT 2; THENCE DEPARTING SAID NORTH LINE, GO S03°13'09"W ALONG THE WEST LINE OF LOTS 2 AND 27 IN SAID BLOCK 2 TO A DISTANCE OF 253.04 FEET TO THE SOUTHWEST CORNER OF SAID LOT 27; THENCE GO N86°50'42"W ALONG THE SOUTH LINE OF SAID BLOCK 2 A DISTANCE OF 86.96 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF SAID TIPPIN AVENUE; THENCE GO S03°15'02"W ALONG SAID EAST RIGHT-OF-WAY LINE A DISTANCE OF 386.53 FEET TO A POINT ON THE NORTH LINE OF THAT PARCEL OF LAND DESCRIBED IN OFFICIAL RECORDS BOOK 374 AT PAGE 57 OF THE PUBLIC RECORDS OF ESCAMBIA COUNTY, FLORIDA; THENCE DEPARTING SAID EAST RIGHT-OF-WAY LINE, GO S87°07'22"E ALONG THE THE NORTH LINE OF SAID PARCEL A DISTANCE OF 238.49 FEET TO THE NORTHEAST CORNER OF SAID PARCEL; THENCE DEPARTING SAID NORTH LINE, GO S03°35'24"W ALONG THE EAST LINE OF SAID PARCEL A DISTANCE OF 80.16 FEET TO THE POINT OF BEGINNING. THE ABOVE DESCRIBED PROPERTY LIES IN SECTION 14, TOWNSHIP 1 SOUTH, RANGE 29 WEST, ESCAMBIA COUNTY, FLORIDA AND CONTAINS 19.345 ACRES.

A map depicting the area to be annexed is attached hereto as Exhibit A.

SECTION 2. If any word, phrase, clause, paragraph, section or provision of this ordinance or the application thereof to any person or circumstance is held invalid or unconstitutional, such finding shall not affect the other provision or applications of the ordinance which can be given effect without the invalid or

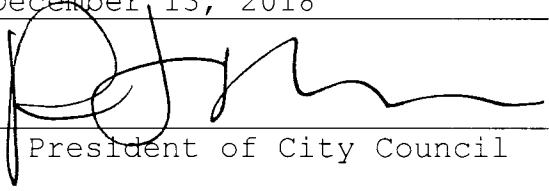
unconstitutional provisions or application, and to this end the provisions of this ordinance are declared severable.

SECTION 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4. This ordinance 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.

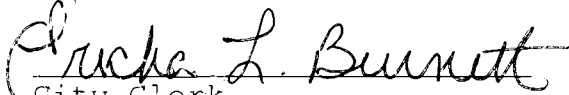
Adopted: December 13, 2018

Approved: _____



President of City Council

Attest:



City Clerk



PROOF OF PUBLICATION

State of Florida:

Escambia County FL:

Before the undersigned authority personally appeared

Diana Figueroa who on oath says that he or
she is a Legal Advertising Representative of the Pensacola News Journal
a daily newspaper published in Escambia, Florida that the attached copy
of advertisement, being a Legal Ad in the matter of

NOTICE OF PROPOSED ORDINANCES

Ad Description

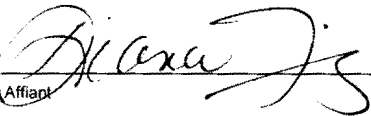
as published in said newspaper in the issue(s) of:

December 03, 2018

Run Date(s)

Affiant further says that the said Pensacola News Journal
is a newspaper in said Escambia County, Florida and that the said newspaper
has heretofore been continuously published in said Escambia County, Florida,
and has been entered as a second class matter at the Post Office in said
Escambia County, Florida, for a period of one year next preceding the
first publication of the attached copy of advertisement; and affiant
further says that he or she has neither paid nor promised any person,
firm or corporation any discount, rebate, commission or refund for the
purpose of securing this advertisement for publication the said newspaper.

Sword to and Subscribed before me this 12th day of December
2018, by Diana Figueroa
who is personally known to me.


Affiant

Notary

Publication Cost \$ 1,654.20

Ad Number 407008

Customer # PNJ-25615500

PLANNING SERVICES

MINUTES OF THE PLANNING BOARD

January 8, 2019

MEMBERS PRESENT: Chairman Paul Ritz, Nathan Monk, Danny Grundhoefer, Kurt Larson, Ryan Wiggins, Nina Campbell

MEMBERS ABSENT: None

STAFF PRESENT: Brandi Deese, Assistant Planning Services Administrator, Leslie Statler, Planner, Mayor Robinson, Laurie Byrne, Constituent Services, Ross Pristera, Advisor

OTHERS PRESENT: Bill Weeks, Teresa Hill, Bennett Shuman, Nannette Chandler, David Peaden, Greg Dziadon, Kacee Bidnick, Steven Sebold, Chris Palmer, Marcie Whitaker, Fred Gunther, Tim Evans, Drew Buchanan, Councilwoman Ann Hill

AGENDA:

- Quorum/Call to Order
- Approval of Meeting Minutes from November 13, 2018.
- New Business:
 - 1. **Consider Zoning & FLUM Amendment for Airport Annexation Parcels**
- **Discussion Item: Amendment to Land Development Code for Historic Preservation Commission**
- Open Forum
- Adjournment

Call to Order / Quorum Present

Chairman Ritz called the meeting to order at 2:02 pm with a quorum present.

Approval of Meeting Minutes

Ms. Wiggins made a motion to approve the November 13, 2018 minutes, seconded by Mr. Larson, and it carried unanimously.

New Business

Consider Zoning & FLUM Amendment for Airport Annexation Parcels

Mr. Dan Flynn, Pensacola International Airport Director, is requesting to rezone the City-owned properties included within the recent City of Pensacola annexation approved through Ordinance 25-18 to ARZ, Airport Restricted Zoning District. This request also requires a Future Land Use Map (FLUM) Amendment to A, Airport. The zoning district and FLUM designation were previously under the jurisdiction of Escambia County. Since the properties now lie within the jurisdictional boundary of the City of Pensacola, the applicable zoning district and FLUM designation need to be established.

Mr. Grundhoefer asked why this was pertinent, and Chairman Ritz explained it was because the property was in Escambia County prior to annexation and needed to be changed in jurisdictional coverage. Ms. Deese confirmed the property was city-owned and annexed in December 2018.

Mr. Larson made a motion to approve, seconded by Ms. Wiggins. Chairman Ritz asked for audience speakers, and there were none. **The motion then carried unanimously.**

Discussion Item: Amendment to Land Development Code for Historic Preservation Commission

Chairman Ritz stated he appreciated all the public dialogue regarding this item. It seemed the 50-year time limit was the point of concern and was an awkward time limit. He expressed his concern over the suburban ranch house with attached garages being considered historic in just a few years. Ms. Wiggins had researched this item and had spoken with the head of the Certified Local Government with the State to get more background. Her biggest concern was with property rights, and she advised the 50-year timeframe was with the Department of State and was not historically significant; our ordinance automatically considered the 50-year measure as historic, and she did not feel that was the intent of the Department of State. She referred to the last meeting when Mr. Weeks brought up Florida Statute 70 addressing property rights. She had asked the City Attorney through the staff to weigh in regarding this ordinance. A determination to see if this was a conflict was not available at this time. She further stated that being on the National Registry was an honorary title and did not prevent demolition. In order to be certified, the staff has to attend workshops and conferences, and money would have to be allocated for staff and these functions. Also, there would be competition between 75 cities for any grant money. She felt if the City could govern demolition within the structure they currently have, there was no reason to form another board.

Mr. Monk agreed that the work on the 2016 ordinance was very exhaustive and specifically targeted demolition. It had been workshopped with tremendous citizen involvement and was a very good beginning. He felt it was not the government's responsibility to oversee morals and ethics. If the Board was to start over with another ordinance, it would be another nine months, with more demolitions occurring in the meantime. He agreed property rights were very important, but the history of Pensacola was owned by every resident. He emphasized more and more of what makes us Pensacola was disappearing. Other cities had found ways to balance property rights and manage demolition; this was also covered in the ordinance of 2016 and was closer to where the citizens wanted us to be.

Mayor Robinson thanked the Board for their service and stated he grew up in the Pensacola Heights and Cordova Park neighborhoods which were not considered historic. He was concerned about where we draw the timeline to consider what is defined as historic. He was reminded there were some Frank Lloyd Wright houses from the 1960s that would be architecturally worth saving, but there were some ranch homes that could be replaced without making Pensacola a worse place.

Chairman Ritz explained with having this item as a discussion, no action was anticipated at this time, and there had been enough input to keep the discussion open longer to answer any remaining questions. He referenced Councilwoman Cannada-Wynn's letter regarding historic homes versus property rights and used his own home of 100 years+ as an example - having nothing historically relevant to it but certainly at the 50-year mark. Mr. Monk was comfortable without the 50-year mark but was concerned with the shotgun type homes disappearing and wanted more discussion. Ms. Wiggins stated we need to be careful in defining "old" as "historic" and not devalue the true historic assets in the city. Saving something just to save it would lead to dilapidation due to the costs to maintain as well as gentrification because homeowners can't afford to live in their homes. Chairman Ritz pointed out if your renovation cost exceeds 50 percent of the building cost, you must bring it up to Code. Mr. Grundhoefer stated the guidelines set up two years ago specifically addressed the types of structures considered historic or significant. He asked if the Board should take Councilwoman Cannada-Wynn's suggestion and establish a historic preservation commission which could vet this document the Board was putting together.

He still felt it was a good document since it did not restrict or deny but simply delayed demolition in order to vet another opportunity to save the structure.

Mr. Monk felt the Board could take on the responsibility for review and fit it into the agenda rather than establishing another commission. Ms. Wiggins added there was only one benefit to being certified which was the ability to apply for grant money and obtain training, but it was very political and would not pay for the board itself or the accommodating staff. Mr. Monk stated he would not be offended if the City reinvested in those types of hardships. Ms. Wiggins suggested there might be private investors who were passionate about historic rehabilitation and might be willing to invest.

Bill Weeks referred to Section 5 of the Historic Preservation Commission document regarding knowledge of and a demonstrated interest in historic, architectural and aesthetic development. He was concerned with ending up with airstream trailers and a coffeehouse made out of shipping containers which were all approved by the ARB. He also pointed out Section 6 (d) stating he could opt out in writing, but the commission and Council could place him in a historic site or area and violate his property rights. He suggested the Board had the perfect opportunity two years ago when UWF offered to perform a study of Pensacola to determine the historic areas. He advised this needed to be defined and let the experts decide what is historic and what is not – not taking a shotgun approach to the entire city to determine what is historic and what is not.

Mr. Gunther advised he had purchased and renovated a number of older houses, and his biggest concern was the age determination and thought it was over-reaching in determining the color and landscaping which might deter investment within the city.

Mr. Pristera stated he liked the work they performed two years ago but did not like the current document. However, there were some misconceptions he wanted to clarify. He explained the National Park Service set a standard, with 50 years being the starting point, to look at a property to determine if it is historic – it was just a starting point. After that, they have established criteria for evaluation, and you must meet one or more categories either associated with events, significant people, architectural significance or archaeological significance. Once you have met one, the next would be integrity and how the property has changed over the years and did it retain its significance. There would still need to be additional research to make the historical determination. This was what the National Parks and National Registry followed. He pointed out most 50-year old structures would not qualify as historical.

Mr. Pristera performed a district survey in Defuniak Springs of over 300 properties following the National Park Service standards. On the Florida Master Site File, it asked if the structure was National Register eligible and/or National District Register eligible. Concerning ranch houses, some places not significant on their own could potentially be significant as a district. He pointed out the City could file for Survey and Planning Grants and either hire a consultant or have someone in-house to do survey work and define which areas of the city needed some attention and what potentially was historic. The neighborhood could then give their input if they wanted an ordinance to protect their resources which is the only way it works – a buy-in from the community. He considered Section F with powers and duties and did not know who on the Commission would be performing all the homework, but felt something needed to address demolition and offer an evaluation on a property with an opportunity to possibly move the structure, however, he was not in favor of another board. Mr. Grundhoefer asked if a demolition permit was applied for a 50-year old house, could it be forwarded to Mr. Pristera for a determination, and Mr. Pristera advised he could assist, with simple ones taking possibly 30 minutes and older ones a little longer. But if it was determined historic, he also did not want to see it rot. He was also concerned with what would replace it.

Chris Palmer, the incoming President of the Northwest Florida Chapter of NAIOP, their commercial real estate trade association, stated from their prospective they were concerned about this document and were not opposed to changing demolition ideas or things which preserve character, but this document was something they were keeping their eye on because they thought it might be problematic.

Nanette Chandler, a realtor, stated she had done historic renovations.

She explained some clients will specifically say they do not want to be in a historic district because they cannot adhere to the parameters for construction renovation or they are not interested in doing so. If there was a buy-in from specific districts stating this was a new historic district and those people who live there would agree to it, whenever they sell their home, the next person could adhere to those requirements. You would not be forcing a property owner to do anything differently and infringing on their property rights. The document needed to be specific with the requirements for each district and very straight forward. She pointed out gentrification was also a real concern. She stated her home was relocated and completely renovated, however, there was no way her neighbor could accomplish this on a fixed income.

Chairman Ritz offered the document in this agenda item was inadequate for Pensacola's needs and not wanted by anyone. This document was best served by being taken away from the Board's plate. Mr. Monk then recommended that the 2016 ordinance be on next month's agenda for discussion and vote. Chairman Ritz agreed since citizens had gotten more involved, and the Board needed to address the historic fabric of Pensacola in a way that was fair and equitable to the citizens as a whole as well as individual property owners. He did not believe there was a need for another board; this board could do that evaluation, and if it got too cumbersome, it could be addressed at that time. Going forward, the Board should revert to discussing the previous 2016 ordinance and restart that process.

Ms. Wiggins addressed the current document referring to 1(g) "The city council desires for the city to become a Certified Local Government." She wanted clarification on what the Board was being asked to do. Mr. Grundhoefer stated the document was an example, and the Board was to decide to use it or not use it. Chairman Ritz stated it was a discussion point, and the Board could recommend anything. Mr. Grundhoefer explained Councilwoman Cannada-Wynn was asking the Board to evaluate if we should develop the preservation board or the Planning Board, ARB or city staff could take care of these structures. Mr. Monk pointed out that Council had asked this of the Board two years ago and then punted. Ms. Campbell advised she was comfortable with the 2016 ordinance and comfortable in making a recommendation to Council to revisit that 2016 ordinance. Ms. Deese stated the Board had recommended a workshop and because of the light agenda, staff scheduled the document as a discussion item, and this was something which needed to be discussed at a regularly scheduled meeting as an agenda item. A formal recommendation or vote should not be held today. She explained staff has already received an application for the February 12th meeting, and this could be added as an agenda item for that meeting.

Mr. Monk made a motion to bring back the 2016 ordinance at next month's meeting for further discussion and potential vote, seconded by Ms. Campbell. Ms. Wiggins was worried there would not be time for public input and requested possibly two months. Chairman Ritz explained the Board could make recommendations at the February meeting to include future workshops. Mr. Monk stated the ordinance was workshopped substantially, and the Board would simply be passing this as a recommendation to Council; it would then have the previous workshop materials, review and discussion in February, and then proceed to Council to pass or fail. Ms. Deese explained the ordinance would go through at least two Council meetings, and Ms. Wiggins was comfortable with that timeframe.

Mr. Shuman informed the Board he was not familiar with the document, and Ms. Deese advised it was part of the agenda packet and offered to furnish him with a copy. **The motion then carried unanimously.**

Mr. Grundhoefer suggested since the ordinance was only six pages, the Board should recommend a process, and if the Planning Board would take this on instead of developing a Preservation Commission, that recommendation should be made since Councilwoman Cannada-Wynn asked for that consideration. Chairman Ritz advised this Board's official term ends July 2019, and whoever sits on that Board would reap the benefits of the decision coming from the Board in either making or not making more work for them.

Adjournment – With no further business, Chairman Ritz adjourned the meeting at 3:04 pm.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Brandi C. Deese", with a long horizontal flourish extending to the right.

Brandi C. Deese
Secretary to the Board



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 19-00033

City Council

2/25/2019

DISCUSSION ITEM

FROM: City Council Member Jewel Cannada-Wynn

SUBJECT:

REVIEW OF STORM WATER MANAGEMENT MASTER PLAN, STORM WATER ASSESSMENT AND STORM WATER FUND USES.

SUMMARY:

In November of 2000, City Council established the storm water assessment fund as well as the requisite assessment. City Council, on a yearly basis, approves this assessment.

During the 2018 budget workshop discussions, it was learned that the ordinance (as written) does not adhere itself to funding of flood related issues.

Public works is currently finalizing a plan to address “quantity” water issues. The purpose of this item is to engage in a discussion of the Storm Water Management Master Plan, the Storm Water Assessment Fund, the Storm Water Assessment and the enabling language to possibly amend in a way that will allow for the use of a portion of the current fee assessment for flooding related problems within the City. This discussion will coincide with a presentation / update from Public Works Director Derik Owens.

PRIOR ACTION:

November 16, 2000 - City Council passed Ordinance No. 52-00 - Establishing a Storm Water Assessment and Assessment Fund

STAFF CONTACT:

Don Kraher, Council Executive

ATTACHMENTS:

1) Ordinance No. 52-00

PRESENTATION: Yes

PROPOSED ORDINANCE NO. 48-00

ORDINANCE NO. 52-00

AN ORDINANCE TO BE ENTITLED:

AN ORDINANCE RELATING TO THE PROVISION OF SERVICES AND CAPITAL FACILITIES FOR STORMWATER MANAGEMENT AND THE IMPOSITION OF STORMWATER ASSESSMENTS RELATED TO THOSE SERVICES AND FACILITIES WITHIN THE CITY OF PENSACOLA; PROVIDING DEFINITIONS AND FINDINGS; ESTABLISHING A STORMWATER UTILITY AND PROVIDING ITS RESPONSIBILITIES; ESTABLISHING A STORMWATER UTILITY FUND; AUTHORIZING THE IMPOSITION AND COLLECTION OF STORMWATER ASSESSMENTS TO FUND THE COST OF PROVIDING SERVICES AND CAPITAL FACILITIES FOR STORMWATER MANAGEMENT; ESTABLISHING PROCEDURES FOR NOTICE AND ADOPTION OF STORMWATER ASSESSMENT ROLLS AND FOR CORRECTING ERRORS AND OMISSIONS; PROVIDING THAT STORMWATER ASSESSMENTS CONSTITUTE A LIEN ON ASSESSED PROPERTY UPON ADOPTION OF THE STORMWATER ASSESSMENT ROLLS; ESTABLISHING PROCEDURES AND METHODS FOR THE COLLECTION OF STORMWATER ASSESSMENTS; ESTABLISHING THE PRIORITY OF THE STORMWATER LIEN OVER PRIOR RECORDED LIENS OR MORTGAGES; AUTHORIZING THE ISSUANCE OF OBLIGATIONS SECURED BY STORMWATER ASSESSMENTS; PROVIDING FOR VARIOUS RIGHTS AND REMEDIES OF THE HOLDERS OF SUCH OBLIGATIONS; PROVIDING THAT SUCH OBLIGATIONS WILL NOT CREATE A GENERAL DEBT OR OBLIGATION OF THE CITY; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

ARTICLE I
INTRODUCTION

SECTION 1.01. DEFINITIONS. When used in this Ordinance, the following terms shall have the following meanings, unless the context clearly requires otherwise:

"Annual Stormwater Assessment Resolution" means the resolution described in Section 3.08 hereof, approving a Stormwater Assessment Roll for a specific Fiscal Year.

"Assessed Property" means all parcels of real property included on the Stormwater Assessment Roll that receive a special benefit from the Stormwater Improvements and Stormwater Management Services identified in an Annual Stormwater Assessment Resolution.

"Capital Cost" means all or any portion of the expenses that are properly attributable to the acquisition, construction, design, installation, reconstruction, renewal or replacement (including demolition, environmental mitigation and relocation) of Stormwater Improvements under generally accepted accounting principles and including reimbursement to the City for any moneys advanced for Capital Cost and interest on any interfund or intrafund loan for such purposes.

"City" means the City of Pensacola, Florida.

"City Manager" means the chief administrative officer of the City, or such person's designee.

"Clerk" means the City Clerk, or such other person as may be duly authorized to act on such person's behalf.

"Comprehensive Plan" means the comprehensive plan adopted by the City pursuant to Chapter 163, Part II, Florida Statutes.

"Council" means the City Council for the City.

"County" means Escambia County, Florida.

"Developed Property" means property that has been developed with impervious area including, but are not limited to, rooftops, sidewalks, walkways, patio areas, driveways, parking lots, storage areas and other surfaces which similarly impact the natural infiltration or runoff patterns which existed prior to development.

"ESU" means "equivalent stormwater unit," the standard unit used to express the Stormwater burden expected to be generated by each parcel of property, after taking into consideration any mitigation of the Stormwater burden that results from privately maintained Stormwater management facilities and other factors affecting the quantity, quality, or rate of Stormwater runoff.

"Final Stormwater Assessment Resolution" means the resolution described in Section 3.07 hereof, which shall confirm, modify or repeal the Initial Stormwater Assessment Resolution and which shall be the final proceeding for the imposition of the initial Stormwater Assessment.

"Fiscal Year" means the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law as the fiscal year for the City.

"Government Property" means property owned by the United States of America, the State of Florida, a county, a special district, a municipal corporation, or any of their respective agencies or political subdivisions.

"Initial Stormwater Assessment Resolution" means the resolution described in Section 3.03 hereof, which shall be the initial proceeding for the imposition of the Stormwater Assessment.

"Obligations" mean a series of bonds or other evidence of indebtedness including but not limited to, notes, commercial paper, capital leases or any other obligations of the City issued or incurred to finance any portion of the Capital Cost of a Stormwater Improvement and secured, in whole or in part, by proceeds of the Stormwater Improvement Assessments.

"Ordinance" means this Stormwater Ordinance as amended from time to time.

"Pledged Revenue" means, as to any series of Obligations, (A) the proceeds of such Obligations, including investment earnings, (B) proceeds of the Stormwater Improvement Assessments pledged to secure the payment of such Obligations, and (C) any other legally available non-ad valorem revenue pledged to secure the payment of such Obligations, as specified by the resolution authorizing such Obligations.

"Project Cost" means (A) the Capital Cost of a Stormwater Improvement, (B) the Transaction Cost associated with the Obligations to finance the Stormwater Improvement, (C) interest accruing on such Obligations for such period of time as the City deems appropriate, (D) the debt service reserve fund or account, if any, established for the Obligations which financed the Stormwater Improvement, and (E) any other costs or expenses related thereto.

"Property Appraiser" means the Escambia County Property Appraiser.

"Stormwater" means the flow of water which results from, and which occurs following, a rainfall event.

"Stormwater Assessment" means either a Stormwater Improvement Assessment, a Stormwater Service Assessment, or both.

"Stormwater Assessment Roll" means the special assessment roll relating to Stormwater Improvements or Stormwater Management Services approved by a Final Stormwater Assessment Resolution or an Annual Stormwater Assessment Resolution pursuant to Section 3.04 hereof.

"Stormwater Basin" means a part of the earth's surface that contributes Stormwater runoff to a drainage system, which consists of diffuse surface waters, together with all natural or artificial tributary surface streams and/or bodies of impounded surface water.

"Stormwater Basin Plan" means a policy document that is adopted by the Council for each Stormwater Basin or hydrologic subarea thereof in which Stormwater

Improvements are proposed and that provides for implementation of the Stormwater Master Plan.

"Stormwater Improvement" means land, capital facilities and improvements acquired or provided to detain, retain, convey or treat Stormwater.

"Stormwater Improvement Area" means one or more Stormwater Basins, or any portion or portions thereof, as identified in the Initial Stormwater Assessment Resolution, encompassing those parcels of property specially benefited by the construction, reconstruction or installation of all or any portion of a Stormwater Improvement that removes, detains, retains or treats, in whole or in part, the Stormwater burden expected to be generated by the physical characteristics and use of the Assessed Property. Each Stormwater Improvement Area will include either (A) the property which is hydrologically connected, directly or indirectly, to the Stormwater Improvement, or (B) all property located within a hydrologically defined area in which the City constructs one or more Stormwater Improvements pursuant to a Stormwater Basin Plan to correct existing deficiencies with respect to a specific level of service and provide a consistent level of Stormwater management.

"Stormwater Improvement Assessment" means a special assessment imposed by the City within a Stormwater Improvement Area to fund the Capital Cost or the debt service and related cost of Obligations issued to finance the Project Cost of a Stormwater Improvement.

"Stormwater Management Service" means (A) management and administration of the City's Stormwater Utility; (B) Stormwater program engineering; (C) Stormwater Basin planning; (D) Stormwater Improvements to be acquired or constructed during a single Fiscal Year without the issuance of any Obligations; (E) operating and maintaining the City's capital facilities for Stormwater management, including extraordinary maintenance; (F) billing and collection of Stormwater Assessments, including customer information services and reserves for statutory discounts; and (G) legal, engineering and other consultant services.

"Stormwater Master Plan" means a policy document adopted by the Council which identifies the levels of service for water quality and quantity management in the City, based upon the criteria in the Comprehensive Plan and applicable state and federal law, and the methods for prioritizing expenditures within the City. The Stormwater Master Plan shall designate those Stormwater Basins for which a Stormwater Basin Plan will be prepared.

"Stormwater Utility" means the entity established by Section 2.01 hereof to implement the Stormwater management program of the City.

"Stormwater Utility Director" means the City's Stormwater Utility manager or such other person as designated by the City Manager.

"Stormwater Service Area" means the geographic area described in the Initial Stormwater Assessment Resolution that encompasses all parcels within the City which specially benefit from the Stormwater Management Service.

"Stormwater Service Assessment" means a special assessment imposed by the City within the Stormwater Service Area to fund the Stormwater Service Cost.

"Stormwater Service Cost" means the estimated amount for any Fiscal Year of all expenditures and reasonable reserves that are properly attributable to the Stormwater Management Service provided within the Stormwater Service Area under generally accepted accounting principles, including, without limiting the generality of the foregoing, reimbursement to the City for any moneys advanced for the Stormwater Management Service, and interest on any interfund or intrafund loan for such purpose.

"Tax Collector" means the Escambia County Tax Collector.

"Tax Roll" means the real property ad valorem tax assessment roll maintained by the Property Appraiser for the purpose of the levy and collection of ad valorem taxes.

"Transaction Cost" means the costs, fees and expenses incurred by the City in connection with the issuance and sale of any series of Obligations, including but not limited to (A) rating agency and other financing fees; (B) the fees and disbursements of bond counsel; (C) the underwriters' discount; (D) the fees and disbursements of the City's financial advisor; (E) the costs of preparing or printing the Obligations and the documentation supporting issuance of the Obligations; (F) the fees payable in respect of any municipal bond insurance policy; and (G) any other costs of a similar nature incurred in connection with issuance of such Obligations.

"Uniform Assessment Collection Act" means sections 197.3632 and 197.3635, Florida Statutes, or any successor statutes authorizing the collection of non-ad valorem assessments on the same bill as ad valorem taxes, and any applicable regulations promulgated thereunder.

SECTION 1.02. INTERPRETATION. Unless the context indicates otherwise, words importing the singular number include the plural number and vice versa; the terms "hereof," "hereby," "herein," "hereto," "hereunder" and similar terms refer to this Ordinance; and the term "hereafter" means after, and the term "heretofore" means before, the effective date of this Ordinance. Words of any gender include the correlative words of the other genders, unless the context indicates otherwise.

SECTION 1.03. GENERAL FINDINGS. It is hereby ascertained, determined, and declared that:

(A) Pursuant to Article VIII, section 2(b), Florida Constitution, and sections 166.021 and 166.041, Florida Statutes, the City has all powers of local self-government to perform municipal functions and render municipal services except when prohibited by law, and such power may be exercised by the enactment of legislation in the form of City ordinances.

(B) The Council may exercise any governmental, corporate, or proprietary power for a municipal purpose except when expressly prohibited by law, and the Council may legislate on any subject matter on which the Florida Legislature may act, except those

subjects described in (a), (b), (c), and (d) of section 166.021(3), Florida Statutes. The subject matter of paragraphs (a), (b), (c), and (d) of section 166.021(3), Florida Statutes, are not relevant to the imposition of Stormwater Assessments by the City.

(C) The purpose of this Ordinance is to (1) provide procedures and standards for the imposition of Stormwater Assessments under the constitutional and statutory home rule power of the City; (2) authorize a procedure for the funding of Stormwater Management Services, facilities, or programs providing special benefit to Assessed Property within the Stormwater Service Area; and (3) legislatively determine the special benefit provided to Assessed Property from the Stormwater Utility.

(D) The Florida Legislature has mandated that local governments in the State of Florida, including the City, have the responsibility for developing mutually compatible stormwater management programs consistent with the rules and regulations of the Florida Department of Environmental Protection and the water management districts and the stormwater management programs established and maintained by other local governments.

(E) The Stormwater Assessments imposed hereby are consistent with the authority granted in section 403.0893, Florida Statutes. That statutory provision is additional and supplemental authority to the constitutional and statutory power of self-government granted to a municipality.

SECTION 1.04. LEGISLATIVE DETERMINATIONS OF SPECIAL BENEFIT. It is hereby ascertained and declared that the Stormwater Utility, the Stormwater

Management Services and the Stormwater Improvements provide a special benefit to the Assessed Property based upon the following legislative determinations:

(A) The Stormwater Utility possesses a logical relationship to the use and enjoyment of Developed Property by treating and controlling contaminated Stormwater generated by improvements constructed on Developed Property, which resulted in the alteration of such property from its natural state to accommodate such improvements.

(B) The special benefit received by Assessed Property is the control, management and treatment of the Stormwater burden generated by the improvements on Developed Property.

(C) Substantially all of the Stormwater burden managed, controlled and treated by the Stormwater Utility is generated by Developed Property and the amount of Stormwater generated by property in its natural state that is managed, controlled and treated by the Stormwater Utility is inconsequential.

(D) The creation and maintenance of the Stormwater Utility is designed to implement municipal and state policies mandating Stormwater management programs by local governments.

ARTICLE II
STORMWATER UTILITY

SECTION 2.01. STORMWATER UTILITY. There is hereby established a Stormwater Utility, which shall be the operational means of implementing and otherwise carrying out the functional requirements of the City's Stormwater management system to construct or acquire Stormwater Improvements and provide Stormwater Management Services. The Stormwater Utility shall provide administration and management services in: the operation and maintenance of the City's capital facilities for Stormwater management; the preparation of Stormwater studies and the implementation of the Stormwater Utility; the regulation of Stormwater Basins; and the repair, replacement, improvement and extension of the City's capital facilities for Stormwater management. The Stormwater Utility shall place emphasis on the achievement of maximum efficiency through identifying programs and funding sources which are complementary to other regional, state and federal programs. The Stormwater Utility Director shall be responsible for administration of the Stormwater Utility.

SECTION 2.02. STORMWATER UTILITY FUND. The Council intends to fund the cost of providing services and capital facilities for Stormwater management through Stormwater Assessments. The Council has further concluded that periodic determination of revenues earned and expenses incurred in connection with the provision of services and

capital facilities for Stormwater management will enhance accountability and management control of the City's Stormwater Utility and will facilitate implementation of the Council's funding policy for Stormwater management. Accordingly, there shall be established a Stormwater Utility Fund. From an accounting perspective, the Stormwater Utility Fund shall be established as a "special revenue fund." Proceeds of the Stormwater Service Assessment shall be used for payment of the Stormwater Service Cost. Proceeds of the Stormwater Improvement Assessments shall be used for payment of the Capital Cost of Stormwater Improvements and the payment of debt service on Obligations issued to finance Stormwater Improvements.

ARTICLE III
STORMWATER ASSESSMENTS

SECTION 3.01. STORMWATER SERVICE ASSESSMENTS. The Council is hereby authorized to impose Stormwater Service Assessments against property located within the Stormwater Service Area. The Stormwater Service Cost may be assessed against Developed Property located within the Stormwater Service Area at a rate of assessment based upon the special benefit accruing to such property from the Stormwater Management Service provided by the City, measured by the number of ESUs attributable to each parcel or classification of property. Notwithstanding the foregoing, if the Council specifically determines that any portion of the Stormwater Service Area receives a distinct special benefit from any component of the Stormwater Management Service that is materially different in kind or degree from the special benefit received by other portions of the Stormwater Service Area, the Stormwater Service Cost related to such component shall be assessed against the portion of the Stormwater Service Area receiving the distinct special benefit.

SECTION 3.02. STORMWATER IMPROVEMENT ASSESSMENTS. The Council is hereby authorized to impose Stormwater Improvement Assessments to fund all or any portion of the Capital Cost or the debt service and related cost of Obligations issued to finance the Project Cost of a Stormwater Improvement identified in any Stormwater Basin

Plan. Stormwater Improvement Assessments to fund the Capital Cost or the debt service and related cost of Obligations issued to finance the Project Cost of each Stormwater Improvement may be imposed against all parcels of property within the Stormwater Improvement Area at a rate of assessment based upon the special benefit accruing to such property from the Stormwater Improvement, measured by the number of ESUs attributable to each parcel or classification of property. If Stormwater Improvement Assessments are imposed to fund the debt service and related cost of Obligations issued to finance the Project Cost of a Stormwater Improvement, the Stormwater Improvement Assessment may include the amount required to fund any amounts withdrawn during the prior Fiscal Year from any debt service reserve account established for Obligations and the amount of any principal of and interest on Obligations that has become due and remains unpaid.

SECTION 3.03. INITIAL STORMWATER ASSESSMENT RESOLUTION.

The initial proceeding for imposition of a Stormwater Assessment shall be the Council's adoption of an Initial Stormwater Assessment Resolution. The Initial Stormwater Assessment Resolution shall (A) describe the Stormwater Improvement or Stormwater Management Service proposed for funding from the proceeds of the Stormwater Assessments; (B) estimate the Capital Cost or Stormwater Service Cost; (C) describe with particularity the proposed method of apportioning the Capital Cost or Stormwater Service Cost among the parcels of property located within the Stormwater Improvement Area or Stormwater Service Area, as applicable, such that the owner of any parcel of property can

objectively determine the amount of the Stormwater Assessment, based upon its value, use or physical characteristics; and (D) include specific legislative findings that recognize the equity provided by the apportionment methodology and specific legislative findings that recognize the special benefit provided by the Stormwater Improvement or Stormwater Management Service. At its option, the Council may adopt separate Initial Stormwater Assessment Resolutions for the Stormwater Service Assessment and each Stormwater Improvement Assessment.

SECTION 3.04. STORMWATER ASSESSMENT ROLL.

(A) The Stormwater Utility Director shall prepare, or direct the preparation of, a preliminary Stormwater Assessment Roll that contains the following information:

- (1) a summary description of each parcel of property (conforming to the description contained on the Tax Roll) subject to the Stormwater Assessment;
- (2) the name of the owner of record of each parcel as shown on the Tax Roll;
- (3) the number of ESUs attributable to each parcel;
- (4) the estimated maximum Stormwater Improvement Assessment to become due in any Fiscal Year for each ESU;
- (5) the estimated maximum Stormwater Improvement Assessment to become due in any Fiscal Year for each parcel; and

(6) at the option of the Council, the Stormwater Assessment Roll may also include the estimated maximum annual Stormwater Service Assessment to become due in any Fiscal Year for each ESU and each parcel.

(B) Copies of the Initial Stormwater Assessment Resolution and the preliminary Stormwater Assessment Roll shall be on file in the office of the Stormwater Utility Director and open to public inspection. The foregoing shall not be construed to require that the Stormwater Assessment Roll be in printed form if the amount of the Stormwater Assessment for each parcel of property can be determined by use of a computer terminal available for use by the public.

SECTION 3.05. NOTICE BY PUBLICATION. After filing the Stormwater Assessment Roll in the office of the Stormwater Utility Director, as required by Section 3.04 hereof, the Stormwater Utility Director shall publish once in a newspaper of general circulation within the County a notice stating that a public hearing of the Council will be held on a certain day and hour, not earlier than 20 calendar days from such publication, at which hearing the Council will receive written comments and hear testimony from all interested persons regarding adoption of the Final Stormwater Service Assessment Resolution and approval of the Stormwater Assessment Roll. The published notice shall conform to the requirements set forth in the Uniform Assessment Collection Act.

SECTION 3.06. NOTICE BY MAIL. In addition to the published notice required by Section 3.05, the Stormwater Utility Director shall provide notice of the

proposed Stormwater Assessment by first class mail to the owner of each parcel of property subject to the Stormwater Assessment. The mailed notice shall conform to the requirements set forth in the Uniform Assessment Collection Act. Notice shall be mailed at least 20 calendar days prior to the hearing to each property owner at such address as is shown on the Tax Roll on the twentieth calendar day prior to the date of mailing. Notice shall be deemed mailed upon delivery thereof to the possession of the U.S. Postal Service. The Stormwater Utility Director shall provide proof of such notice by affidavit. Failure of the owner to receive such notice due to mistake or inadvertence shall not affect the validity of the Stormwater Assessment Roll nor release or discharge any obligation for the payment of a Stormwater Assessment imposed by the Council pursuant to this Ordinance.

SECTION 3.07. FINAL STORMWATER ASSESSMENT RESOLUTION.

At the time named in such notice, or such time to which an adjournment or continuance may be taken, the Council shall receive written objections and hear testimony of interested persons and may then, or at any subsequent meeting of the Council, adopt the Final Stormwater Assessment Resolution which shall (A) confirm, modify or repeal the Initial Stormwater Assessment Resolution with such amendments, if any, as may be deemed appropriate by the Council; (B) approve the Stormwater Assessment Roll, with such amendments as it deems just and right; and (C) determine the method of collection. All objections to adoption of the Final Stormwater Assessment Resolution shall be made in writing, and filed with the Clerk at or before the time or adjourned time of such hearing.

SECTION 3.08. ANNUAL STORMWATER ASSESSMENT RESOLUTION.

During its budget adoption process, the Council shall adopt an Annual Stormwater Assessment Resolution for each Fiscal Year following adoption of the Final Assessment Resolution. The Final Stormwater Assessment Resolution shall constitute the Annual Stormwater Assessment Resolution for the initial Fiscal Year. The Annual Stormwater Assessment Resolution shall approve the Stormwater Assessment Roll for such Fiscal Year. The Stormwater Assessment Roll shall be prepared in accordance with the Initial Stormwater Assessment Resolution, as confirmed or amended by the Final Stormwater Assessment Resolution. If the proposed Stormwater Assessment for any parcel of Developed Property exceeds the maximum amount established in the Final Stormwater Assessment Resolution or if a Stormwater Assessment is imposed against property not previously subject thereto, the Council shall provide notice to the owner of such property in accordance with Sections 3.05 and 3.06 hereof and conduct a public hearing prior to adoption of the Annual Stormwater Assessment Resolution. Failure to adopt an Annual Stormwater Assessment Resolution during the budget adoption process for a Fiscal Year may be cured at any time.

SECTION 3.09. EFFECT OF STORMWATER ASSESSMENT RESOLUTIONS. The adoption of the Final Stormwater Assessment Resolution or Annual Stormwater Assessment Resolution shall be the final adjudication of the issues presented (including, but not limited to, the apportionment methodology, the rate of assessment, the

adoption of the Stormwater Assessment Roll and the levy and lien of the Stormwater Assessments), unless proper steps are initiated in a court of competent jurisdiction to secure relief within 20 days from the date of Council adoption of the Final Stormwater Assessment Resolution. The Stormwater Assessments for each Fiscal Year shall be established upon adoption of the Annual Stormwater Assessment Resolution. The Stormwater Assessment Roll, as approved by the Final Stormwater Assessment Resolution or Annual Stormwater Assessment Resolution, shall be delivered to the Tax Collector, or such other official as the Council, by resolution, deems appropriate.

SECTION 3.10. LIEN OF STORMWATER ASSESSMENTS.

(A) Upon adoption of the Annual Stormwater Assessment Resolution for each Fiscal Year, Stormwater Assessments to be collected under the Uniform Assessment Collection Act shall constitute a lien against Assessed Property equal in rank and dignity with the liens of all state, county, district or municipal taxes and other non-ad valorem assessments. Except as otherwise provided by law, such lien shall be superior in dignity to all other prior liens, titles and claims, until paid. The lien shall be deemed perfected upon adoption by the Council of the Annual Stormwater Assessment Resolution and shall attach to the property included on the Stormwater Assessment Roll as of the prior January 1, the lien date for ad valorem taxes.

(B) Upon adoption of the Final Stormwater Assessment Resolution, Stormwater Assessments to be collected under the alternative method of collection provided in Section

4.02 hereof shall constitute a lien against Assessed Property equal in rank and dignity with the liens of all state, county, district or municipal taxes and other non-ad valorem assessments. Except as otherwise provided by law, such lien shall be superior in dignity to all other prior liens, titles and claims, until paid. The lien shall be deemed perfected on the date notice thereof is recorded in the Official Records of Escambia County, Florida.

SECTION 3.11. REVISIONS TO STORMWATER ASSESSMENTS. If any Stormwater Assessment made under the provisions of this Ordinance is either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Council is satisfied that any such Stormwater Assessment is so irregular or defective that the same cannot be enforced or collected, or if the Council has failed to include any property on the Stormwater Assessment Roll that should have been so included, the Council may take all necessary steps to impose a new Stormwater Assessment against any such property, following as nearly as may be practicable, the provisions of this Ordinance and in case such second Stormwater Assessment is annulled, the Council may obtain and impose other Stormwater Assessments until a valid Stormwater Assessment is imposed.

SECTION 3.12. PROCEDURAL IRREGULARITIES. Any irregularity in the proceedings in connection with the levy of any Stormwater Assessment under the provisions of this Ordinance shall not affect the validity of the same after the approval thereof, and any Stormwater Assessment as finally approved shall be competent and sufficient evidence that such Stormwater Assessment was duly levied, that the Stormwater Assessment was duly

made and adopted, and that all other proceedings adequate to such Stormwater Assessment were duly had, taken and performed as required by this Ordinance; and no variance from the directions hereunder shall be held material unless it be clearly shown that the party objecting was materially injured thereby. Notwithstanding the provisions of this Section 3.12, any party objecting to an Stormwater Assessment imposed pursuant to this Ordinance must file an objection with a court of competent jurisdiction within the time periods prescribed in Section 3.09 of this Ordinance.

SECTION 3.13. CORRECTION OF ERRORS AND OMISSIONS.

(A) No act of error or omission on the part of the Council, Stormwater Utility Director, Property Appraiser, Tax Collector, Clerk, or their respective deputies, employees or designees, shall operate to release or discharge any obligation for payment of any Stormwater Assessment imposed by the Council under the provisions of this Ordinance.

(B) The number of ESUs attributed to a parcel of property may be corrected at any time by the Stormwater Utility Director. Any such correction which reduces a Stormwater Assessment shall be considered valid from the date on which the Stormwater Assessment was imposed and shall in no way affect the enforcement of the Stormwater Assessment imposed under the provisions of this Ordinance. Any such correction which increases a Stormwater Assessment or imposes a Stormwater Assessment on omitted property shall first require notice to the affected owner in the manner described in Section 3.06 hereof,

providing the date, time and place that the Council will consider confirming the correction and offering the owner an opportunity to be heard.

(C) After the Stormwater Assessment Roll has been delivered to the Tax Collector in accordance with the Uniform Assessment Collection Act, any changes, modifications or corrections thereto shall be made in accordance with the procedures applicable to errors and insolvencies for ad valorem taxes.

ARTICLE IV

COLLECTION OF STORMWATER ASSESSMENTS

SECTION 4.01. METHOD OF COLLECTION. Unless directed otherwise by the Council, Stormwater Assessments (other than Stormwater Assessments imposed against Government Property) shall be collected pursuant to the Uniform Assessment Collection Act, and the City shall comply with all applicable provisions thereof. Any hearing or notice required by this Ordinance may be combined with any other hearing or notice required by the Uniform Assessment Collection Act.

SECTION 4.02. ALTERNATIVE METHOD OF COLLECTION. In lieu of using the Uniform Assessment Collection Act, the City may elect to collect the Stormwater Assessment by any other method which is authorized by law or under an alternative collection method provided by this Section.

(A) The City shall provide Stormwater Assessment bills by first class mail to the owner of each affected parcel of property, other than Government Property. The bill or accompanying explanatory material shall include (1) a brief explanation of the Stormwater Assessment, (2) a description of the ESU calculation used to determine the amount of the Assessment, (3) the number of ESUs attributed to the parcel, (4) the total amount of the parcel's Stormwater Assessment for the appropriate period, (5) the location at which payment will be accepted, (6) the date on which the Stormwater Assessment is due, and (7)

a statement that the Stormwater Assessment constitutes a lien against assessed property equal in rank and dignity with the liens of all state, county, district or municipal taxes and other non-ad valorem assessments.

(B) A general notice of the lien resulting from imposition of the Stormwater Assessments shall be recorded in the Official Records of Escambia County, Florida. Nothing herein shall be construed to require that individual liens or releases be filed in the Official Records.

(C) The City shall have the right to appoint or retain an agent to foreclose and collect all delinquent Stormwater Assessments in the manner provided by law. A Stormwater Assessment shall become delinquent if it is not paid within 30 days from the date any installment is due. The City or its agent shall notify any property owner who is delinquent in payment of his or her Stormwater Assessment within 60 days from the date the Stormwater Assessment was due. Such notice shall state in effect that the City or its agent will initiate a foreclosure action and cause the foreclosure of such property subject to a delinquent Stormwater Assessment in a method now or hereafter provided by law for foreclosure of mortgages on real estate, or otherwise as provided by law.

(D) All costs, fees and expenses, including reasonable attorney fees and title search expenses, related to any foreclosure action as described herein shall be included in any judgment or decree rendered therein. At the sale pursuant to decree in any such action, the City may be the purchaser to the same extent as an individual person or corporation. The

City may join in one foreclosure action the collection of Stormwater Assessments against any or all property assessed in accordance with the provisions hereof. All delinquent property owners whose property is foreclosed shall be liable for an apportioned amount of reasonable costs and expenses incurred by the City and its agents, including reasonable attorney fees, in collection of such delinquent Stormwater Assessments and any other costs incurred by the City as a result of such delinquent Stormwater Assessments including, but not limited to, costs paid for draws on a credit facility and the same shall be collectible as a part of or in addition to, the costs of the action.

(E) In lieu of foreclosure, any delinquent Stormwater Assessment and the costs, fees and expenses attributable thereto, may be collected pursuant to the Uniform Assessment Collection Act; provided however, that (1) notice is provided to the owner in the manner required by law and this Ordinance, and (2) any existing lien of record on the affected parcel for the delinquent Stormwater Assessment is supplanted by the lien resulting from certification of the Stormwater Assessment Roll to the Tax Collector.

SECTION 4.03. RESPONSIBILITY FOR ENFORCEMENT. The City and its agent, if any, shall maintain the duty to enforce the prompt collection of Stormwater Assessments by the means provided herein. The duties related to collection of Stormwater Assessments may be enforced at the suit of any holder of Obligations in a court of competent jurisdiction by mandamus or other appropriate proceedings or actions.

SECTION 4.04. GOVERNMENT PROPERTY.

(A) If Stormwater Assessments are imposed against Government Property, the City shall provide Stormwater Assessment bills by first class mail to the owner of each affected parcel of Government Property. The bill or accompanying explanatory material shall include (1) a brief explanation of the Stormwater Assessment, (2) a description of the ESUs used to determine the amount of the Stormwater Assessment, (3) the number of ESUs attributed to the parcel, (4) the total amount of the parcel's Stormwater Assessment for the appropriate period, (5) the location at which payment will be accepted, and (6) the date on which the Stormwater Assessment is due.

(B) Stormwater Assessments imposed against Government Property shall be due on the same date as all other Stormwater Assessments and, if applicable, shall be subject to the same discounts for early payment.

(C) A Stormwater Assessment shall become delinquent if it is not paid within 30 days from the date any installment is due. The City shall notify the owner of any Government Property that is delinquent in payment of its Stormwater Assessment within 60 days from the date the Stormwater Assessment was due. Such notice shall state in effect that the City will initiate a mandamus or other appropriate judicial action to compel payment.

(D) All costs, fees and expenses, including reasonable attorney fees and title search expenses, related to any mandamus or other action as described herein shall be included in any judgment or decree rendered therein. All delinquent owners of Government Property

against which a mandamus or other appropriate action is filed shall be liable for an apportioned amount of reasonable costs and expenses incurred by the City, including reasonable attorney fees, in collection of such delinquent Stormwater Assessments and any other costs incurred by the City as a result of such delinquent Stormwater Assessments including, but not limited to, costs paid for draws on a credit facility and the same shall be collectible as a part of or in addition to, the costs of the action.

(E) As an alternative to the foregoing, a Stormwater Assessment imposed against Government Property may be collected on the bill for any utility service provided to such Government Property. The Council may contract for such billing services with any utility not owned by the City.

ARTICLE V
ISSUANCE OF OBLIGATIONS

SECTION 5.01. GENERAL AUTHORITY.

(A) Upon adoption of the Final Stormwater Assessment Resolution imposing Stormwater Improvement Assessments or at any time thereafter, the Council shall have the power and is hereby authorized to provide by ordinance or resolution, at one time or from time to time in series, for the issuance of Obligations of the City to fund the Project Cost thereof and any amounts to be paid or accrued in connection with issuance of such Obligations, including, but not limited to capitalized interest, Transaction Costs and reserve account deposits.

(B) The principal of and interest on each series of Obligations shall be payable from Pledged Revenue. At the option of the Council, the City may agree, by ordinance or resolution, to budget and appropriate funds to make up any deficiency in the reserve account established for the Obligations or in the payment of the Obligations, from other non-ad valorem revenue sources. The Council may also provide, by ordinance or resolution, for a pledge of or lien upon proceeds of such non-ad valorem revenue sources for the benefit of the holders of the Obligations. Any such ordinance or resolution shall determine the nature and extent of any pledge of or lien upon proceeds of such non-ad valorem revenue sources.

SECTION 5.02. TERMS OF THE OBLIGATIONS. The Obligations shall be dated, shall bear interest at such rate or rates, shall mature at such times as may be determined by ordinance or resolution of the Council, and may be made redeemable before maturity, at the option of the City, at such price or prices and under such terms and conditions as may be fixed by the Council. Said Obligations shall mature not later than 40 years after their issuance and may, at the option of the Council, bear interest at a variable rate. The Council shall determine by ordinance or resolution the form of the Obligations, the manner of executing such Obligations, and shall fix the denominations of such Obligations, the place or places of payment of the principal and interest, which may be at any bank or trust company within or outside of the State of Florida, and such other terms and provisions of the Obligations as it deems appropriate. The Obligations may be sold at public or private sale for such price or prices as the Council shall determine by ordinance or resolution. The Obligations may be delivered to any contractor to pay for its work in constructing the Stormwater Improvements or may be sold in such manner and for such price as the Council may determine by ordinance or resolution to be for the best interests of the City.

SECTION 5.03. VARIABLE RATE OBLIGATIONS. The City may, at its option, issue Obligations bearing a variable rate of interest.

SECTION 5.04. TEMPORARY OBLIGATIONS. Prior to the preparation of definitive Obligations of any series, the Council may, under like restrictions, issue interim

receipts, interim certificates, or temporary Obligations, exchangeable for definitive Obligations when such Obligations have been executed and are available for delivery. The Council may also provide for the replacement of any Obligations which shall become mutilated, destroyed or lost. Obligations may be issued without any other proceedings or the happening of any other conditions or things than those proceedings, conditions or things which are specifically required by this Ordinance.

SECTION 5.05. ANTICIPATION NOTES. In anticipation of the sale of Obligations, the Council may, by resolution, issue notes and may renew the same from time to time. Such notes may be paid from the proceeds of the Obligations, the proceeds of the Stormwater Assessments, the proceeds of the notes and such other legally available moneys as the Council deems appropriate by ordinance or resolution. Said notes shall mature within five years of their issuance and shall bear interest at a rate not exceeding the maximum rate provided by law. The Council may issue Obligations or renewal notes to repay the notes. The notes shall be issued in the same manner as the Obligations.

SECTION 5.06. TAXING POWER NOT PLEDGED. Obligations issued under the provisions of this Ordinance shall not be deemed to constitute a pledge of the faith and credit of the City, but such Obligations shall be payable only from Pledged Revenue and, if applicable, proceeds of the Stormwater Assessments, in the manner provided herein and by the ordinance or resolution authorizing the Obligations. The issuance of Obligations under the provisions of this Ordinance shall not directly or indirectly obligate the City to

levy or to pledge any form of ad valorem taxation whatever therefor. No holder of any such Obligations shall ever have the right to compel any exercise of the ad valorem taxing power on the part of the City to pay any such Obligations or the interest thereon or to enforce payment of such Obligations or the interest thereon against any property of the City, nor shall such Obligations constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City, except the Pledged Revenue.

SECTION 5.07. TRUST FUNDS. The Pledged Revenue received pursuant to the authority of this Ordinance shall be deemed to be trust funds, to be held and applied solely as provided in this Ordinance and in the ordinance or resolution authorizing issuance of the Obligations. Such Pledged Revenue may be invested by the City, or its designee, in the manner provided by the resolution authorizing issuance of the Obligations. The Pledged Revenue upon receipt thereof by the City shall be subject to the lien and pledge of the holders of any Obligations or any entity other than the City providing credit enhancement on the Obligations.

SECTION 5.08. REMEDIES OF HOLDERS. Any holder of Obligations, except to the extent the rights herein given may be restricted by the ordinance or resolution authorizing issuance of the Obligations, may, whether at law or in equity, by suit, action, mandamus or other proceedings, protect and enforce any and all rights under the laws of the state or granted hereunder or under such ordinance or resolution, and may enforce and

compel the performance of all duties required by this part, or by such ordinance or resolution, to be performed by the City.

SECTION 5.09. REFUNDING OBLIGATIONS. The City may, by ordinance or resolution of the Council, issue Obligations to refund any Obligations issued pursuant to this Ordinance, or any other obligations of the City theretofore issued to finance the Project Cost of a Stormwater Improvement, and provide for the rights of the holders hereof. Such refunding Obligations may be issued in an amount sufficient to provide for the payment of the principal of, redemption premium, if any, and interest on the outstanding Obligations to be refunded. If the issuance of such refunding Obligations results in an annual installment of the Stormwater Assessment that exceeds the estimated maximum annual installment of assessments set forth on the preliminary Stormwater Assessment Roll prepared pursuant to Section 3.04 hereof, the Council shall provide notice to the affected property owners and conduct a public hearing in the manner required by Article III of this Ordinance.

ARTICLE VI
GENERAL PROVISIONS

SECTION 6.01. APPLICABILITY. This Ordinance and the City's authority to impose Stormwater Assessments pursuant hereto shall be applicable throughout the City.

SECTION 6.02. ALTERNATIVE METHOD. This Ordinance shall be deemed to provide an additional and alternative method for the doing of the things authorized hereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of any powers now existing or which may hereafter come into existence. This Ordinance, being necessary for the welfare of the inhabitants of the City, shall be liberally construed to effect the purposes hereof.

SECTION 6.03. SEVERABILITY. The provisions of this Ordinance are severable; and if any section, subsection, sentence, clause or provision is held invalid by any court of competent jurisdiction, the remaining provisions of this Ordinance shall not be affected thereby.

SECTION 6.04. CONFLICTS. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

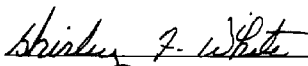
SECTION 6.05. EFFECTIVE DATE. This Ordinance shall take effect immediately upon its passage by the City Council.

PASSED: November 16, 2000

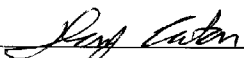
APPROVED: 
Mayor

(MUNICIPAL SEAL)

ATTEST:


City Clerk

Legal in form and valid if enacted:


City Attorney

CITY COUNCIL MEMORANDUM

ITEM 11-B

TO: Mayor and City Council

FROM: Thomas J. Bonfield, City Manager 

DATE: November 16, 2000

SUBJECT: Proposed Ordinance No. 48-00 – Creating a Stormwater Utility for the City of Pensacola.

RECOMMENDATION: That City Council approve Proposed Ordinance No. 48-00 on second reading.

SUMMARY: The Stormwater Management Financial Plan prepared for the City recommended the creation of a stormwater utility to provide the City with a recurring and dedicated source of revenue to address stormwater challenges. An ordinance has been prepared that will create a stormwater utility. Adoption of the proposed ordinance in conjunction with other subsequent actions would allow the city to begin receiving utility revenue by the end of 2001. The amount of revenue potentially received is dependent upon the annual assessment rate set by the City Council through the adoption of an assessment rate resolution.

PRIOR ACTION: October 26, 2000, City Council approved Proposed Ordinance No. 48-00 on first reading.

CURRENT ACTION:

FUNDING: None required.

ATTACHMENTS: Proposed Ordinance No. 48-00.

STAFF CONTACT: George J., Maiberger, Assistant to the City Manager; John W. Fleming, Assistant City Attorney; and Richard Barker, Jr., Director of Finance.

PRESENTATION: No.

City of
Pensacola



STATE OF FLORIDA
County of Escambia

Before the undersigned authority personally appeared Kay Gaskins
who is personally known to me and who on oath says that he/she
is a representative of The Pensacola News Journal, a daily newspaper published at Pensacola in
Escambia County, Florida; that the attached copy of advertisement, being a Legal
in the matter of Notice Of Proposed Ordinances
in the _____ Court, was published
in said newspaper in the issues of November 5, 2000
Affiant further says that the said Pensacola News Journal is a
newspaper published at Pensacola, in said Escambia County, Florida, and that the said newspaper has
heretofore been continuously published in said Escambia County, Florida each day and has been
entered as second class mail matter at the post office in Pensacola, in said Escambia County, Florida,
for a period of one year next preceding the first publication of the attached copy of
advertisement; and affiant further says that he/she has neither paid nor promised any person, firm,
or corporation any discount, rebate, commission or refund for the purpose of securing this
advertisement for publication in the said newspaper.

Sworn to and subscribed before me this 8th day of Nov A.D.,
20 00

Bereth Ferguson
Notary Public

BERETH FERGUSON
"Notary Public-State of FL"
My comm. expires: Oct. 10, 2001
Comm. No. CC687988

NOTICE OF PROPOSED ORDINANCES

Please be advised that Proposed Ordinance Nos. 47-00, 48-00, 49-00 and 51-00 were presented to the City Council of the City of Pensacola for the first reading on Thursday, October 26, 2000, and will be presented for final reading and adoption on Thursday, November 16, 2000, in the Council Chambers on the First Floor of City Hall, 180 Governmental Center, Pensacola.

The titles of the proposed ordinances are as follows:

P.O. #47-00:
AN ORDINANCE AMENDING SECTIONS 2-2-7 AND 2-2-8 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA, PROVIDING FOR THE COMPENSATION OF THE MAYOR AND CITY COUNCIL; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

P.O. #48-00:
AN ORDINANCE RELATING TO THE PROVISION OF SERVICES AND CAPITAL FACILITIES FOR STORMWATER MANAGEMENT AND THE IMPOSITION OF STORMWATER UTILITY WITHIN THE CITY OF PENSACOLA; PROVIDING DEFINITIONS AND FINDINGS; ESTABLISHING A STORMWATER UTILITY AND PROVIDING ITS RESPONSIBILITIES; ESTABLISHING A STORMWATER UTILITY FUND; AUTHORIZING THE IMPOSITION AND COLLECTION OF STORMWATER ASSESSMENTS TO FUND THE COST OF PROVIDING SERVICES AND CAPITAL FACILITIES FOR STORMWATER MANAGEMENT; ESTABLISHING PROCEDURES FOR NOTICE AND ADOPTION OF STORMWATER ASSESSMENT ROLLS AND FOR CORRECTING ERRORS AND OMISSIONS; PROVIDING THAT STORMWATER ASSESSMENTS CONSTITUTE A LIEN ON ASSESSED PROPERTY UPON ADOPTION OF THE STORMWATER ASSESSMENT ROLLS; ESTABLISHING PROCEDURES AND METHODS FOR THE COLLECTION STORMWATER ASSESSMENTS; ESTABLISHING THE PRIORITY OF THE STORMWATER LIEN OVER PRIOR RECORDED LIENS OR MORTGAGES; AUTHORIZING THE ISSUANCE OF OBLIGATIONS SECURED BY STORMWATER ASSESSMENTS; PROVIDING FOR VARIOUS RIGHTS AND REMEDIES OF THE HOLDERS OF SUCH OBLIGATIONS; PROVIDING THAT SUCH OBLIGATIONS WILL NOT CREATE A GENERAL DEBT OR OBLIGATION OF THE CITY; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

P.O. #49-00:
AN ORDINANCE CREATING SECTION 12-9-10 THROUGH SECTION 12-9-19 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; RELATING TO STORMWATER MANAGEMENT AND CONTROL OF EROSION, SEDIMENTATION, AND RUNOFF; PROVIDING FOR FINDINGS AND DETERMINATIONS RELATING TO ILLICIT DISCHARGES; PROVIDING FOR DEFINITIONS; PROVIDING FOR CONTROL OF STORMWATER DISCHARGES TO THE CITY'S MUNICIPAL SEWER SYSTEM; PROVIDING FOR CONTROL OF STORMWATER DISCHARGES FROM INDUSTRIAL AND CONSTRUCTION ACTIVITIES; PROVIDING FOR CONTROL OF POLLUTANT CONTRIBUTIONS FROM INTERCONNECTED MUNICIPAL SEWER SYSTEMS; PROVIDING FOR THE MAINTENANCE OF BEST MANAGEMENT PRACTICES; PROVIDING FOR EXEMPTIONS; PROVIDING FOR ENFORCEMENT, PENALTIES AND LEGAL PROCEEDINGS; PROVIDING SEVERABILITY CLAUSE; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

P.O. #51-00:
AN ORDINANCE PROPOSING AN AMENDMENT TO THE CHARTER OF THE CITY OF PENSACOLA; PROVIDING FOR THE ELECTION OF THE MAYOR AND CITY COUNCIL IN THE FALL OF EVEN NUMBERED YEARS; PROVIDING FOR A REFERENDUM THEREON; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

A copy of the proposed ordinances may be inspected by the public in the City Clerk's office on the seventh floor of the City Hall, 180 Governmental Center, Pensacola, Florida. Interested parties may appear at the Council meeting and be heard with respect to the proposed ordinances.

If any person decides to appeal any decision made with respect to any matter considered at this meeting, such person will need a record of the proceedings, and that for such purpose, he/she 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 modifications for access to City services, programs and activities. Please call 435-1600 (or T.D.C. #435-1765) for further information. 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.

For additional information on this request, please call the City Planning Office at (850) 435-1670.

CITY OF PENSACOLA
PENSACOLA, FLORIDA

By: Barry F. White
City Clerk

Visit www.pensacola.fl.us to learn more about city activities. Council agendas posted on-line before meetings.

Legal No. 60690-11 November 5, 2000



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 19-00093

City Council

2/25/2019

INFORMATION ITEM

SUBJECT:

QUARTERLY FINANCIAL REPORT - THREE MONTHS ENDING DECEMBER 31, 2018 (UNAUDITED)
- CHIEF FINANCIAL OFFICER RICHARD BARKER, JR.

ATTACHMENTS:

1) Financial Report - Three Months Ending December 31, 2018 (Unaudited)

PRESENTATION: Yes

FINANCIAL REPORT THREE MONTHS ENDING DECEMBER 31, 2018

These statements are unaudited and are not the official financial statements of the City but rather are a review of the progress to date each quarter as it relates to the budget. The official financial statements of the City are included in the Comprehensive Annual Financial Report (CAFR) and will be presented to the City Council in the first quarter of each calendar year following the end of each fiscal year (September 30th).

Attached are financial schedules setting forth the status of the major General Government, Special Revenue, Capital Projects and Proprietary Funds for the City of Pensacola for the three months ended December 31, 2018. The financial schedules compare actual results for the three-month period against the City's budget and against comparable percentages of a year ago. Such comparisons are useful in projecting potential problem areas, allowing management to take early corrective action. The City's debt service and investment schedules are also attached for Council's review.

Growth in the economy continues. Both Half-Cent Sales Tax and Local Option Sales Tax revenues continue to show growth from FY 2017 to FY 2018. Half-Cent Sales Tax revenue increased 7.39% and Local Option Sales Tax revenue increased by 8.15% from FY 2017 to FY 2018. In addition, Ad Valorem Taxable Valuations continue to show positive growth. While these are positive indicators, both revenues and expenditures continue to be closely monitored to assure a balanced budget. Expenditures in total are in line with budgeted projections. Significant variances from the current approved budget are noted in the individual fund narrative below.

The Investment Section of this financial report provides a comparison of interest rates for FY 2018 to FY 2019. By fiscal year end, Interest Income in the various funds is anticipated to exceed budget due to higher than anticipated interest rates.

The Legal Services and Fees of this financial report provides a listing of legal services and fees paid through the first quarter of FY 2019.

General Fund:

In total, General Fund revenues exceeded the budget for the first quarter and are mainly attributed to revenues from Property Tax, Local Business Tax and the transfer from Pensacola Energy the majority of which were paid during the first quarter. During the first quarter total Franchise Fees and Public Service Tax revenues exceeded budget by \$84,900 or 2.96%. Half-Cent Sales Tax revenues were at budgeted levels. Communication Services Tax revenue exceeded budget by \$20,800 or 4.18% and Municipal Revenue Sharing revenue also exceeded budget by \$10,700 or 1.88%.

In total revenues at fiscal year end are projected to meet or exceed budget. Staff will continue to monitor revenues and expenditures and take appropriate actions as necessary in order to assure a balanced budget.

The Transfer from the General Fund to the Stormwater Capital Projects Fund appears to exceed budget. Since the Stormwater Utility Fee is on the Property Tax bill, the receipts coincide with the Property Tax Revenues.

First quarter expenditures in total were within budget. All General Fund capital equipment has been funded in Local Option Sales Tax Series IV, therefore the only savings that can be realized are in operating and personal services.

Tree Planting Trust Fund

The Tree Planting Trust Fund revenue and expenditures are recorded in the General Fund. For the first quarter the “Tree Planting Trust Fund” account contributions and interest income equaled \$16,800 and there were no expenditures or encumbrances.

During the Tentative Public Hearing to approve the FY 2018 Budget, City Council voted to move \$300,000 within the Tree Planting Trust Fund from the various projects to a reserved account in order to allow for a full review of Tree Planting Trust Fund expenditures.

The unencumbered balance in the “Tree Planting Trust Fund” at the end of the first quarter was \$406,488.

Park Purchases Trust Fund

The Park Purchases Fund revenue and expenditures are recorded in the General Fund. For the first quarter the “Park Purchases Fund” account contributions and interest income equaled \$4,000 and there were no expenditures or encumbrances.

The unencumbered balance in the “Park Purchases Fund” at the end of the first quarter was \$107,590.

Housing Initiatives Fund/Inner City Housing Initiatives Fund

The Housing Initiatives Fund is dedicated to receive specified funds to supplement existing and future adopted Housing Program Initiatives. This initiative moves City-owned surplus properties back into productive use through the development and sale of surplus properties. The proceeds from those sales can be dedicated to expanding existing homeowner assistance programs. These funds have been recorded in the General Fund as the “Housing Initiatives Fund”.

In FY 2017 City Council allocated \$440,000 from the General Fund’s portion of the sale of 16 South Palafox to be designated to the Housing Initiatives Fund specifically for use in the Pensacola Inner City Community Redevelopment Area in order to fund the Urban Core, Eastside and Westside affordable housing rehabilitation projects. These funds have been designated separately from the “Housing Initiatives Fund” and are recorded as the “Inner City Housing Initiatives Fund”.

For the first quarter of FY 2019 the “Housing Initiatives Fund” account contributions equaled \$700 and the expenditures totaled \$13,800. The total balance in the “Housing Initiatives Fund” at the end of the first quarter was \$132,700.

The “Inner City Housing Initiatives Fund” account contributions equaled \$2000 and there were no expenditures for the first quarter of FY 2019. The total balance in the “Inner City Housing Initiatives Fund” at the end of the first quarter was \$440,500.

Local Option Gasoline Tax Fund:

Local Option Gasoline Tax revenue were \$25,000 or 10.72% below budgeted levels through the first quarter of FY 2019. Due to the effects of Hurricane Michael, the Department of Revenue was not able to receive true data regarding gas tax receipts and therefore, the estimates for the first quarter receipts were significantly low. The payment received in January 2019 included a true-up that corrected these lower amounts. These corrections may continue through March 2019. Based on the true-up receipt, revenues exceeded budget by \$8,200 or 2.38%. Fund expenditures will not exceed budget for the fiscal year.

Stormwater Utility Fund:

Total utility fee revenue of \$1,712,800 represents 61.72% of budgeted Stormwater Utility Fee Revenue for the fiscal year. Revenue for the State Right of Way Maintenance includes accrual reversals from the previous fiscal year and will be reflected in the second quarter financial report.

Fund expenditures are consistent with budget for the first quarter.

Municipal Golf Course Fund:

During first quarter FY 2019, the Golf Course expenditures (including total City sponsored pension costs) exceeded revenues by \$141,200 before the General Fund subsidy of \$55,000. When compared to FY 2018, revenue for this fiscal year is \$11,800 less than the prior year first quarter revenues. This decrease in revenues is mainly due to a significant amount of rainfall that occurred during the first part of the fiscal year. It is anticipated that an additional transfer from the General fund over the \$220,000 will be needed by fiscal year end.

During the first quarter of FY 2018, 4,606 rounds were played plus 1,332 of driving range usage and in the first quarter of FY 2019, 3,928 rounds were played plus 980 of driving range usage, a decrease of 678 rounds and a decrease of 352 driving range usage. Staff will continue to advertise the golf course through local media outlets as well as continue to keep the golf course’s website updated. Additionally, Staff will continue to monitor revenues and implement marketing strategies as appropriate.

Concession payments from Fusion Grill, Inc. are current through the first quarter of FY 2019.

Expenditures at the Golf Course are consistent with the adopted FY 2019 budget.

Inspection Services Fund:

In total, expenditures (including total City sponsored pension costs) exceeded revenues by \$129,500. Revenues for the first quarter in FY 2019 were \$7,400 less than the same period in FY 2018.

Expenditures for Inspection Services were consistent with budget.

Roger Scott Tennis Center:

The City has a three-year contract effective January 1, 2018 with Gulf Coast Tennis Group, LLC for the operation and management of the Roger Scott Tennis Center. As part of the contract, the City receives a minimum annual guaranteed revenue of \$125,000, which is estimated to fund the City's cost of operations. For the first quarter, revenue exceeded expenditures by \$25,600. Expenditures are not anticipated to exceed budget by fiscal year end

The following is a comparison of the activity at Roger Scott Tennis Center between Fiscal Years 2018 and 2019.

	<u>1ST QTR FY 2018</u>	<u>1ST QTR FY 2019</u>	<u>DIFF</u>
Daily Participants			
Hard Courts	407	288	(119)
All Courts (Includes Clay Courts)	615	519	(96)
Sub-Total	<u>1,022</u>	<u>807</u>	<u>(215)</u>
Playing Members	<u>5,750</u>	<u>5,007</u>	<u>(743)</u>
Sub-Total	<u>6,772</u>	<u>5,814</u>	<u>(958)</u>
Instructional Students	2,043	7,775	5,732
Rentals/Special Events/Programs	2,601	4,005	1,404
Total Players	<u>11,416</u>	<u>17,594</u>	<u>6,178</u>

Community Maritime Park Management Services Fund:

The New Market Tax Credit (NMTC) Financing structure was completed in FY 2017 and the Community Maritime Park Associates, Inc. (CMPA) was dissolved and all assets and liabilities of the CMPA were transferred to the City. FY 2018 was the first full year of operations by the City whereby all revenue and expenditures of the Community Maritime Park were reflected in the Community Maritime Park Management Services Fund.

During the first quarter of FY 2019, Park Operations expenditures (including total City sponsored pension costs) exceeded revenues by \$113,900 (excluding Renewal & Replacement). Expenditures will continue to exceed revenues until the fourth quarter of the fiscal year when the majority of the revenues generated at the Community Maritime Park are received or accrued.

When compared to FY 2018, revenue for this fiscal year is \$8,300 more than the prior year first quarter revenues. Expenditures were consistent with budget.

Local Option Sales Tax Fund:

First quarter revenues exceeded budget by \$115,300 or 8.75%. Expenditures in total were consistent with budget for the first quarter.

All bond eligible expenses have been accounted for separately. An extension of the Local Option Sales Tax was approved in November 2014 and began January 1, 2018. It will expire on December 31, 2028. This is the fourth series of the Local Option Sales Tax. However on October 18, 2017, the City issued the \$25 million Infrastructure Sales Surtax Revenue bond, Series 2017 in order to fund projects identified in the LOST IV Plan.

As stated previously, it may become necessary to draw upon the City's pooled cash to cover cash shortfalls in the fund. This is projected to be necessary through the end of the life of the LOST IV Series. Over the life of the project, fund balance may be negative based on anticipated project completion dates.

Stormwater Capital Projects Fund:

The \$1,712,700 transfer from the General Fund to the Stormwater Capital Projects Fund equaled the revenue fee collection in the Stormwater Utility Fund. First quarter expenditures were within budget.

Gas Utility Fund:

Appropriated fund balance in the amount of \$1,348,100 and operating revenue were below gas operating expenses and encumbrances (including total City sponsored pension costs) by \$5.1 million for the first quarter. The majority of capital outlay, debt service and transfer expenditures occurred in the first quarter but will levelize over the remainder of the fiscal year.

First quarter FY 2019 revenues exceeded first quarter FY 2018 revenues due to an increase in base load sales and higher gas costs. Current projected revenues for FY 2019 are anticipated to be within budgeted level.

Pensacola Energy has included 10¢ in the Purchase Gas Adjustment (PGA) calculation to restore the Pensacola Energy reserve. At the end of Fiscal Year 2018 the reserve was down by \$283,100 below the reserve requirements recommended by Black & Veatch in the FYE 2012 Gas System Annual Report. At the end of December 2018, the additional \$0.10 per ccf collected amounted to \$417,100 which is included in the aforementioned revenue. The reserve requirements will be reviewed at the end of Fiscal Year 2019.

As reflected in the rate study and in accordance with the plan that Pensacola Energy submitted to the state Public Service Commission for the replacement of cast iron and steel pipes, the Infrastructure Cost Recovery began in FY 2013. This fee is charged for expenses that were made in the prior fiscal year. For the first quarter of FY 2019, \$877,000 has been received from Infrastructure Cost Recovery Revenue.

In total, expenses for the Gas Utility Fund were consistent with budget for the first quarter.

All bond eligible gas construction and infrastructure expenses have been accounted for separately.

Sanitation Fund:

In total, appropriated fund balance in the amount of \$1,302,000 and operating revenue were below operating expenses and encumbrances (including total City sponsored pension costs) by \$702,700 for the first quarter. Sanitation Fund revenues for FY 2019 were \$147,600 above the FY 2018 revenues for the same time period. The FY 2019 budget included an additional \$1.00 Sanitation Equipment Surcharge as well as a rate increase based on the change in the CPI of 2.4% bringing the monthly rate to \$24.64, in accordance with the rate ordinance.

The first quarter financial statement historically reflects minimal Franchise Fee revenue for the current fiscal year. This is due to accrual reversals from the previous fiscal year.

In total, first quarter Sanitation expenses were consistent with budget.

Port Fund:

First quarter Port appropriated fund balance of \$93,300 and operating revenue were below operating expenses and encumbrances (including total City sponsored pension costs) by \$88,400. Operating revenues for FY 2019 were \$133,800 above the FY 2018 operating revenues for the same time period. The majority of this increase is due to a increase in dockage and property rental revenue. The increase in dockage is the result of more vessel dockage days being logged in the first quarter of FY 2019 as compared to the first quarter of FY 2018, primarily due to increased business at Offshore Inland Marine's marine maintenance, repair & overhaul (MRO) facility at the port. The increase in rental revenue is due to the opening of Pensacola Bay Oyster Company's spat facility as a new port customer.

At the end of FY 2018 the Port reserve balance was a negative \$10,200. However, with the additional activity experienced at the Port of Pensacola during the first quarter of FY 2019, revenues have increased over estimated revenue and a supplemental budget resolution is being brought before City Council to adjust appropriations and Fund Balance. The Port's financial position will continue to be monitored.

Port expenses, in total, were at or below budget and were \$78,000 less than FY 2018 expenses for the same time period. Revenues and expenses continue to be closely monitored.

All Port lease payments have been paid and are current. The lease payments due from Offshore Inland Marine are current. However, dockage and other vessel fees, which Offshore Inland recovers from its customers and then remits to the port, continue to be slower to pay. Currently this account has an outstanding balance of \$424,300, which is detailed below.

	<u>Dec 31, 2018</u>	<u>Sept 30, 2017</u>	<u>Difference</u>
Current	\$ 51,269.66	962.68	50,306.98
30 - 59 Days	-	-	-
60 - 89 Days	-	-	-
90 - 119 Days	-	-	-
Over 120 Days	<u>373,000.00</u>	<u>528,000.00</u>	<u>(155,000.00)</u>
Total	<u>\$ 424,269.66</u>	<u>528,962.68</u>	<u>(104,693.02)</u>

Offshore Inland's past-due balance of \$373,000 has been addressed via the establishment of a payment plan incorporated into an amendment to the tenant's lease which City Council approved at its May 2017 regular meeting and amended on November 9, 2017. The amendment to the tenant's lease authorizes them to continue monthly installment payments of \$10,000 until full repayment of the debt has been made. This balance includes \$363,000 in invoices that are being held in abeyance pending construction of an overhead crane facility in Port Warehouse #1 and final reconciliation of project-related grant expenses, including expenses incurred by Offshore Inland. A process for final settlement of those funds was also included in the lease amendment.

Airport Fund:

Appropriated fund balance of \$13.9 million and operating revenue exceeded operating expenses and encumbrances (including total City sponsored pension costs) by \$4 million for the first quarter. Enplaned passenger traffic at Pensacola International Airport increased by 11.51%, when compared to the first quarter of FY 2018. This increase in passenger traffic is due, in part, to improved general economic conditions. Overall Airport operating revenues were \$622,600 over the FY 2018 operating revenue for the same time period. Airline Revenues were \$79,500 below the prior fiscal year and Non-Airline Revenues exceeded the prior year by \$702,000. The decrease in Airline Revenues is mainly attributed to Air Carrier Landing Fees, Baggage Handling System and Airline Rentals that totals \$96,700 and are offset by an increase of \$25,200 in Loading Bridge fees for this fiscal year compared to the prior fiscal year. Signatory Air Carrier Landing fees are currently \$0.56 per 1,000 lbs. as compared to last fiscal year when the charge was \$.65 per 1,000 lbs. All Air Carrier Landing Fees are recalculated annually. The bulk of the Non-Airline Revenue increase is from parking and rental car revenues. Revenue collected from the Parking Lot exceeded the prior fiscal year by \$296,600 and Rental Car Revenue was \$231,800 over the prior year. The increase in Non-Airline Revenues and decrease in Airline Revenue is a positive outcome for the Airport.

It should be noted, that the Airport's agreement with the airlines provides for the airlines to fund any shortfall, excluding incentives, should that occur. In the last quarter, Airport staff completed, and City Council has approved, new airline agreements establishing the business strategy and rate making formula for the Pensacola International airport. These five-year agreements use an industry-standard structure to allow the Airport to continue to maintain full financial self-sufficiency with no reliance on the City's General Fund.

On October 11, 2018, City Council adopted Supplemental Budget Resolution No. 18-44 appropriating funding in connection with the payoff of the Airport Facilities Grant Anticipation Note, Series 2016. In April 2016, City Council authorized the Mayor to execute acceptance of a Florida Department of Transportation (FDOT) Joint Participation Agreement in the amount of \$8,599,600 for the construction of a hangar at the Airport which was required to accommodate ST Aerospace. Since Funds would not be available for drawdown from FDOT until the State's 2018 and 2019 budget year, a bridge loan was needed to cover the funding gap until grant funds would be available for drawdown. The Debt Service for the note is being reported separate from the GARB Debt Service.

Expenses for the quarter are consistent with budget.

Risk Management / Central Services Fund:

These funds are categorized as internal service funds. They provide services to the City's other operating funds. Revenues and expenses in these funds were consistent with budgeted levels.

Investment Schedule / Debt Service Schedule:

Also provided for information is a listing of City investments and a listing of the City's various debt issues.

The weighted interest rates received on investments during the first quarter of the last three fiscal years are as follows:

	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>
October	1.77%	0.84%	0.72%
November	1.81%	0.79%	0.62%
December	1.84%	1.05%	0.64%

Legal Costs Schedule:

A schedule of legal costs paid to attorneys and/or firms who have provided services to the City has also been included in the quarterly report. This schedule lists the payee, the amount paid and the nature of the services provided to the City.

**CITY OF PENSACOLA
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	2,006,028	2,006,028	2,006,028	100.00%	1,790,900	100.00%	159,004	100.00%
REVENUES:									
GENERAL PROPERTY TAXES									
Current Taxes	15,429,000	15,429,000	15,429,000	10,101,207	65.47%	10,198,776	71.12%	14,589,079	100.00%
Delinquent Taxes	30,000	30,000	30,000	11,454	38.18%	9,527	31.76%	49,370	100.00%
Sub-Total	15,459,000	15,459,000	15,459,000	10,112,661	65.42%	10,208,303	71.04%	14,638,449	100.00%
FRANCHISE FEE									
Gulf Power - Electricity	5,850,100	5,850,100	5,850,100	975,933	16.68%	991,218	16.25%	5,919,503	100.00%
City of Pensacola - Gas	915,000	915,000	915,000	210,082	22.96%	181,290	19.81%	984,322	100.00%
ECUA - Water and Sewer	1,845,200	1,845,200	1,845,200	312,510	16.94%	330,572	20.51%	1,823,981	100.00%
Miscellaneous	0	0	0	0	----	0	----	0	----
Sub-Total	8,610,300	8,610,300	8,610,300	1,498,525	17.40%	1,503,080	17.42%	8,727,806	100.00%
PUBLIC SERVICE TAX									
Gulf Power - Electricity	6,307,200	6,307,200	6,307,200	1,076,758	17.07%	1,080,685	17.62%	6,446,833	100.00%
City of Pensacola - Gas	715,000	715,000	715,000	175,689	24.57%	158,664	19.47%	839,465	100.00%
ECUA - Water	1,156,800	1,156,800	1,156,800	199,712	17.26%	193,830	18.90%	1,175,135	100.00%
Miscellaneous	25,000	25,000	25,000	9,154	36.62%	8,697	43.49%	33,135	100.00%
Sub-Total	8,204,000	8,204,000	8,204,000	1,461,313	17.81%	1,441,876	18.04%	8,494,568	100.00%
LOCAL BUSINESS TAX									
Local Business Tax	910,000	910,000	910,000	869,569	95.56%	850,397	93.45%	915,792	100.37%
Local Business Tax Penalty	10,000	10,000	10,000	7,901	79.01%	7,405	74.05%	13,574	80.18%
Sub-Total	920,000	920,000	920,000	877,470	95.38%	857,802	93.24%	929,366	100.00%

**CITY OF PENSACOLA
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
REVENUES: (continued)									
LICENSES, PERMITS & PENALTIES									
Special Permits (Planning)	50,000	50,000	50,000	6,210	12.42%	12,295	24.59%	47,495	100.00%
Taxi Permits	6,000	6,000	6,000	2,864	47.73%	5,362	71.49%	8,418	100.21%
Fire Permits	21,000	21,000	21,000	4,204	20.02%	9,255	44.07%	22,675	100.00%
Sub-Total	<u>77,000</u>	<u>77,000</u>	<u>77,000</u>	<u>13,278</u>	17.24%	<u>26,912</u>	34.28%	<u>78,588</u>	100.02%
INTERGOVERNMENTAL									
FEDERAL									
Payment in Lieu of Taxes	17,000	17,000	17,000	10,233	60.19%	13,979	82.23%	13,979	100.00%
STATE									
1/2 Cent Sales Tax	4,978,700	4,978,700	4,978,700	778,781	15.64%	752,129	16.79%	4,810,068	100.07%
Beverage License Tax	100,000	100,000	100,000	93,320	93.32%	86,017	86.02%	106,864	100.00%
Mobile Home Tax	11,000	11,000	11,000	4,056	36.87%	3,724	46.55%	10,557	100.00%
Communication Services Tax	3,049,500	3,049,500	3,049,500	516,780	16.95%	503,528	16.47%	3,095,646	100.00%
State Rev Sharing - Motor Fuel Tax	548,700	548,700	548,700	133,997	24.42%	137,188	25.23%	551,279	100.00%
State Rev Sharing - Sales Tax	1,760,000	1,760,000	1,760,000	446,830	25.39%	438,989	25.21%	1,782,097	100.00%
Gas Rebate Municipal Vehicles	12,000	12,000	12,000	3,968	33.07%	3,292	27.43%	11,554	100.00%
Fire Fighter Supplemental Compensation	40,000	40,000	40,000	11,280	28.20%	11,106	27.77%	44,012	100.00%
Sub-Total	<u>10,516,900</u>	<u>10,516,900</u>	<u>10,516,900</u>	<u>1,999,245</u>	19.01%	<u>1,949,952</u>	19.50%	<u>10,426,056</u>	100.03%

**CITY OF PENSACOLA
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
REVENUES: (continued)									
OTHER CHARGES FOR SERVICES									
Swimming Pool Fees	0	0	0	16	----	2	----	5,190	100.02%
Boat Launch Fees	20,000	20,000	20,000	4,261	21.31%	1,909	11.23%	16,257	99.99%
Esc. School Board - SRO	185,500	185,500	185,500	0	0.00%	0	0.00%	163,479	99.99%
ECSD - 911 Calltakers	237,400	237,400	237,400	38,029	16.02%	65,175	27.45%	232,710	100.00%
State Traffic Signal Maintenance	333,100	333,100	333,100	0	0.00%	0	0.00%	335,506	100.00%
State Street Light Maintenance	312,700	312,700	312,700	0	0.00%	0	0.00%	322,059	100.02%
Pensacola Fire Academy	0	0	0	0	----	0	----	0	-----
Miscellaneous	40,000	40,000	40,000	11,765	29.41%	10,748	26.87%	46,629	100.00%
Sub-Total	1,128,700	1,128,700	1,128,700	54,071	4.79%	77,834	7.01%	1,121,830	100.00%
FINES, FORFEITURES & PENALTIES									
POLICE									
Court Fines	12,500	12,500	12,500	2,744	21.95%	3,420	23.59%	12,102	100.00%
Traffic Fines	90,000	90,000	90,000	14,863	16.51%	17,532	19.48%	84,370	100.00%
OTHER FINES									
Miscellaneous	5,000	5,000	5,000	885	17.70%	2,161	43.22%	5,679	102.32%
Sub-Total	107,500	107,500	107,500	18,492	17.20%	23,113	21.11%	102,151	100.13%

**CITY OF PENSACOLA
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
REVENUES: (continued)									
INTEREST									
Investments and Deposits	145,000	145,000	145,000	19,763	13.63%	666	1.33%	228,365	99.21%
Sub-Total	145,000	145,000	145,000	19,763	13.63%	666	1.33%	228,365	99.21%
OTHER REVENUES									
Miscellaneous	400,000	400,000	400,000	122,013	30.50%	106,217	21.24%	471,634	94.33%
Miscellaneous - Saenger Facility Fee	75,000	105,000	105,000	0	0.00%	0	0.00%	87,313	100.00%
Sale of Assets	50,000	50,000	50,000	0	0.00%	51,645	76.37%	51,645	100.00%
Sub-Total	525,000	555,000	555,000	122,013	21.98%	157,862	24.57%	610,592	95.56%
Sub-Total Revenues	45,693,400	45,723,400	45,723,400	16,176,831	35.38%	16,247,400	37.01%	45,357,771	99.94%
TRANSFERS IN									
Gas Utility Fund	8,000,000	8,000,000	8,000,000	4,000,000	50.00%	4,000,000	50.00%	8,000,000	100.00%
Sub-Total	8,000,000	8,000,000	8,000,000	4,000,000	50.00%	4,000,000	50.00%	8,000,000	100.00%
TOTAL REVENUES	53,693,400	53,723,400	53,723,400	20,176,831	37.56%	20,247,400	39.01%	53,357,771	99.95%
TOTAL REVENUES AND FUND BALANCE	\$ 53,693,400	55,729,428	55,729,428	22,182,859	39.80%	22,038,300	41.05%	53,516,775	99.95%

**CITY OF PENSACOLA
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
EXPENDITURES:									
CITY COUNCIL									
Personal Services	\$ 643,100	643,100	643,000	129,258	20.10%	125,872	20.69%	536,247	88.15%
City Sponsored Pensions	0	0	100	11	11.00%	10	20.00%	42	84.00%
Sub-Total	643,100	643,100	643,100	129,269	20.10%	125,882	20.69%	536,289	88.15%
Operating Expenses	481,900	635,136	635,136	143,337	22.57%	160,135	23.80%	380,145	66.24%
Sub-Total	1,125,000	1,278,236	1,278,236	272,606	21.33%	286,017	22.32%	916,434	76.62%
Allocated Overhead/(Cost Recovery)	(377,500)	(377,500)	(377,500)	(94,375)	25.00%	(94,925)	25.00%	(377,500)	100.00%
Sub-Total	747,500	900,736	900,736	178,231	19.79%	191,092	21.20%	538,934	66.88%
MAYOR									
Personal Services	992,300	992,300	992,300	230,888	23.27%	234,563	23.67%	966,182	97.50%
City Sponsored Pensions	48,800	48,800	48,800	48,800	100.00%	48,800	100.00%	48,800	100.00%
Sub-Total	1,041,100	1,041,100	1,041,100	279,688	26.86%	283,363	27.25%	1,014,982	97.61%
Operating Expenses	384,200	390,206	390,206	172,054	44.09%	65,708	16.16%	385,327	96.27%
Sub-Total	1,425,300	1,431,306	1,431,306	451,742	31.56%	349,071	24.14%	1,400,309	97.24%
Allocated Overhead/(Cost Recovery)	(694,900)	(694,900)	(694,900)	(173,725)	25.00%	(150,275)	25.00%	(694,900)	100.00%
Sub-Total	730,400	736,406	736,406	278,017	37.75%	198,796	23.52%	705,409	94.68%
CITY CLERK									
Personal Services	227,500	227,500	227,500	44,210	19.43%	42,957	24.99%	172,064	99.75%
City Sponsored Pensions	29,100	29,100	29,100	29,100	100.00%	29,100	100.00%	29,100	100.00%
Sub-Total	256,600	256,600	256,600	73,310	28.57%	72,057	35.85%	201,164	99.78%
Operating Expenses	42,100	42,100	42,100	10,801	25.66%	9,869	22.18%	39,792	90.64%
Sub-Total	298,700	298,700	298,700	84,111	28.16%	81,926	33.37%	240,956	98.15%
Allocated Overhead/(Cost Recovery)	(110,900)	(110,900)	(110,900)	(27,725)	25.00%	(28,725)	25.00%	(110,900)	100.00%
Sub-Total	187,800	187,800	187,800	56,386	30.02%	53,201	40.74%	130,056	96.62%

The City's general, fire and police pension fund annual contributions were paid in a lump sum contribution on October 1st which have been separated from personal services.

**CITY OF PENSACOLA
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
EXPENDITURES: (continued)									
LEGAL									
Personal Services	415,900	465,900	465,900	93,219	20.01%	81,272	18.87%	380,015	78.33%
City Sponsored Pensions	19,600	19,600	19,600	19,600	100.00%	19,600	100.00%	19,600	100.00%
Sub-Total	435,500	485,500	485,500	112,819	23.24%	100,872	22.40%	399,615	79.17%
Operating Expenses	140,500	140,500	140,500	24,292	17.29%	19,070	13.19%	195,267	100.00%
Sub-Total	576,000	626,000	626,000	137,111	21.90%	119,942	20.16%	594,882	84.98%
Allocated Overhead/(Cost Recovery)	(235,400)	(235,400)	(235,400)	(58,850)	25.00%	(58,425)	25.00%	(235,400)	100.00%
Sub-Total	340,600	390,600	390,600	78,261	20.04%	61,517	17.03%	359,482	77.37%
HUMAN RESOURCES									
Personal Services	578,100	578,100	577,900	140,705	24.35%	141,155	26.91%	545,967	99.50%
City Sponsored Pensions	112,300	112,300	112,500	112,419	99.93%	112,330	100.00%	112,419	99.93%
Sub-Total	690,400	690,400	690,400	253,124	36.66%	253,485	39.80%	658,386	99.57%
Operating Expenses	157,700	157,700	157,700	46,437	29.45%	38,175	23.45%	137,415	99.22%
Sub-Total	848,100	848,100	848,100	299,561	35.32%	291,660	36.47%	795,801	99.51%
Allocated Overhead/(Cost Recovery)	(293,400)	(293,400)	(293,400)	(73,350)	25.00%	(75,300)	25.00%	(293,400)	100.00%
Sub-Total	554,700	554,700	554,700	226,211	40.78%	216,360	43.40%	502,401	99.23%
NON-DEPARTMENTAL FUNDING									
Operating Expenses	3,382,900	3,772,640	3,772,640	2,796,708	74.13%	2,270,440	67.21%	3,026,018	89.59%
Sub-Total	3,382,900	3,772,640	3,772,640	2,796,708	74.13%	2,270,440	67.21%	3,026,018	89.59%
FINANCIAL SERVICES									
Personal Services	1,688,000	1,688,000	1,687,563	412,110	24.42%	392,870	24.52%	1,611,539	99.71%
City Sponsored Pensions	287,200	287,200	287,637	287,296	99.88%	287,334	99.84%	287,619	99.99%
Sub-Total	1,975,200	1,975,200	1,975,200	699,406	35.41%	680,204	35.99%	1,899,158	99.75%
Operating Expenses	402,800	419,347	419,347	112,612	26.85%	109,370	25.17%	418,721	99.98%
Sub-Total	2,378,000	2,394,547	2,394,547	812,018	33.91%	789,574	33.96%	2,317,879	99.79%
Allocated Overhead/(Cost Recovery)	(1,539,600)	(1,539,600)	(1,539,600)	(384,900)	25.00%	(368,300)	25.00%	(1,539,600)	100.00%
Sub-Total	838,400	854,947	854,947	427,118	49.96%	421,274	49.48%	778,279	99.39%

The City's general, fire and police pension fund annual contributions were paid in a lump sum contribution on October 1st which have been separated from personal services.

**CITY OF PENSACOLA
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
EXPENDITURES: (continued)									
PLANNING SERVICES									
Personal Services	508,300	508,300	508,300	103,901	20.44%	121,012	23.85%	489,957	98.26%
City Sponsored Pensions	67,800	67,800	67,800	67,800	100.00%	67,800	100.00%	67,800	100.00%
Sub-Total	576,100	576,100	576,100	171,701	29.80%	188,812	32.83%	557,757	98.46%
Operating Expenses	286,000	414,375	414,375	57,743	13.93%	59,633	17.07%	205,828	58.92%
Sub-Total	862,100	990,475	990,475	229,444	23.17%	248,445	26.88%	763,585	83.38%
PARKS & RECREATION									
Personal Services	2,840,700	2,840,700	2,840,588	608,235	21.41%	606,320	22.35%	2,617,281	99.60%
City Sponsored Pensions	680,300	680,300	680,412	680,399	100.00%	680,396	99.96%	680,701	100.00%
Sub-Total	3,521,000	3,521,000	3,521,000	1,288,634	36.60%	1,286,716	37.91%	3,297,982	99.68%
Operating Expenses	2,922,600	3,238,876	3,238,876	833,951	25.75%	621,012	20.64%	2,640,475	96.51%
Sub-Total	6,443,600	6,759,876	6,759,876	2,122,585	31.40%	1,907,728	29.80%	5,938,457	98.19%
Allocated Overhead/(Cost Recovery)	(9,200)	(9,200)	(9,200)	(2,300)	25.00%	(1,450)	25.00%	(9,200)	100.00%
Sub-Total	6,434,400	6,750,676	6,750,676	2,120,285	31.41%	1,906,278	29.80%	5,929,257	98.19%
PUBLIC WORKS & FACILITIES									
Personal Services	1,603,300	1,603,300	1,603,248	367,605	22.93%	313,009	20.17%	1,469,763	96.80%
City Sponsored Pensions	302,300	302,300	302,352	302,352	100.00%	302,370	100.00%	302,576	99.94%
Sub-Total	1,905,600	1,905,600	1,905,600	669,957	35.16%	615,379	33.18%	1,772,339	97.32%
Operating Expenses	2,848,400	3,686,869	3,686,869	930,052	25.23%	722,071	25.49%	2,371,786	90.93%
Sub-Total	4,754,000	5,592,469	5,592,469	1,600,009	28.61%	1,337,450	28.53%	4,144,125	93.38%
Allocated Overhead/(Cost Recovery)	(298,200)	(298,200)	(298,200)	(74,550)	25.00%	(83,000)	25.00%	(298,200)	100.00%
Sub-Total	4,455,800	5,294,269	5,294,269	1,525,459	28.81%	1,254,450	28.80%	3,845,925	92.94%

The City's general, fire and police pension fund annual contributions were paid in a lump sum contribution on October 1st which have been separated from personal services.

**CITY OF PENSACOLA
GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
EXPENDITURES: (continued)									
FIRE									
Personal Services	7,269,100	7,269,100	7,267,595	1,906,850	26.24%	1,778,190	25.62%	7,007,802	99.24%
City Sponsored Pensions	1,077,200	1,077,200	1,078,705	1,078,337	99.97%	1,410,323	99.73%	1,413,425	99.99%
Sub-Total	8,346,300	8,346,300	8,346,300	2,985,187	35.77%	3,188,513	38.17%	8,421,227	99.36%
Operating Expenses	1,500,500	1,530,710	1,530,710	430,149	28.10%	478,254	32.81%	1,322,116	101.16%
Sub-Total	9,846,800	9,877,010	9,877,010	3,415,336	34.58%	3,666,767	37.37%	9,743,343	99.61%
POLICE									
Personal Services	13,813,800	13,813,800	13,800,300	3,446,695	24.98%	3,207,504	24.54%	12,485,560	98.05%
City Sponsored Pensions	4,738,600	4,738,600	4,752,100	4,742,977	99.81%	4,842,703	99.42%	4,843,079	100.25%
Sub-Total	18,552,400	18,552,400	18,552,400	8,189,672	44.14%	8,050,207	44.87%	17,328,639	98.65%
Operating Expenses	3,764,600	3,871,769	3,871,769	1,305,388	33.72%	1,528,356	35.55%	3,939,045	86.54%
Sub-Total	22,317,000	22,424,169	22,424,169	9,495,060	42.34%	9,578,563	43.07%	21,267,684	96.11%
TRANSFERS OUT									
Municipal Golf Course Fund	220,000	220,000	220,000	55,000	25.00%	55,000	25.00%	220,000	100.00%
Stormwater Capital Projects Fund	2,775,000	2,775,000	2,775,000	1,712,771	61.72%	1,910,009	68.83%	2,733,596	100.00%
Sub-Total	2,995,000	2,995,000	2,995,000	1,767,771	59.02%	1,965,009	65.61%	2,953,596	100.00%
TOTAL EXPENDITURES	\$ 53,693,400	55,729,428	55,729,428	22,594,287	40.54%	22,032,192	41.04%	50,543,969	95.71%

The City's general, fire and police pension fund annual contributions were paid in a lump sum contribution on October 1st which have been separated from personal services.

CITY OF PENSACOLA
TREE PLANTING TRUST - GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	0	0	0	----	290,000	100.00%	(4,600)	100.00%
REVENUES:									
Tree Trust Fund	0	0	0	15,075	----	275	2.75%	4,600	100.00%
Interest	0	0	0	1,771	----	862	----	1,173	----
TOTAL REVENUES	0	0	0	16,846	----	1,137	11.37%	5,773	125.50%
TOTAL REVENUES AND FUND BALANCE	\$ 0	0	0	16,846	----	291,137	97.05%	1,173	----
EXPENDITURES:									
Personal Services	\$ 0	0	0	0	----	0	----	0	----
Operating Expenses	\$ 0	0	0	0	----	0	----	0	----
Capital Outlay	0	0	0	0	----	0	----	0	----
Sub-Total	0	0	0	0	----	0	----	0	----
RESERVED	0	0	0	0	----	0	----	0	----
TOTAL EXPENDITURES	\$ 0	0	0	0	----	0	----	0	----

CITY OF PENSACOLA
PARK PURCHASES - GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	0	0	0	----	0	----	0	----
REVENUES:									
Park Purchases Fund	0	0	0	3,563	----	0	----	103,496	----
Interest	0	0	0	468	----	0	----	64	----
TOTAL REVENUES	0	0	0	4,031	----	0	----	103,560	----
TOTAL REVENUES AND FUND BALANCE	\$ 0	0	0	4,031	----	0	----	103,560	----
EXPENDITURES:									
Personal Services	\$ 0	0	0	0	----	0	----	0	----
Operating Expenses	\$ 0	0	0	0	----	0	----	0	----
Capital Outlay	0	0	0	0	----	0	----	0	----
Sub-Total	0	0	0	0	----	0	----	0	----
RESERVED	0	0	0	0	----	0	----	0	----
TOTAL EXPENDITURES	\$ 0	0	0	0	----	0	----	0	----

CITY OF PENSACOLA
HOUSING INITIATIVES FUND - GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	146,518	146,518	146,518	100.00%	0	----	0	----
REVENUES:									
Sale of Asset	0	0	0	0	----	124,785	99.25%	251,452	100.00%
Interest	0	0	0	663	----	0	----	145	----
TOTAL REVENUES	0	0	0	663	----	124,785	99.25%	251,597	100.06%
TOTAL REVENUES AND FUND BALANCE	\$ 0	146,518	146,518	147,181	100.45%	124,785	99.25%	251,597	100.06%
EXPENDITURES:									
Personal Services	\$ 0	25,000	25,000	3,504	14.02%	0	----	0	----
Operating Expenses	0	121,518	111,181	0	0.00%	0	0.00%	78	0.05%
Grants & Aids	0	0	10,337	10,337	100.00%	0	----	105,000	100.00%
Sub-Total	0	146,518	146,518	13,841	9.45%	0	0.00%	105,078	41.79%
TOTAL EXPENDITURES	\$ 0	146,518	146,518	13,841	9.45%	0	0.00%	105,078	41.79%

CITY OF PENSACOLA
INNER CITY HOUSING INITIATIVES FUND - GENERAL FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	440,489	440,489	440,489	100.00%	0	----	0	----
REVENUES:									
Sale of Asset	0	0	0	0	----	0	----	0	----
Interest	0	0	0	1,993	----	0	----	490	----
TOTAL REVENUES	0	0	0	1,993	----	0	----	490	----
TOTAL REVENUES AND FUND BALANCE	\$ 0	440,489	440,489	442,482	100.45%	0	----	490	----
EXPENDITURES:									
Operating Expenses	\$ 0	0	0	0	----	0	----	0	----
Grants & Aids	0	440,489	440,489	0	0.00%	0	----	0	----
Sub-Total	0	440,489	440,489	0	0.00%	0	----	0	----
TOTAL EXPENDITURES	\$ 0	440,489	440,489	0	0.00%	0	----	0	----

**CITY OF PENSACOLA
LOCAL OPTION GASOLINE TAX FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 43,700	43,700	43,700	43,700	100.00%	37,800	100.00%	(1,337,263)	100.00%
REVENUES:									
Gasoline Tax (6 cent local)	1,370,000	1,370,000	1,370,000	208,700	15.23%	233,001	17.01%	1,365,613	100.00%
Interest	0	0	0	2,122	----	33	----	15,351	100.00%
Miscellaneous	0	0	0	0	----	0	----	0	----
Sub-Total	1,370,000	1,370,000	1,370,000	210,822	15.39%	233,034	17.01%	1,380,964	100.00%
TOTAL REVENUES	1,370,000	1,370,000	1,370,000	210,822	15.39%	233,034	17.01%	1,380,964	100.00%
TOTAL REVENUES AND FUND BALANCE	\$ 1,413,700	1,413,700	1,413,700	254,522	18.00%	270,834	19.24%	43,701	100.00%
EXPENDITURES:									
Capital Outlay	0	0	0	0	----	0	----	0	----
Allocated Overhead/(Cost Recovery)	43,700	43,700	43,700	10,925	25.00%	9,450	25.00%	43,700	100.00%
Sub-Total	43,700	43,700	43,700	10,925	25.00%	9,450	25.00%	43,700	100.00%
TRANSFERS OUT									
LOGT Debt Service fund	1,370,000	1,370,000	1,370,000	208,700	15.23%	0	0.00%	0	----
TOTAL EXPENDITURES	\$ 1,413,700	1,413,700	1,413,700	219,625	15.54%	9,450	0.67%	43,700	100.00%

**CITY OF PENSACOLA
STORMWATER UTILITY FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	302,770	302,770	302,770	100.00%	10,850	100.00%	241,970	100.00%
REVENUES:									
Stormwater Utility Fees	2,770,000	2,770,000	2,770,000	1,711,845	61.80%	1,907,602	68.87%	2,725,973	100.00%
Delinquent Stormwater Utility Fee	5,000	5,000	5,000	926	18.52%	2,407	48.14%	7,623	100.00%
CHARGES FOR SERVICES:									
State Right of Way Maintenance	99,600	99,600	99,600	0	0.00%	8,304	2.87%	99,647	100.00%
Interest Income	0	0	0	1,951	----	185	----	13,225	100.00%
TOTAL REVENUES	2,874,600	2,874,600	2,874,600	1,714,722	59.65%	1,918,498	62.60%	2,846,468	100.00%
TOTAL REVENUES AND FUND BALANCE	\$ 2,874,600	3,177,370	3,177,370	2,017,492	63.50%	1,929,348	62.74%	3,088,438	100.00%
EXPENDITURES:									
STORMWATER O & M									
Personal Services	\$ 849,100	849,100	848,984	204,525	24.09%	185,041	23.13%	809,080	99.93%
City Sponsored Pensions	293,000	293,000	293,116	293,115	100.00%	293,112	99.99%	293,443	100.00%
Sub-Total	1,142,100	1,142,100	1,142,100	497,640	43.57%	478,153	43.73%	1,102,523	99.95%
Operating Expenses	550,600	557,450	557,450	89,302	16.02%	77,893	16.90%	418,626	92.00%
Capital Outlay	18,000	56,635	56,635	56,372	99.54%	38,635	100.00%	0	0.00%
Allocated Overhead/(Cost Recovery)	196,400	196,400	196,400	49,100	25.00%	43,975	25.00%	196,400	100.00%
Sub-Total	1,907,100	1,952,585	1,952,585	692,414	35.46%	638,656	36.11%	1,717,549	95.78%
STREET CLEANING									
Personal Services	413,200	413,200	413,170	91,664	22.19%	90,156	23.45%	354,207	93.78%
City Sponsored Pensions	79,600	79,600	79,630	79,629	100.00%	79,633	99.99%	79,723	100.00%
Sub-Total	492,800	492,800	492,800	171,293	34.76%	169,789	36.58%	433,930	94.86%
Operating Expenses	376,200	376,553	376,553	75,841	20.14%	82,384	23.10%	362,132	99.89%
Capital Outlay	0	256,932	256,932	256,932	100.00%	0	0.00%	119,805	31.79%
Allocated Overhead/(Cost Recovery)	98,500	98,500	98,500	24,625	25.00%	23,975	25.00%	98,500	100.00%
Sub-Total	967,500	1,224,785	1,224,785	528,691	43.17%	276,148	21.13%	1,014,367	78.31%
TOTAL EXPENDITURES	\$ 2,874,600	3,177,370	3,177,370	1,221,105	38.43%	914,804	29.75%	2,731,916	88.46%

The City's general, fire and police pension fund annual contributions were paid in a lump sum contribution on October 1st which have been separated from personal services.

**CITY OF PENSACOLA
MUNICIPAL GOLF COURSE FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	0	0	0	----	4,454	100.00%	47,303	100.00%
REVENUES:									
GOLF COURSE CHARGES									
Green Fees	292,400	292,400	292,400	52,358	17.91%	57,680	17.21%	251,241	86.03%
Electric Cart Rentals	90,000	90,000	90,000	17,273	19.19%	18,923	25.78%	82,979	100.00%
Pull Cart Rentals	200	200	200	5	2.50%	28	7.00%	116	99.15%
Concessions	18,000	18,000	18,000	6,000	33.33%	4,500	24.86%	18,000	100.00%
Pro Shop Sales	11,500	11,500	11,500	2,100	18.26%	3,038	20.12%	12,211	100.00%
Tournaments	54,900	54,900	54,900	7,368	13.42%	10,877	31.08%	46,432	100.00%
Driving Range	30,000	30,000	30,000	4,842	16.14%	5,818	19.39%	27,964	100.00%
Capital Surcharge	40,000	40,000	40,000	6,979	17.45%	7,829	15.66%	34,054	100.00%
Advertising	7,500	7,500	7,500	0	0.00%	0	----	0	----
Miscellaneous	0	0	0	0	----	0	----	0	----
Interest Income	500	500	500	(22)	-4.43%	4	----	455	100.22%
SUB-TOTAL REVENUES	545,000	545,000	545,000	96,903	17.78%	108,697	19.51%	473,452	92.07%
TRANSFERS IN GENERAL FUND	220,000	220,000	220,000	55,000	25.00%	55,000	25.00%	220,000	100.00%
TOTAL REVENUES	765,000	765,000	765,000	151,903	19.86%	163,697	21.07%	693,452	94.44%
TOTAL REVENUES AND FUND BALANCE	\$ 765,000	765,000	765,000	151,903	19.86%	168,151	21.51%	740,755	94.78%
EXPENDITURES:									
OPERATIONS									
Personal Services	\$ 367,800	367,800	367,800	83,888	22.81%	80,215	22.60%	358,115	98.35%
City Sponsored Pensions	48,800	48,800	48,800	48,800	100.00%	48,800	100.00%	48,800	100.00%
Sub-Total	416,600	416,600	416,600	132,688	31.85%	129,015	31.96%	406,915	98.55%
Operating Expenses	348,400	348,400	348,400	107,379	30.82%	97,538	25.81%	331,908	90.04%
TOTAL EXPENDITURES	\$ 765,000	765,000	765,000	240,067	31.38%	226,553	28.99%	738,823	94.53%

The City's general, fire and police pension fund annual contributions were paid in a lump sum contribution on October 1st which have been separated from personal services.

**CITY OF PENSACOLA
INSPECTION SERVICES FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	0	0	0	----	0	----	(67,491)	100.00%
REVENUES:									
Building Permits	765,000	765,000	765,000	151,407	19.79%	163,170	22.17%	665,543	100.12%
Electrical Permits	230,000	230,000	230,000	44,551	19.37%	54,855	27.43%	226,663	100.00%
Gas Permits	39,500	39,500	39,500	11,725	29.68%	11,800	32.33%	46,925	100.00%
Plumbing Permits	120,000	120,000	120,000	32,921	27.43%	28,130	30.25%	136,714	100.13%
Mechanical Permits	75,000	75,000	75,000	21,148	28.20%	16,523	24.85%	100,224	100.00%
Miscellaneous Permits	8,500	8,500	8,500	2,688	31.62%	2,509	25.09%	9,025	99.99%
Zoning Review & Inspection Fees	85,000	85,000	85,000	20,100	23.65%	17,800	27.38%	103,750	100.00%
Permit Application Fee	202,000	202,000	202,000	52,140	25.81%	51,100	25.55%	226,056	100.00%
Interest Income	0	0	0	1,914	----	134	----	19,612	100.00%
Sale of asset	0	0	0	0	----	0	----	0	----
TOTAL REVENUES	1,525,000	1,525,000	1,525,000	338,594	22.20%	346,021	24.59%	1,534,512	100.06%
TOTAL REVENUES AND FUND BALANCE	\$ 1,525,000	1,525,000	1,525,000	338,594	22.20%	346,021	24.59%	1,467,021	100.07%
EXPENDITURES:									
OPERATIONS									
Personal Services	\$ 790,700	790,700	790,700	193,141	24.43%	181,859	25.79%	801,061	99.31%
City Sponsored Pensions	144,900	144,900	144,924	144,923	100.00%	144,921	100.00%	144,987	100.00%
Sub-Total	935,600	935,600	935,624	338,064	36.13%	326,780	38.44%	946,048	99.41%
Operating Expenses	385,800	385,800	385,776	79,131	20.51%	88,316	28.23%	203,136	76.43%
Capital Outlay	0	0	0	0	----	37,442	83.20%	37,442	83.20%
Sub-Total	1,321,400	1,321,400	1,321,400	417,195	31.57%	452,538	37.47%	1,186,626	93.99%
Allocated Overhead/(Cost Recovery)	203,600	203,600	203,600	50,900	25.00%	49,825	25.00%	203,600	100.00%
TOTAL EXPENDITURES	\$ 1,525,000	1,525,000	1,525,000	468,095	30.69%	502,363	35.70%	1,390,226	94.83%

The City's general, fire and police pension fund annual contributions were paid in a lump sum contribution on October 1st which have been separated from personal services.

**CITY OF PENSACOLA
ROGER SCOTT TENNIS CENTER
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	0	0	0	----	27,500	100.00%	62,608	100.00%
REVENUES:									
CHARGES FOR SERVICES									
Scott Tennis Court Fees	0	0	0	0	----	40,803	15.90%	40,803	100.00%
Scott Tennis Concession Fees	0	0	0	0	----	32	----	100	100.00%
Scott Tennis Pro Revenue	125,000	125,000	125,000	41,666	33.33%	1,050	4.20%	99,642	100.00%
Scott Tennis Pro Shop Lease	3,700	3,700	3,700	1,030	27.84%	518	16.71%	3,196	93.67%
Interest Income	0	0	0	110	----	8	----	719	100.00%
TOTAL REVENUES	128,700	128,700	128,700	42,806	33.26%	42,411	14.90%	144,460	99.85%
TOTAL REVENUES AND FUND BALANCE	\$ 128,700	128,700	128,700	42,806	33.26%	69,911	22.39%	207,068	99.90%
EXPENDITURES:									
OPERATIONS									
Personal Services	\$ 0	0	0	0	----	26,670	18.87%	33,619	100.00%
Operating Expenses	128,700	128,700	128,700	17,239	13.39%	20,142	11.79%	133,300	76.76%
Capital Outlay	0	0	0	0	----	0	----	0	----
TOTAL EXPENDITURES	\$ 128,700	128,700	128,700	17,239	13.39%	46,812	14.99%	166,919	80.53%

CITY OF PENSACOLA
COMMUNITY MARITIME PARK MANAGEMENT SERVICES FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
PARK OPERATIONS:									
APPROPRIATED FUND BALANCE	\$ 0	1,300	1,300	1,300	100.00%	207,272	100.00%	99,369	100.00%
REVENUES:									
COMMUNITY MARITIME PARK									
Event Scheduling Management									
Rentals	12,000	12,000	12,000	8,200	68.33%	2,620	7.49%	18,460	100.00%
Ticketed Events	0	0	0	0	----	0	---	1,017	100.00%
Vendor Kiosk Management									
Kiosk Sales	1,200	1,200	1,200	133	11.08%	0	0.00%	1,700	100.00%
Donations	0	0	0	1,500	----	500	---	17,950	100.00%
Parking Management	100,000	100,000	100,000	0	0.00%	0	0.00%	94,657	100.00%
City Hall Parking	30,000	30,000	30,000	0	0.00%	0	0.00%	26,755	100.00%
Lease Fees	153,400	153,400	153,400	36,617	23.87%	36,617	23.79%	146,468	100.00%
User Fees									
Northwest Florida Professional Baseball	175,000	175,000	175,000	43,750	25.00%	43,750	25.00%	175,000	100.00%
University of West Florida	22,000	22,000	22,000	16,667	75.76%	16,667	111.11%	25,000	100.00%
Surcharge									
Variable Attendance	318,000	318,000	318,000	0	0.00%	0	0.00%	313,350	100.00%
Naming Rights	112,500	112,500	112,500	28,125	25.00%	28,125	25.00%	112,500	100.00%
Community Event Concessions	30,000	30,000	30,000	0	0.00%	0	0.00%	27,175	100.00%
Other Charges for Services	23,600	23,600	23,600	3,585	15.19%	2,390	10.13%	23,342	100.00%
Interest Income	0	0	0	0	----	0	---	0	----
Miscellaneous Revenue	0	0	0	399	----	16	---	164	100.00%
Sub-Total	977,700	977,700	977,700	138,976	14.21%	130,685	13.74%	983,538	100.00%
TOTAL REVENUES	977,700	977,700	977,700	138,976	14.21%	130,685	13.74%	983,538	100.00%
TOTAL REVENUES AND FUND BALANCE	\$ 977,700	979,000	979,000	140,276	14.33%	337,957	26.42%	1,082,907	100.00%

CITY OF PENSACOLA
COMMUNITY MARITIME PARK MANAGEMENT SERVICES FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
EXPENSES:									
COMMUNITY MARITIME PARK									
Personal Services	\$ 121,700	121,700	121,700	4,809	3.95%	8,832	11.71%	93,636	96.94%
City Sponsored Pensions	0	0	0	1	----	0	----	0	----
Sub-Total	<u>121,700</u>	<u>121,700</u>	<u>121,700</u>	<u>4,810</u>	<u>3.95%</u>	<u>25,314</u>	<u>33.57%</u>	<u>93,636</u>	<u>96.94%</u>
Operating Expenses	827,100	828,400	828,400	228,059	27.53%	196,523	15.95%	693,279	77.08%
Capital Outlay	8,900	8,900	8,900	0	0.00%	63,196	100.00%	66,896	100.00%
Sub-Total	<u>957,700</u>	<u>959,000</u>	<u>959,000</u>	<u>232,869</u>	<u>24.28%</u>	<u>268,551</u>	<u>19.59%</u>	<u>853,811</u>	<u>80.33%</u>
DEBT SERVICE									
Interest	0	0	0	0	----	175,000	----	0	----
Principal	20,000	20,000	20,000	20,000	100.00%	20,000	100.00%	20,000	100.00%
Sub-Total	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>100.00%</u>	<u>20,000</u>	<u>100.00%</u>	<u>20,000</u>	<u>100.00%</u>
TOTAL PARK OPERATIONS EXPENDITURES	<u>\$ 977,700</u>	<u>979,000</u>	<u>979,000</u>	<u>252,869</u>	<u>25.83%</u>	<u>288,551</u>	<u>20.75%</u>	<u>873,811</u>	<u>80.69%</u>
PARK RENEWAL AND REPLACEMENT:									
APPROPRIATED FUND BALANCE	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>----</u>	<u>0</u>	<u>----</u>	<u>175,000</u>	<u>100.00%</u>
REVENUES:									
Variable Ticket	144,000	144,000	144,000	7,268	5.05%	(4,870)	-3.02%	125,605	100.00%
Interest Income	0	0	0	1,084	----	64	----	7,060	100.00%
Sub-Total	<u>144,000</u>	<u>144,000</u>	<u>144,000</u>	<u>8,352</u>	<u>5.80%</u>	<u>(4,806)</u>	<u>-2.99%</u>	<u>132,665</u>	<u>100.00%</u>
TOTAL REVENUES AND FUND BALANCE	<u>\$ 144,000</u>	<u>144,000</u>	<u>144,000</u>	<u>8,352</u>	<u>5.80%</u>	<u>(4,806)</u>	<u>-2.99%</u>	<u>307,665</u>	<u>100.00%</u>
EXPENSES:									
Personal Services	\$ 0	0	0	0	----	0	----	1,305	26.10%
Operating Expenses	144,000	144,000	144,000	0	0.00%	3,315	6.68%	143,878	47.54%
Sub-Total	<u>144,000</u>	<u>144,000</u>	<u>144,000</u>	<u>0</u>	<u>0.00%</u>	<u>3,315</u>	<u>6.68%</u>	<u>145,183</u>	<u>47.19%</u>
TOTAL RENEWAL AND REPLACEMENT EXPENDITURES	<u>\$ 144,000</u>	<u>144,000</u>	<u>144,000</u>	<u>0</u>	<u>0.00%</u>	<u>3,315</u>	<u>6.68%</u>	<u>145,183</u>	<u>47.19%</u>
TOTAL FUND:									
TOTAL REVENUES AND FUND BALANCE	<u>\$ 1,121,700</u>	<u>1,123,000</u>	<u>1,123,000</u>	<u>148,628</u>	<u>13.23%</u>	<u>333,151</u>	<u>23.13%</u>	<u>1,390,572</u>	<u>100.00%</u>
TOTAL EXPENSES	<u>\$ 1,121,700</u>	<u>1,123,000</u>	<u>1,123,000</u>	<u>252,869</u>	<u>22.52%</u>	<u>291,866</u>	<u>20.27%</u>	<u>1,018,994</u>	<u>73.28%</u>

CITY OF PENSACOLA
LOCAL OPTION SALES TAX
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E	% OF BUDGET F.Y.E.
LOCAL OPTION SALES TAX FUND:									
APPROPRIATED FUND BALANCE	\$ 13,176,000	17,157,180	17,157,180	17,157,180	100.00%	15,392,464	100.00%	3,564,624	100.00%
REVENUES:									
1-CT Local Option Sales Tax	8,068,400	8,068,400	8,068,400	1,431,929	17.75%	1,391,032	17.65%	8,524,108	100.01%
Interest	0	0	0	4,257	----	23	----	34,754	100.00%
Rebates	0	0	0	0	----	0	----	0	----
TOTAL REVENUES	8,068,400	8,068,400	8,068,400	1,436,186	17.80%	1,391,055	17.65%	8,558,862	100.01%
TOTAL REVENUES AND FUND BALANCE	\$ 21,244,400	25,225,580	25,225,580	18,593,366	73.71%	16,783,519	72.11%	12,123,486	100.01%
EXPENDITURES:									
CAPITAL PROJECTS									
Operating Expenses	0	104,613	123,122	54,613	44.36%	3,602	1.19%	380,349	95.22%
Capital Outlay	17,041,300	20,917,867	20,899,258	887,622	4.25%	471,325	2.69%	816,490	21.86%
Sub-Total	17,041,300	21,022,480	21,022,380	942,235	4.48%	474,927	2.67%	1,196,839	26.91%
DEBT SERVICE							----		
Principal	3,543,500	3,543,500	3,543,500	1,952,000	55.09%	3,415,000	68.83%	4,961,418	100.00%
Interest	659,600	659,600	659,700	268,750	40.74%	87,509	16.86%	518,891	99.99%
Sub-Total	4,203,100	4,203,100	4,203,200	2,220,750	52.83%	3,502,509	63.91%	5,480,309	100.00%
TOTAL EXPENDITURES	\$ 21,244,400	25,225,580	25,225,580	3,162,985	12.54%	3,977,436	17.09%	6,677,148	59.95%
LOST SERIES 2017 PROJECT FUND:									
APPROPRIATED FUND BALANCE	\$ 0	15,526,710	15,526,710	15,526,710	100.00%	0	----	(1,390,282)	100.00%
REVENUES:									
Bond Proceeds	0	0	0	0	----	25,000,000	100.00%	25,000,000	100.00%
Interest	0	240,000	240,000	18,559	7.73%	2,224	----	215,386	100.00%
TOTAL REVENUES	0	240,000	240,000	18,559	7.73%	25,002,224	100.01%	25,215,386	100.00%
TOTAL REVENUES AND FUND BALANCE	\$ 0	15,766,710	15,766,710	15,545,269	98.60%	25,002,224	100.01%	23,825,104	100.00%
EXPENDITURES:									
CAPITAL PROJECTS									
Operating Expenses	0	0	0	0	----	80,038	94.16%	80,038	94.16%
Capital Outlay	0	15,766,710	15,766,710	11,371,023	72.12%	5,636,722	22.62%	8,433,737	51.97%
Sub-Total	0	15,766,710	15,766,710	11,371,023	72.12%	5,716,760	22.87%	8,513,775	52.12%
TOTAL LOST IV BOND EXPENDITURES	\$ 0	15,766,710	15,766,710	11,371,023	72.12%	5,716,760	22.87%	8,513,775	52.12%
TOTAL:									
TOTAL REVENUES AND FUND BALANCE	\$ 21,244,400	40,992,290	40,992,290	34,138,635	83.28%	41,785,743	86.56%	35,948,590	100.00%
TOTAL EXPENDITURES	\$ 21,244,400	40,992,290	40,992,290	14,534,008	35.46%	9,694,196	20.08%	15,190,923	54.76%

Note. The Lost Series 2017 Project Fund was funded with the issuance of the Infrastructure Sales Surtax Revenue Bond, Series 2017 on October 18, 2017.

CITY OF PENSACOLA
STORMWATER CAPITAL PROJECTS FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	5,062,806	5,062,806	5,062,806	100.00%	6,185,404	100.00%	6,185,404	100.00%
REVENUES:									
Interest	1,000	1,000	1,000	9,642	964.20%	734	73.40%	65,274	100.00%
Transfer In From General Fund	2,775,000	2,775,000	2,775,000	1,712,771	61.72%	1,910,009	68.83%	2,733,596	100.00%
TOTAL REVENUES	<u>2,776,000</u>	<u>2,776,000</u>	<u>2,776,000</u>	<u>1,722,413</u>	62.05%	<u>1,910,743</u>	68.83%	<u>2,798,870</u>	100.00%
TOTAL REVENUES AND FUND BALANCE	<u>\$ 2,776,000</u>	<u>7,838,806</u>	<u>7,838,806</u>	<u>6,785,219</u>	86.56%	<u>8,096,147</u>	90.34%	<u>8,984,274</u>	100.00%
EXPENDITURES:									
CAPITAL PROJECTS									
Operating Expenses	465,000	1,689,287	1,717,800	417,995	24.33%	178,216	12.87%	329,099	28.95%
Capital Outlay	<u>2,111,400</u>	<u>5,949,919</u>	<u>5,921,406</u>	<u>627,644</u>	10.60%	<u>2,355,754</u>	31.94%	<u>3,392,773</u>	53.54%
Sub-Total	<u>2,576,400</u>	<u>7,639,206</u>	<u>7,639,206</u>	<u>1,045,639</u>	13.69%	<u>2,533,970</u>	28.93%	<u>3,721,872</u>	48.94%
Allocated Overhead/(Cost Recovery)	<u>199,600</u>	<u>199,600</u>	<u>199,600</u>	<u>49,900</u>	25.00%	<u>50,250</u>	25.00%	<u>199,600</u>	100.00%
TOTAL EXPENDITURES	<u>\$ 2,776,000</u>	<u>7,838,806</u>	<u>7,838,806</u>	<u>1,095,539</u>	13.98%	<u>2,584,220</u>	28.84%	<u>3,921,472</u>	50.08%

**CITY OF PENSACOLA
GAS UTILITY FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
GAS OPERATIONS:									
APPROPRIATED FUND BALANCE	\$ 0	1,348,071	1,348,071	1,348,071	100.00%	3,542,613	100.00%	3,542,630	100.00%
REVENUES:									
GAS									
Residential User Fees	22,097,600	22,097,600	22,097,600	4,554,480	20.61%	4,019,648	17.27%	22,638,700	100.00%
Commercial User Fees	13,943,200	13,943,200	13,943,200	2,797,213	20.06%	2,340,976	18.02%	12,690,819	100.00%
Municipal User Fees	313,900	313,900	313,900	65,409	20.84%	59,145	19.57%	304,996	100.00%
Interruptible User Fees	3,295,200	3,295,200	3,295,200	672,248	20.40%	657,786	16.29%	3,186,433	59.22%
Transportation User Fees	6,431,100	6,431,100	6,431,100	1,172,681	18.23%	1,189,654	22.02%	6,356,617	152.72%
Compressed Natural Gas	841,000	841,000	841,000	225,985	26.87%	222,058	34.95%	922,861	100.00%
Gas Piping Fees	0	0	0	0	----	0	----	0	----
Miscellaneous Charges	547,500	547,500	547,500	115,967	21.18%	97,889	17.71%	436,999	99.55%
New Accounts/Turn-on Fees	710,400	710,400	710,400	156,688	22.06%	153,509	25.70%	585,529	100.00%
Interest Income	100,000	100,000	100,000	33,737	33.74%	17,791	17.79%	303,980	100.00%
Infrastructure Cost Recovery	3,500,000	3,500,000	3,500,000	877,036	25.06%	757,716	20.25%	3,477,479	100.00%
Navy Projects	500,000	500,000	500,000	576,131	115.23%	0	----	0	----
Cookbooks	0	0	0	426	----	1,217	----	1,962	----
Sale of Asset	0	0	0	0	----	28,595	----	24,999	84.86%
Rebates	0	0	0	0	----	50,026	----	634,167	100.00%
TOTAL REVENUES	<u>52,279,900</u>	<u>52,279,900</u>	<u>52,279,900</u>	<u>11,248,001</u>	<u>21.51%</u>	<u>9,596,010</u>	<u>18.58%</u>	<u>51,565,541</u>	<u>99.99%</u>
TOTAL REVENUES AND FUND BALANCE	<u>\$ 52,279,900</u>	<u>53,627,971</u>	<u>53,627,971</u>	<u>12,596,072</u>	<u>23.49%</u>	<u>13,138,623</u>	<u>23.81%</u>	<u>55,108,171</u>	<u>99.99%</u>
EXPENSES:									
GAS OPERATION & MAINTENANCE									
Personal Services	\$ 7,419,500	7,419,500	7,418,400	1,751,865	23.62%	1,683,894	23.21%	6,952,952	95.49%
City Sponsored Pensions	1,439,700	1,439,700	1,440,800	1,440,141	99.95%	1,440,124	99.91%	1,441,329	99.99%
Sub-Total	<u>8,859,200</u>	<u>8,859,200</u>	<u>8,859,200</u>	<u>3,192,006</u>	<u>36.03%</u>	<u>3,124,018</u>	<u>35.92%</u>	<u>8,394,281</u>	<u>96.24%</u>
Operating Expenses	31,261,500	32,248,338	32,248,338	7,336,261	22.75%	5,802,058	17.60%	26,507,719	84.15%
Capital Outlay	861,800	1,223,033	1,223,033	951,078	77.76%	975,967	68.84%	1,104,128	83.69%
Sub-Total	<u>40,982,500</u>	<u>42,330,571</u>	<u>42,330,571</u>	<u>11,479,345</u>	<u>27.12%</u>	<u>9,902,043</u>	<u>22.99%</u>	<u>36,006,128</u>	<u>86.59%</u>
TRANSFERS OUT									
General Fund	8,000,000	8,000,000	8,000,000	4,000,000	50.00%	4,000,000	50.00%	8,000,000	100.00%
Sub-Total	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>4,000,000</u>	<u>50.00%</u>	<u>4,000,000</u>	<u>50.00%</u>	<u>8,000,000</u>	<u>100.00%</u>
Allocated Overhead/(Cost Recovery)	<u>1,272,800</u>	<u>1,272,800</u>	<u>1,272,800</u>	<u>318,200</u>	<u>25.00%</u>	<u>312,600</u>	<u>25.00%</u>	<u>1,272,800</u>	<u>100.00%</u>

The City's general, fire and police pension fund annual contributions were paid in a lump sum contribution on October 1st which have been separated from personal services.

**CITY OF PENSACOLA
GAS UTILITY FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
EXPENSES: (continued)									
DEBT SERVICE									
Interest	100,300	299,600	299,600	167,054	55.76%	175,286	52.47%	334,107	100.00%
Principal	1,924,300	1,725,000	1,725,000	1,725,000	100.00%	2,525,000	100.00%	2,525,000	100.00%
Sub-Total	2,024,600	2,024,600	2,024,600	1,892,054	93.45%	2,700,286	94.45%	2,859,107	100.00%
TOTAL GAS OPERATIONS EXPENSES	\$ 52,279,900	53,627,971	53,627,971	17,689,599	32.99%	16,914,929	30.65%	48,138,035	89.54%
GAS CONSTRUCTION:									
APPROPRIATED FUND BALANCE	\$ 0	3,529,859	3,529,859	3,529,859	100.00%	9,137,310	100.00%	9,137,310	100.00%
EXPENSES:									
GAS CONSTRUCTION NOTE									
Personal Services	0	142,425	115,086	27,787	24.14%	35,148	11.67%	158,687	52.70%
City Sponsored Pensions	0	59	59	15	25.42%	20	22.47%	30	33.71%
Sub-Total	0	142,484	115,145	27,802	24.15%	35,168	11.68%	158,717	52.69%
Operating Expenses	0	3,385,575	3,412,914	1,436,832	42.10%	6,870,603	79.52%	6,166,808	87.90%
Capital Outlay	0	1,800	1,800	0	0.00%	185,147	94.60%	185,147	99.04%
Sub-Total	0	3,529,859	3,529,859	1,464,634	41.49%	7,090,918	77.60%	6,510,672	86.97%
TOTAL GAS CONSTRUCTION NOTE EXPENSES	\$ 0	3,529,859	3,529,859	1,464,634	41.49%	7,090,918	77.60%	6,510,672	86.97%
TOTAL FUND:									
TOTAL REVENUES AND FUND BALANCE	\$ 52,279,900	57,157,830	57,157,830	16,125,931	28.21%	22,275,933	34.63%	64,245,481	99.99%
TOTAL EXPENSES	\$ 52,279,900	57,157,830	57,157,830	19,154,233	33.51%	24,005,847	37.32%	54,648,707	89.17%

The City's general, fire and police pension fund annual contributions were paid in a lump sum contribution on October 1st which have been separated from personal services.

**CITY OF PENSACOLA
SANITATION FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
SANITATION OPERATIONS:									
APPROPRIATED FUND BALANCE	\$ 481,500	1,301,989	1,301,989	1,301,989	100.00%	1,111,020	100.00%	1,072,930	100.00%
REVENUES:									
SANITATION									
Residential Refuse Container Charges	4,333,800	4,333,800	4,333,800	1,125,112	25.96%	1,092,075	25.80%	4,376,416	100.00%
Bulk Item Collection Charges	130,000	130,000	130,000	32,604	25.08%	28,080	23.40%	125,444	100.11%
Business Refuse Container Charges	150,400	150,400	150,400	33,998	22.61%	33,883	22.59%	134,798	100.00%
Fuel Surcharge	400,000	400,000	400,000	89,805	22.45%	71,329	17.83%	292,424	100.00%
County Landfill	1,245,500	1,245,500	1,245,500	288,573	23.17%	279,373	23.27%	1,121,866	100.00%
Equipment Surcharge	464,900	464,900	464,900	119,740	25.76%	59,441	25.90%	238,695	100.00%
New Accounts/Transfer Fees	85,000	85,000	85,000	20,820	24.49%	19,880	22.34%	82,980	100.00%
Miscellaneous	5,000	5,000	5,000	13,767	275.34%	12,940	28.76%	363,984	99.02%
Interest Income	7,500	7,500	7,500	2,619	34.92%	138	1.84%	29,432	100.00%
Sale of Assets	5,000	5,000	5,000	0	0.00%	71	1.42%	71	100.00%
SUB-TOTAL SANITATION REVENUES	6,827,100	6,827,100	6,827,100	1,727,038	25.30%	1,597,210	24.65%	6,766,110	99.95%
CODE ENFORCEMENT									
Franchise Fees	1,251,900	1,251,900	1,251,900	0	0.00%	1,110	0.09%	1,108,548	118.37%
Lot Cleaning (FY Cash Balance) *	100,000	100,000	100,000	16,585	16.59%	11,450	17.56%	63,708	100.17%
Code Enforcement Violations	80,000	80,000	80,000	20,780	25.98%	6,724	6.70%	84,395	100.00%
Sub-Total	1,431,900	1,431,900	1,431,900	37,365	2.61%	19,284	1.44%	1,256,651	115.88%
Zoning/Housing Code Enforcement	0	0	0	0	----	259	6.48%	2,150	86.00%
Sub-Total	0	0	0	0	----	259	6.48%	2,150	86.00%
SUB-TOTAL CODE ENFORCEMENT REVENUES	1,431,900	1,431,900	1,431,900	37,365	2.61%	19,543	1.46%	1,258,801	115.81%
SUB-TOTAL REVENUES	8,259,000	8,259,000	8,259,000	1,764,403	21.36%	1,616,753	20.68%	8,024,911	102.14%
TOTAL REVENUES AND FUND BALANCE	\$ 8,740,500	9,560,989	9,560,989	3,066,392	32.07%	2,727,773	30.55%	9,097,841	101.89%

* Actual billings are \$23,673 however collections are typically lower.

**CITY OF PENSACOLA
SANITATION FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
SANITATION OPERATIONS CONTINUED:									
EXPENSES:									
SANITATION SERVICES									
Personal Services	\$ 2,181,100	2,181,100	2,180,884	516,033	23.66%	502,031	24.38%	2,088,763	98.33%
City Sponsored Pensions	417,500	417,500	417,716	417,611	99.97%	417,608	99.88%	417,936	99.99%
Sub-Total	2,598,600	2,598,600	2,598,600	933,644	35.93%	919,639	37.12%	2,506,699	98.61%
Operating Expenses	3,370,200	3,375,338	3,375,338	679,864	20.14%	669,368	21.14%	3,005,565	96.60%
Capital Outlay	930,000	1,744,728	1,744,728	1,382,280	79.23%	763,653	57.69%	775,352	99.93%
Capital Accumulation (Principal & Interest)	0	0	0	0	----	0	----	0	---
Allocated Overhead/(Cost Recovery)	399,900	399,900	399,900	99,975	25.00%	98,975	25.00%	399,900	100.00%
Sub-Total	7,298,700	8,118,566	8,118,566	3,095,763	38.13%	2,451,635	33.30%	6,687,516	98.08%
DEBT SERVICE									
Interest	10,200	10,200	10,200	5,787	56.74%	7,159	46.79%	13,950	90.90%
Principal	134,200	134,200	134,200	134,160	99.97%	131,300	62.05%	211,601	100.00%
Sub-Total	144,400	144,400	144,400	139,947	96.92%	138,459	61.02%	225,551	99.38%
SUB-TOTAL SANITATION O & M	7,443,100	8,262,966	8,262,966	3,235,710	39.16%	2,590,094	34.13%	6,913,067	98.12%
CODE ENFORCEMENT PROGRAM									
Personal Services	582,700	582,700	582,645	128,346	22.03%	135,089	23.13%	534,682	96.58%
City Sponsored Pensions	217,700	217,700	217,755	217,752	100.00%	242,683	99.91%	242,880	99.95%
Sub-Total	800,400	800,400	800,400	346,098	43.24%	377,772	45.68%	777,562	97.61%
Operating Expenses	262,300	262,923	262,923	84,757	32.24%	89,680	35.46%	218,718	87.07%
Capital Outlay	9,200	9,200	9,200	7,579	82.38%	51,429	93.51%	51,429	93.51%
Allocated Overhead/(Cost Recovery)	99,900	99,900	99,900	24,975	25.00%	25,225	25.00%	99,900	100.00%
Sub-Total	1,171,800	1,172,423	1,172,423	463,409	39.53%	544,106	44.03%	1,147,609	95.42%
CODE ENFORCEMENT ZONING/HOUSING									
Personal Services	58,400	58,400	58,300	14,497	24.87%	13,957	25.31%	56,444	97.84%
City Sponsored Pensions	29,100	29,100	29,200	29,112	99.70%	29,111	99.87%	29,146	99.99%
Sub-Total	87,500	87,500	87,500	43,609	49.84%	43,068	51.09%	85,590	98.56%
Operating Expenses	12,600	12,600	12,600	3,040	24.13%	3,129	16.13%	11,402	62.10%
Capital Outlay	25,500	25,500	25,500	23,284	91.31%	0	----	0	---
Sub-Total	125,600	125,600	125,600	69,933	55.68%	46,197	44.55%	96,992	92.20%
SUB-TOTAL CODE ENFORCEMENT	1,297,400	1,298,023	1,298,023	533,342	41.09%	590,303	44.07%	1,244,601	95.16%
TOTAL EXPENSES SANITATION OPERATIONS	\$ 8,740,500	9,560,989	9,560,989	3,769,052	39.42%	3,180,397	35.62%	8,157,668	97.68%
TOTAL FUND:									
TOTAL REVENUES AND FUND BALANCE	\$ 8,740,500	9,560,989	9,560,989	3,066,392	32.07%	2,727,773	30.55%	9,097,841	101.89%
TOTAL EXPENSES	\$ 8,740,500	9,560,989	9,560,989	3,769,052	39.42%	3,180,397	35.62%	8,157,668	97.68%

The City's general, fire and police pension fund annual contributions were paid in a lump sum contribution on October 1st which have been separated from personal services.

**CITY OF PENSACOLA
PORT FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	93,264	93,264	93,264	100.00%	241,938	100.00%	539,512	100.00%
REVENUES:									
PORT									
Handling	34,000	34,000	34,000	2,884	8.48%	5,814	12.89%	26,685	100.00%
Wharfage	335,000	335,000	335,000	29,814	8.90%	50,073	17.86%	313,897	100.02%
Storage	66,300	66,300	66,300	31,132	46.96%	21,381	17.00%	114,118	100.00%
Dockage	471,700	471,700	471,700	91,978	19.50%	13,291	2.86%	160,074	100.00%
Water Sales	6,000	6,000	6,000	2,534	42.23%	409	6.82%	3,476	100.00%
Property Rental	500,000	500,000	500,000	203,622	40.72%	139,181	28.77%	451,932	100.00%
Stevedore Fees	24,400	24,400	24,400	0	0.00%	5,676	18.61%	17,117	100.09%
Harbor	20,000	20,000	20,000	6,056	30.28%	2,850	10.40%	24,834	100.00%
Security Fees	60,000	60,000	60,000	8,729	14.55%	4,198	6.64%	26,592	100.01%
Interior Lighting	16,000	16,000	16,000	3,560	22.25%	2,402	16.01%	21,445	100.00%
Miscellaneous/Billed	15,000	15,000	15,000	11,430	76.20%	6,610	44.07%	33,765	100.00%
Sale of Asset	0	0	0	0	----	0	----	0	----
Miscellaneous/Non-Billed	0	0	0	0	----	0	----	(69)	----
Cedar Street Lease/Parking Lot	70,700	70,700	70,700	16,440	23.25%	21,920	31.00%	65,760	48.19%
Interest Income	0	0	0	(514)	----	16	----	(1,992)	----
TOTAL REVENUES	<u>1,619,100</u>	<u>1,619,100</u>	<u>1,619,100</u>	<u>407,665</u>	25.18%	<u>273,821</u>	16.82%	<u>1,257,634</u>	94.54%
TOTAL REVENUES AND FUND BALANCE	<u>\$ 1,619,100</u>	<u>1,712,364</u>	<u>1,712,364</u>	<u>500,929</u>	29.25%	<u>515,759</u>	27.58%	<u>1,797,146</u>	96.11%
EXPENSES:									
OPERATIONS & MAINTENANCE									
Personal Services	\$ 713,000	713,000	712,965	143,778	20.17%	174,573	24.35%	697,434	98.91%
City Sponsored Pensions	113,200	113,200	113,235	113,233	100.00%	113,239	99.69%	113,346	99.79%
Sub-Total	<u>826,200</u>	<u>826,200</u>	<u>826,200</u>	<u>257,011</u>	31.11%	<u>287,812</u>	34.65%	<u>810,780</u>	99.03%
Operating Expenses	655,800	705,452	705,452	254,385	36.06%	272,346	32.45%	682,988	87.44%
Capital Outlay	0	43,612	43,612	43,612	100.00%	76,125	100.00%	4,103	62.68%
Sub-Total	<u>1,482,000</u>	<u>1,575,264</u>	<u>1,575,264</u>	<u>555,008</u>	35.23%	<u>636,283</u>	36.44%	<u>1,497,871</u>	91.83%
Allocated Overhead/(Cost Recovery)	137,100	137,100	137,100	34,275	25.00%	30,950	25.00%	137,100	100.00%
TOTAL EXPENSES	<u>\$ 1,619,100</u>	<u>1,712,364</u>	<u>1,712,364</u>	<u>589,283</u>	34.41%	<u>667,233</u>	35.68%	<u>1,634,971</u>	92.43%

The City's general, fire and police pension fund annual contributions were paid in a lump sum contribution on October 1st which have been separated from personal services.

**CITY OF PENSACOLA
AIRPORT FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 5,275,200	13,862,745	13,862,745	13,862,745	100.00%	5,634,297	100.00%	2,537,908	100.00%
REVENUES:									
AIRLINE REVENUES									
Loading Bridges Fees	300,000	300,000	300,000	153,591	51.20%	128,366	59.71%	581,125	100.00%
Air Carrier Landing Fees	1,000,000	1,000,000	1,000,000	149,199	14.92%	163,054	6.04%	696,674	100.00%
Cargo Landing Fees	80,000	80,000	80,000	16,785	20.98%	22,736	----	78,694	100.01%
Apron Area Rental	520,000	520,000	520,000	204,430	39.31%	204,488	39.32%	812,474	100.00%
Cargo Apron Area Rental	85,000	85,000	85,000	19,394	22.82%	24,242	----	85,875	100.00%
Baggage Handling System	1,278,000	1,278,000	1,278,000	261,750	20.48%	319,260	----	1,326,437	100.00%
Ron Ramp	0	0	0	2,872	----	0	----	2,825	100.00%
Airline Rentals	2,500,000	2,500,000	2,500,000	678,489	27.14%	703,825	28.15%	2,583,470	100.01%
SUBTOTAL AIRLINE REVENUES	5,763,000	5,763,000	5,763,000	1,486,510	25.79%	1,565,971	26.39%	6,167,574	100.00%
NON-AIRLINE REVENUES									
U.S.Government	96,000	96,000	96,000	24,000	25.00%	62,000	77.50%	104,000	100.00%
Rental Cars	3,400,000	3,400,000	3,400,000	1,027,776	30.23%	795,939	23.41%	4,118,068	101.42%
Rental Car Customer Facility Charge (Garage)	850,000	850,000	850,000	213,480	25.12%	226,288	24.68%	959,004	106.20%
CFC - Rental Car Svc Facility	2,400,000	2,400,000	2,400,000	608,917	25.37%	535,042	24.58%	2,633,278	106.48%
Rental Car Service Facility Rent	225,000	225,000	225,000	61,431	27.30%	58,052	25.24%	238,735	100.00%
Fixed Base Operators	165,000	165,000	165,000	47,971	29.07%	52,861	33.67%	215,744	102.85%
Restaurant and Lounge	530,000	530,000	530,000	157,730	29.76%	152,782	30.56%	674,740	100.00%
Advertising	90,000	90,000	90,000	43,901	48.78%	25,949	28.83%	134,562	100.00%
Hangar Rentals	350,000	350,000	350,000	104,248	29.79%	62,229	25.93%	279,290	100.00%
Airport & 12th	420,000	420,000	420,000	112,101	26.69%	49,670	16.72%	326,687	100.00%
Parking Lot	5,300,000	5,300,000	5,300,000	1,842,859	34.77%	1,546,240	29.74%	6,093,307	99.32%
Gift Shop	250,000	250,000	250,000	73,399	29.36%	68,982	27.59%	348,369	101.25%
Taxi Permits	110,000	110,000	110,000	25,778	23.43%	4,418	4.02%	154,597	150.00%
LEO/TSA Security	100,000	100,000	100,000	18,000	18.00%	27,600	27.60%	109,500	108.96%
Commercial Property Rentals	190,000	190,000	190,000	72,910	38.37%	81,005	27.00%	310,027	100.00%
GSA/TSA Term Rent	210,000	210,000	210,000	52,603	25.05%	52,603	18.79%	210,414	100.00%
Miscellaneous	50,000	50,000	50,000	53,704	107.41%	77,912	155.82%	177,255	102.97%
Interest Income	60,000	60,000	60,000	44,368	73.95%	3,594	17.97%	506,408	104.97%
SUB-TOTAL NON-AIRLINE REVENUES	14,796,000	14,796,000	14,796,000	4,585,176	30.99%	3,883,166	26.97%	17,593,985	101.92%
TOTAL OPERATING REVENUES	20,559,000	20,559,000	20,559,000	6,071,686	29.53%	5,449,137	26.80%	23,761,559	101.42%
TOTAL REVENUES AND FUND BALANCE	\$ 25,834,200	34,421,745	34,421,745	19,934,431	57.91%	11,083,434	42.68%	26,299,467	101.28%

**CITY OF PENSACOLA
AIRPORT FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E	% OF BUDGET F.Y.E.
EXPENSES:									
OPERATION & MAINTENANCE									
Personal Services	\$ 3,681,200	3,681,200	3,679,900	905,649	24.61%	810,720	22.02%	3,396,768	91.63%
City Sponsored Pensions	745,100	745,100	746,400	745,249	99.85%	723,249	99.95%	723,681	99.90%
Sub-Total	<u>4,426,300</u>	<u>4,426,300</u>	<u>4,426,300</u>	<u>1,650,898</u>	37.30%	<u>1,533,969</u>	34.82%	<u>4,120,449</u>	92.98%
Operating Expenses	10,455,100	12,720,692	12,720,692	3,389,484	26.65%	3,257,453	23.34%	8,763,561	77.46%
Capital Outlay	2,589,300	4,118,753	4,118,753	1,230,744	29.88%	494,235	32.52%	1,164,878	64.49%
Sub-Total	<u>17,470,700</u>	<u>21,265,745</u>	<u>21,265,745</u>	<u>6,271,126</u>	29.49%	<u>5,285,657</u>	26.58%	<u>14,048,888</u>	78.84%
DEBT SERVICE GARB									
Interest	764,700	764,700	764,700	274,703	35.92%	361,861	30.71%	865,841	73.48%
Principal	3,539,300	3,539,300	3,539,300	2,831,400	80.00%	2,315,000	80.00%	2,315,000	80.00%
Sub-Total	<u>4,304,000</u>	<u>4,304,000</u>	<u>4,304,000</u>	<u>3,106,103</u>	72.17%	<u>2,676,861</u>	65.74%	<u>3,180,841</u>	78.11%
DEBT SERVICE CFC									
Interest	488,900	488,900	488,900	35,810	7.32%	43,924	8.98%	218,367	44.66%
Principal	3,000,000	1,242,900	1,242,900	0	0.00%	0	0.00%	3,000,000	75.90%
Sub-Total	<u>3,488,900</u>	<u>1,731,800</u>	<u>1,731,800</u>	<u>35,810</u>	2.07%	<u>43,924</u>	3.05%	<u>3,218,367</u>	72.46%
DEBT SERVICE FDOT JPA Grant									
Interest	0	250,000	250,000	51,219	20.49%	0	----	0	----
Principal	0	6,299,600	6,299,600	6,299,600	100.00%	0	----	90,919	100.00%
Sub-Total	<u>0</u>	<u>6,549,600</u>	<u>6,549,600</u>	<u>6,350,819</u>	96.96%	<u>0</u>	----	<u>90,919</u>	----
Allocated Overhead/(Cost Recovery)									
General Fund	<u>570,600</u>	<u>570,600</u>	<u>570,600</u>	<u>142,650</u>	25.00%	<u>142,650</u>	25.00%	<u>570,600</u>	100.00%
TOTAL OPERATING EXPENSES	<u>\$ 25,834,200</u>	<u>34,421,745</u>	<u>34,421,745</u>	<u>15,906,508</u>	46.21%	<u>8,149,092</u>	31.38%	<u>21,109,615</u>	78.24%

The City's general, fire and police pension fund annual contributions were paid in a lump sum contribution on October 1st which have been separated from personal services.

**CITY OF PENSACOLA
RISK MANAGEMENT SERVICES
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	0	0	0	----	0	----	0	----
REVENUES:									
Service Fees	1,354,700	1,354,700	1,354,700	485,970	35.87%	485,569	29.58%	1,115,135	67.93%
TOTAL REVENUES	1,354,700	1,354,700	1,354,700	485,970	35.87%	485,569	29.58%	1,115,135	67.93%
TOTAL REVENUES AND FUND BALANCE	\$ 1,354,700	1,354,700	1,354,700	485,970	35.87%	485,569	29.58%	1,115,135	67.93%
EXPENSES:									
RISK MANAGEMENT									
Personal Services	\$ 568,300	568,300	568,140	262,888	46.27%	260,256	47.85%	450,114	82.78%
City Sponsored Pensions	54,800	54,800	54,960	54,816	99.74%	54,815	99.99%	54,860	99.83%
Sub-Total	623,100	623,100	623,100	317,704	50.99%	315,071	52.62%	504,974	84.34%
Operating Expenses	584,300	584,300	584,300	117,692	76.67%	122,980	13.50%	447,958	49.16%
Sub-Total	1,207,400	1,207,400	1,207,400	435,396	63.41%	438,051	29.01%	952,932	63.11%
CITY CLINIC									
Personal Services	93,200	93,200	93,186	18,884	20.26%	16,048	21.87%	65,509	89.33%
City Sponsored Pensions	24,900	24,900	24,914	24,914	100.00%	24,913	99.99%	24,954	99.96%
Sub-Total	118,100	118,100	118,100	43,798	37.09%	40,961	41.67%	90,463	92.03%
Operating Expenses	29,200	29,200	29,200	6,776	23.21%	6,557	19.63%	24,256	72.62%
Sub-Total	147,300	147,300	147,300	50,574	34.33%	47,518	36.08%	114,719	87.11%
TOTAL EXPENSES	\$ 1,354,700	1,354,700	1,354,700	485,970	60.25%	485,569	29.58%	1,067,651	65.04%

The City's general, fire and police pension fund annual contributions were paid in a lump sum contribution on October 1st which have been separated from personal services.

**CITY OF PENSACOLA
CENTRAL SERVICES FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 350,000	350,000	350,000	350,000	100.00%	0	----	0	----
REVENUES:									
Service Fees									
Mail Room	83,800	83,800	83,800	38,112	45.48%	36,007	42.61%	73,101	86.51%
Technology Resources	2,601,500	3,044,954	3,044,954	975,575	32.04%	817,708	30.42%	2,375,510	84.44%
Engineering	808,700	811,926	811,926	263,018	32.39%	225,420	29.39%	513,984	67.01%
Central Garage	1,478,000	1,483,846	1,483,846	518,141	34.92%	565,537	33.09%	1,444,601	91.18%
TOTAL REVENUES	4,972,000	5,424,526	5,424,526	1,794,846	33.09%	1,644,672	31.33%	4,407,196	83.96%
TOTAL REVENUES AND FUND BALANCE	\$ 5,322,000	5,774,526	5,774,526	2,144,846	37.14%	1,644,672	31.33%	4,407,196	83.96%
EXPENSES:									
MAIL ROOM									
Personal Services	\$ 45,000	45,000	45,000	10,978	24.40%	10,129	23.23%	42,093	96.54%
City Sponsored Pensions	19,600	19,600	19,600	19,600	100.00%	19,600	100.00%	19,600	100.00%
Sub-Total	64,600	64,600	64,600	30,578	47.33%	29,729	47.04%	61,693	97.62%
Operating Expenses	19,200	19,200	19,200	7,534	39.24%	6,278	29.47%	12,852	60.34%
Capital Outlay	0	0	0	0	----	0	----	0	----
Sub-Total Mail Room	83,800	83,800	83,800	38,112	45.48%	36,007	42.61%	74,545	88.22%
TECHNOLOGY RESOURCES									
Personal Services	1,058,300	1,058,300	1,058,150	257,246	24.31%	248,376	25.08%	1,001,670	98.59%
City Sponsored Pensions	197,300	197,300	197,450	197,331	99.94%	197,328	99.88%	197,417	99.92%
Sub-Total	1,255,600	1,255,600	1,255,600	454,577	36.20%	445,704	37.52%	1,199,087	98.81%
Operating Expenses	1,147,900	1,156,635	1,156,635	520,998	45.04%	368,809	30.97%	948,363	82.13%
Capital Outlay	198,000	495,675	495,675	0	0.00%	3,195	1.03%	230,198	74.38%
Sub-Total Technology Resources	2,601,500	2,907,910	2,907,910	975,575	33.55%	817,708	30.42%	2,377,648	88.77%

The City's general, fire and police pension fund annual contributions were paid in a lump sum contribution on October 1st which have been separated from personal services.

**CITY OF PENSACOLA
CENTRAL SERVICES FUND
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL
For the Three Months Ended December 31, 2018
(Unaudited)**

	FY 2019					FY 2018			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/18	% OF BUDGET 12/18	ACTUAL 12/17	% OF BUDGET 12/17	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
ENGINEERING									
Personal Services	566,400	566,400	556,801	103,352	18.56%	98,457	18.13%	395,864	72.92%
City Sponsored Pensions	87,200	87,200	87,320	87,224	99.89%	87,222	99.93%	87,290	99.99%
Sub-Total	653,600	653,600	644,121	190,576	29.59%	185,679	29.46%	483,154	76.67%
Operating Expenses	124,100	127,326	136,805	45,712	33.41%	39,741	29.05%	110,957	83.47%
Capital Outlay	31,000	31,000	31,000	26,730	86.23%	0	----	0	----
Sub-Total Engineering	808,700	811,926	811,926	263,018	32.39%	225,420	29.39%	594,111	77.88%
CENTRAL GARAGE									
Personal Services	995,600	995,600	995,540	227,084	22.81%	222,132	23.23%	872,045	92.93%
City Sponsored Pensions	201,600	201,600	201,660	201,656	100.00%	201,662	99.93%	201,806	100.00%
Sub-Total	1,197,200	1,197,200	1,197,200	428,740	35.81%	423,794	36.60%	1,073,851	94.18%
Operating Expenses	280,800	281,144	281,144	83,556	29.72%	124,033	32.52%	360,570	90.43%
Capital Outlay	350,000	492,546	492,546	5,845	1.19%	17,710	10.42%	27,455	19.59%
Sub-Total Central Garage	1,828,000	1,970,890	1,970,890	518,141	26.29%	565,537	33.09%	1,461,876	85.89%
TOTAL EXPENSES	\$ 5,322,000	5,774,526	5,774,526	1,794,846	31.08%	1,644,672	31.33%	4,508,180	86.23%

The City's general, fire and police pension fund annual contributions were paid in a lump sum contribution on October 1st which have been separated from personal services.

**CITY OF PENSACOLA
BUDGET PROGRAMS
FISCAL YEAR 2019
(Unaudited)**

PROGRAM	FY 2019					
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	DIFFERENCE APPROVED - AMENDED	FY 2018 ACTUAL 12/18	% OF BUDGET 12/18
AIRPORT						
Aircraft Rescue & Firefighting Facility (ARFF)	\$ 758,100	758,100	758,100	-	213,770	28.20%
Airport Administration	3,417,000	3,509,952	3,509,752	(200)	1,120,003	31.91%
Maintenance	11,871,900	15,568,793	15,568,993	200	4,287,926	27.54%
Operations	926,200	926,900	926,900	-	356,142	38.42%
Security	1,068,100	1,072,600	1,072,600	-	435,935	40.64%
Sub-total	<u>18,041,300</u>	<u>21,836,345</u>	<u>21,836,345</u>	<u>-</u>	<u>6,413,776</u>	29.37%
CITY CLERK						
Administration of Legal Documents	92,700	92,700	92,700	-	32,070	34.60%
City Elections/Appointments	26,000	26,000	26,000	-	6,632	25.51%
City Council Meetings Preparation	69,100	69,100	69,100	-	17,684	25.59%
Sub-total	<u>187,800</u>	<u>187,800</u>	<u>187,800</u>	<u>-</u>	<u>56,386</u>	30.02%
CITY COUNCIL						
Audit	105,000	172,525	172,525	-	67,525	39.14%
City Council Support	320,000	320,000	320,000	-	45,829	14.32%
Office of the City Council	322,500	408,211	408,211	-	64,877	15.89%
Sub-total	<u>747,500</u>	<u>900,736</u>	<u>900,736</u>	<u>-</u>	<u>178,231</u>	19.79%
COMMUNITY REDEVELOPMENT AGENCY - CRA						
Asset Maintenance and Operation	271,800	1,368,690	1,374,690	6,000	113,634	8.27%
Community Policing	100,000	100,000	100,000	-	22,556	22.56%
Non-Capital Projects and Activities	730,600	2,994,498	2,994,498	-	251,528	8.40%
Redevelopment Plan Implementation	529,000	855,263	849,263	(6,000)	131,516	15.49%
2009 ECUA/WWTP Relocation	1,300,000	1,300,000	1,300,000	-	-	0.00%
Eastside Redevelopment Area Plan Implementation	100,500	724,463	724,463	-	34,205	4.72%
Westside Redevelopment Area Plan Implementation	56,700	137,604	137,604	-	15,457	11.23%
Sub-total	<u>3,088,600</u>	<u>7,480,518</u>	<u>7,480,518</u>	<u>-</u>	<u>568,896</u>	7.61%
FINANCIAL SERVICES						
Accounting	429,600	429,600	429,787	187	237,037	55.15%
Budget	62,500	64,518	64,518	-	41,959	65.03%
Contract & Lease Services	84,100	84,100	83,913	(187)	19,923	23.74%
Payroll	200,800	200,800	200,800	-	80,085	39.88%
Purchasing	61,400	75,929	75,929	-	48,114	63.37%
Sub-total	<u>838,400</u>	<u>854,947</u>	<u>854,947</u>	<u>-</u>	<u>427,118</u>	49.96%
FINANCIAL SERVICES - RISK MANAGEMENT SERVICES						
Risk Management Services	1,207,400	1,207,400	1,207,400	-	435,396	36.06%
Sub-total	<u>1,207,400</u>	<u>1,207,400</u>	<u>1,207,400</u>	<u>-</u>	<u>435,396</u>	36.06%

**CITY OF PENSACOLA
BUDGET PROGRAMS
FISCAL YEAR 2019
(Unaudited)**

PROGRAM	FY 2019					
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	DIFFERENCE APPROVED - AMENDED	FY 2018 ACTUAL 12/18	% OF BUDGET 12/18
FINANCIAL SERVICES - MAIL ROOM						
Mail Room	83,800	83,800	83,800	-	38,112	45.48%
Sub-total	83,800	83,800	83,800	-	38,112	45.48%
FINANCIAL SERVICES - TECHNOLOGY RESOURCES						
Information Management	998,400	1,001,625	1,001,894	269	553,482	55.24%
Network/System Management	1,137,900	1,441,085	1,440,790	(295)	306,590	21.28%
Public Safety	254,400	254,400	254,426	26	45,175	17.76%
Technology Resources Administration	210,800	210,800	210,800	-	70,328	33.36%
Sub-total	2,601,500	2,907,910	2,907,910	-	975,575	33.55%
FIRE						
Administrative Support	451,300	451,888	451,888	-	147,512	32.64%
City Emergency Management	12,300	12,300	12,300	-	3,734	30.36%
Emergency Operations - Fire Suppression	7,543,700	7,554,313	7,554,313	-	2,733,220	36.18%
Emergency Operations - Rescue	347,200	347,823	347,823	-	107,157	30.81%
Facilities and Apparatus Management	852,700	870,882	870,882	-	213,684	24.54%
Fire Cadet	192,600	192,600	192,600	-	37,257	19.34%
Fire Code Enforcement	240,900	241,002	241,002	-	103,150	42.80%
Marine Operations	50,700	50,700	50,700	-	6,629	13.07%
Technical Support to City	12,300	12,300	12,300	-	3,734	30.36%
Training	143,100	143,202	143,202	-	59,259	41.38%
Sub-total	9,846,800	9,877,010	9,877,010	-	3,415,336	34.58%
HOUSING						
HOME Program	135,500	285,500	285,500	-	9,440	3.31%
SHIP Program	58,200	92,800	92,800	-	13,384	14.42%
Sub-total	193,700	378,300	378,300	-	22,824	6.03%
HOUSING - CDBG						
Community Development Block Grant (CDBG) Program	362,000	362,295	362,295	-	61,885	17.08%
Housing Rehabilitation	572,500	572,901	572,901	-	156,589	27.33%
Sub-total	934,500	935,196	935,196	-	218,474	23.36%
HOUSING - SECTION 8						
Section 8 Housing Assistance Payments Program Fund	17,841,600	18,007,727	18,007,727	-	4,225,985	23.47%
Sub-total	17,841,600	18,007,727	18,007,727	-	4,225,985	23.47%

**CITY OF PENSACOLA
BUDGET PROGRAMS
FISCAL YEAR 2019
(Unaudited)**

PROGRAM	FY 2019					
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	DIFFERENCE APPROVED - AMENDED	FY 2018 ACTUAL 12/18	% OF BUDGET 12/18
HUMAN RESOURCES						
Human Resources Administration	426,000	426,000	426,000	-	194,615	45.68%
Recruiting & Training	128,700	128,700	128,700	-	31,596	24.55%
Sub-total	554,700	554,700	554,700	-	226,211	40.78%
HUMAN RESOURCES - CLINIC						
Clinic	147,300	147,300	147,300	-	50,574	34.33%
Sub-total	147,300	147,300	147,300	-	50,574	34.33%
INSPECTION SERVICES						
Inspection Services	1,432,000	1,432,000	1,426,622	(5,378)	422,947	29.65%
Plan Review and Permitting	93,000	93,000	98,378	5,378	45,148	45.89%
Sub-total	1,525,000	1,525,000	1,525,000	-	468,095	30.69%
LEGAL						
Client Legal Advisory Services	107,600	157,600	157,020	(580)	21,850	13.92%
Legal Management and Operations Services	178,400	178,400	178,400	-	42,759	23.97%
Public Records Law Compliance and Process Services	54,600	54,600	55,180	580	13,652	24.74%
Sub-total	340,600	390,600	390,600	-	78,261	20.04%
MAYOR						
City Administrator/Cabinet	337,100	343,106	343,106	-	166,492	48.52%
Communications	150,500	150,500	150,500	-	54,528	36.23%
Constituent Services	119,300	119,300	119,300	-	29,639	24.84%
Office of the Mayor	123,500	123,500	123,500	-	27,358	22.15%
Sub-total	730,400	736,406	736,406	-	278,017	37.75%
NON-DEPARTMENTAL FUNDING						
Agency funding	3,382,900	3,772,640	3,772,640	-	2,796,708	74.13%
Sub-total	3,382,900	3,772,640	3,772,640	-	2,796,708	74.13%

**CITY OF PENSACOLA
BUDGET PROGRAMS
FISCAL YEAR 2019
(Unaudited)**

PROGRAM	FY 2019					
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	DIFFERENCE APPROVED - AMENDED	FY 2018 ACTUAL 12/18	% OF BUDGET 12/18
PARKS & RECREATION						
Aquatics	230,400	278,772	278,772	-	27,799	9.97%
Athletic Field Maintenance	381,900	381,900	381,900	-	109,806	28.75%
Athletics	459,000	459,066	458,866	(200)	117,114	25.52%
Office of the Director (Administration)	826,000	867,260	868,110	850	305,007	35.13%
Park Administration & Maintenance	2,486,200	2,680,816	2,683,716	2,900	1,023,145	38.12%
Recreation/Resource Center Administration	787,100	819,062	820,570	1,508	312,476	38.08%
Resource Center	968,200	968,200	968,200	-	172,981	17.87%
Senior Center	227,200	227,200	222,500	(4,700)	41,930	18.84%
Volunteer & Outdoor Pursuits	68,400	68,400	68,042	(358)	10,027	14.74%
Sub-total	6,434,400	6,750,676	6,750,676	-	2,120,285	31.41%
PARKS & RECREATION - GOLF						
Osceola Golf Course	765,000	765,000	765,000	-	240,067	31.38%
Sub-total	765,000	765,000	765,000	-	240,067	31.38%
PARKS & RECREATION - TENNIS						
Roger Scott Tennis Center	128,700	128,700	128,700	-	17,239	13.39%
Sub-total	128,700	128,700	128,700	-	17,239	13.39%
PARKS & RECREATION - CMP						
Community Maritime Park Cultural Events	1,121,700	1,123,000	1,123,000	-	252,869	22.52%
Sub-total	1,121,700	1,123,000	1,123,000	-	252,869	22.52%
PENSACOLA ENERGY						
Customer Service	1,009,600	1,011,150	1,011,150	-	389,736	38.54%
Gas Construction	4,580,200	4,988,002	4,988,002	-	1,874,501	37.58%
Gas Cost	19,273,800	19,273,800	19,273,800	-	3,390,329	17.59%
Gas Marketing	2,219,500	2,219,500	2,219,500	-	577,451	26.02%
Gas Operations	11,903,900	12,553,534	12,480,984	(72,550)	4,938,322	39.57%
Gas Training	325,200	325,200	325,250	50	89,895	27.64%
Infrastructure Replacement	2,943,100	3,232,185	3,304,685	72,500	537,311	16.26%
Sub-total	42,255,300	43,603,371	43,603,371	-	11,797,545	27.06%

**CITY OF PENSACOLA
BUDGET PROGRAMS
FISCAL YEAR 2019
(Unaudited)**

PROGRAM	FY 2019					
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	DIFFERENCE APPROVED - AMENDED	FY 2018 ACTUAL 12/18	% OF BUDGET 12/18
PLANNING SERVICES						
Business Licenses	45,600	45,600	47,192	1,592	26,368	55.87%
Neighborhood Planning	22,500	22,500	22,500	-	1,711	7.60%
Pensacola Neighborhood Challenge (PNC)	50,000	154,623	154,623	-	-	0.00%
Planning Services	744,000	767,752	766,160	(1,592)	201,365	26.28%
Sub-total	862,100	990,475	990,475	-	229,444	23.17%
POLICE						
Administration - Chief's Office	1,550,800	1,572,174	1,572,174	-	666,717	42.41%
Cadets	373,400	374,529	374,529	-	116,676	31.15%
Central Records	479,200	480,518	480,518	-	156,795	32.63%
Communications Center	1,686,700	1,693,041	1,693,041	-	618,782	36.55%
Community Oriented Policing Squad	1,081,100	1,086,167	1,086,167	-	504,056	46.41%
Crime Scene Investigation	798,600	799,909	799,909	-	375,077	46.89%
Criminal Intelligence Unit	92,200	92,576	92,576	-	40,429	43.67%
Criminal Investigation Unit	2,350,400	2,356,202	2,356,202	-	1,013,682	43.02%
Neighborhood Unit	823,800	825,955	826,944	989	246,387	29.79%
Property Management	343,000	344,129	344,129	-	131,016	38.07%
School Resource Office (SRO)	693,700	695,018	694,029	(989)	335,191	48.30%
Traffic	983,900	985,779	985,779	-	444,987	45.14%
Training/Personnel	738,900	741,840	741,840	-	281,793	37.99%
Uniform Patrol	9,648,700	9,702,423	9,702,423	-	4,289,787	44.21%
Vice & Narcotics	672,600	673,909	673,909	-	273,685	40.61%
Sub-total	22,317,000	22,424,169	22,424,169	-	9,495,060	42.34%
PORT						
Administration	426,800	476,436	472,672	(3,764)	218,334	46.19%
Business & Trade Development	159,900	146,900	146,903	3	43,786	29.81%
Operations & Maintenance	755,300	731,416	734,660	3,244	231,907	31.57%
Seaport Security	277,100	277,100	277,617	517	51,645	18.60%
Federal/State Matching Grant	-	80,512	80,512	-	43,611	54.17%
Sub-total	1,619,100	1,712,364	1,712,364	-	589,283	34.41%

**CITY OF PENSACOLA
BUDGET PROGRAMS
FISCAL YEAR 2019
(Unaudited)**

PROGRAM	FY 2019					
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	DIFFERENCE APPROVED - AMENDED	FY 2018 ACTUAL 12/18	% OF BUDGET 12/18
PUBLIC WORKS & FACILITIES - GENERAL FUND						
Building Maintenance Administration	237,000	261,554	262,199	645	47,496	18.11%
City Facility Maintenance & Repair	1,227,900	1,409,047	1,408,402	(645)	511,518	36.32%
Daily Operations	273,800	275,259	272,890	(2,369)	61,609	22.58%
Resource Center Maintenance	441,000	441,000	441,000	-	43,869	9.95%
Street Daily Operation	724,000	1,188,212	1,188,212	-	427,269	35.96%
Traffic Signals & Street Lighting	1,511,400	1,678,497	1,680,997	2,500	423,485	25.19%
Traffic Striping	40,700	40,700	40,569	(131)	10,213	25.17%
Sub-total	<u>4,455,800</u>	<u>5,294,269</u>	<u>5,294,269</u>	<u>-</u>	<u>1,525,459</u>	<u>28.81%</u>
PUBLIC WORKS & FACILITIES - STORMWATER FUND						
Stormwater Operation & Maintenance	1,907,100	1,952,585	1,952,585	-	694,568	35.57%
Street Sweeping FDOT Roadways	47,300	48,300	48,354	1,054	14,235	29.44%
Street Sweeping Operation & Maintenance	920,200	1,177,485	1,176,431	(1,054)	512,302	43.55%
Sub-total	<u>2,874,600</u>	<u>3,177,370</u>	<u>3,177,370</u>	<u>-</u>	<u>1,221,105</u>	<u>38.43%</u>
PUBLIC WORKS & FACILITIES - CENTAL SERVICES FUND						
Plan Review	81,800	81,800	81,810	10	14,010	17.13%
Project Design	320,500	323,726	323,666	(60)	93,564	28.91%
Project Management	393,400	393,400	394,600	1,200	154,675	39.20%
Survey Operations Coordination	13,000	13,000	11,850	(1,150)	769	6.49%
Sub-total	<u>808,700</u>	<u>811,926</u>	<u>811,926</u>	<u>-</u>	<u>263,018</u>	<u>32.39%</u>
SANITATION SERVICES						
Code Enforcement	1,171,800	1,172,423	1,172,423	-	464,255	39.60%
Code Enforcement-Zoning/Housing	125,600	125,600	125,600	-	69,933	55.68%
Recycling Collection	1,215,300	1,215,300	1,215,300	-	516,370	42.49%
Residential Garbage Collection	3,889,600	4,453,844	4,453,844	-	1,681,138	37.75%
Transfer Station	421,000	421,000	421,000	-	136,745	32.48%
Yard Trash/Bulk Waste Collection	1,772,800	2,028,422	2,028,422	-	760,664	37.50%
Sub-total	<u>8,596,100</u>	<u>9,416,589</u>	<u>9,416,589</u>	<u>-</u>	<u>3,629,105</u>	<u>38.54%</u>
SANITATION SERVICES - GARAGE						
Central Garage	1,828,000	1,970,890	1,970,890	-	518,141	26.29%
Sub-total	<u>1,828,000</u>	<u>1,970,890</u>	<u>1,970,890</u>	<u>-</u>	<u>518,141</u>	<u>26.29%</u>
TOTAL	<u>\$ 156,360,300</u>	<u>169,953,134</u>	<u>169,953,134</u>	<u>-</u>	<u>52,772,595</u>	<u>31.05%</u>

City of Pensacola, Florida
Investment Schedule
As of December 31, 2018
(Unaudited)

<u>POOLED INVESTMENTS</u>	<u>Invest Type</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>Market Value</u>
Compass	MM	09/01/17		1.05%	5,000,000.00	5,000,000.00
Hancock	CD	02/07/18	02/07/19	1.79%	10,000,000.00	10,000,000.00
Servis1st Bank	CD	05/31/18	05/31/19	2.39%	10,000,000.00	10,000,000.00
BankUnited	CD	07/20/18	07/20/19	2.48%	20,000,000.00	20,000,000.00
Servis1st Bank	CD	07/20/18	07/20/19	2.39%	5,000,000.00	5,000,000.00
Hancock	CD	09/04/18	09/04/19	2.44%	5,000,000.00	5,000,000.00
Servis1st Bank	CD	09/04/18	09/04/19	2.48%	15,000,000.00	15,000,000.00
Compass	CD	11/20/18	11/20/19	2.70%	10,000,000.00	10,000,000.00
Compass	CD	12/04/18	12/04/19	2.70%	5,000,000.00	5,000,000.00
Florida Community Bank	CD	12/05/18	12/05/19	2.72%	15,000,000.00	15,000,000.00
BankUnited	CD	12/06/18	12/06/19	2.75%	10,000,000.00	10,000,000.00
<u>City's- GCA (checking account)</u>						
Wells Fargo Bank		ERC 1.00% up to fees and .50% on excess balance			34,687,838.84	34,687,838.84
TOTAL INVESTMENTS					\$ 144,687,838.84	\$ 144,687,838.84

Money Market interest rates are good through December 31, 2018.

Wells Fargo Bank is the City's primary depository, expires June 30, 2019.

**CITY OF PENSACOLA
DEBT SERVICE SCHEDULE
December 31, 2018
(Unaudited)**

	BALANCE 09/30/18	ADDITION OR (RETIREMENT) OF PRINCIPAL	BALANCE 12/31/18	REQUIRED RESERVES ^(a)	FUTURE INTEREST	MATURITY DATE
2008 AIRPORT TAXABLE CFC REVENUE NOTE	5,800,000.00	0.00	5,800,000.00	0.00	993,419.29 ^(b)	12/31/21
2009 REDEVELOPMENT REVENUE BONDS (CMP)	41,230,000.00	0.00	41,230,000.00	0.00	37,997,479.90 ^(c)	04/01/40
2010 AIRPORT REVENUE REFUNDING NOTE (97B, 98A AIRPORT)	1,285,000.00	(1,285,000.00)	0.00	0.00	0.00	10/01/18
2011 GAS SYSTEM REVENUE NOTE	2,130,000.00	(516,000.00)	1,614,000.00	0.00	67,925.00	10/01/21
2015 AIRPORT REFUNDING REVENUE NOTE	10,625,000.00	(945,000.00)	9,680,000.00	1,219,797.50	1,275,765.00	10/01/27
2016 LOCAL OPTION GAS TAX REVENUE BOND	12,750,000.00	(1,316,000.00)	11,434,000.00	0.00	961,500.30	12/31/26
2016 GAS SYSTEM REVENUE NOTE	14,700,000.00	(1,209,000.00)	13,491,000.00	0.00	1,305,952.40	10/01/26
2016 AIRPORT FACILITIES GRANT ANTICIPATION NOTE ^(d)	6,299,600.00	(6,299,600.00)	0.00	0.00	0.00	10/01/19
2016 EASTSIDE REDEVELOPMENT REVENUE LOAN	500,000.00	0.00	500,000.00	0.00	347,949.00	12/31/45
2017 EASTSIDE REDEVELOPMENT REVENUE BOND	1,245,000.00	0.00	1,245,000.00	0.00	434,415.15	04/01/37
2017 WESTSIDE REDEVELOPMENT REVENUE BOND	3,888,000.00	0.00	3,888,000.00	0.00	1,356,209.10	04/01/37
2017 AIRPORT REFUNDING REVENUE NOTE	6,300,000.00	(540,000.00)	5,760,000.00	0.00	755,886.50	10/01/27
2017 INFRASTRUCTURE SALES SURTAX REVENUE BOND	25,000,000.00	(1,952,000.00)	23,048,000.00	0.00	2,812,264.50	10/01/28
2017 URBAN CORE REDEVELOPMENT REVENUE BOND	7,875,000.00	0.00	7,875,000.00	0.00	4,097,718.00	04/01/40
2018 AIRPORT REFUNDING REVENUE NOTE	29,678,000.00	(324,000.00)	29,354,000.00	2,149,814.60	13,573,709.10	10/01/38
TOTAL	<u>\$ 169,305,600.00</u>	<u>(14,386,600.00)</u>	<u>154,919,000.00</u>	<u>3,369,612.10</u>	<u>65,980,193.24</u>	

^(a) Does not include required O&M and R&R reserves.

^(b) Estimated.

^(c) Interest is shown as a gross amount. The federal government subsidy for Build America Bonds is \$13,264,990.79 for a net interest on the bonds of \$24,732,489.11.

^(d) Note was paid in full on November 1, 2018.

CITY OF PENSACOLA
DEBT SERVICE SCHEDULE BY ALLOCATION
December 31, 2018
(Unaudited)

	BALANCE 09/30/18	ADDITION OR (RETIREMENT) OF PRINCIPAL	BALANCE 12/31/18	REQUIRED RESERVES (a)	FUTURE INTEREST	MATURITY DATE
<u>LOCAL OPTION GAS TAX FUND</u>						
2016 LOCAL OPTION GAS TAX REVENUE BOND	12,750,000.00	(1,316,000.00)	11,434,000.00	0.00	961,500.30	12/31/26
TOTAL LOCAL OPTION GAS TAX FUND	12,750,000.00	(1,316,000.00)	11,434,000.00	0.00	961,500.30	
<u>COMMUNITY REDEVELOPMENT AGENCY</u>						
2009 REDEVELOPMENT REVENUE BONDS (CMP)	41,230,000.00	0.00	41,230,000.00	0.00	37,997,479.90 (c)	04/01/40
2016 EASTSIDE REDEVELOPMENT REVENUE LOAN	500,000.00	0.00	500,000.00	0.00	347,949.00	12/31/45
2017 EASTSIDE REDEVELOPMENT REVENUE BOND	1,245,000.00	0.00	1,245,000.00	0.00	434,415.15	04/01/37
2017 WESTSIDE REDEVELOPMENT REVENUE BOND	3,888,000.00	0.00	3,888,000.00	0.00	1,356,209.10	04/01/37
2017 URBAN CORE REDEVELOPMENT REVENUE BOND	7,875,000.00	0.00	7,875,000.00	0.00	4,097,718.00	10/01/28
TOTAL COMMUNITY REDEVELOPMENT AGENCY	54,738,000.00	0.00	54,738,000.00	0.00	44,233,771.15	
<u>LOCAL OPTION SALES TAX FUND</u>						
2017 INFRASTRUCTURE SALES SURTAX REVENUE BOND	25,000,000.00	(1,952,000.00)	23,048,000.00	0.00	2,812,264.50	10/01/28
TOTAL LOCAL OPTION SALES TAX FUND	25,000,000.00	(1,952,000.00)	23,048,000.00	0.00	2,812,264.50	
<u>GAS UTILITY FUND</u>						
2011 GAS SYSTEM REVENUE NOTE	2,130,000.00	(516,000.00)	1,614,000.00	0.00	67,925.00	10/01/21
2016 GAS SYSTEM REVENUE NOTE	14,700,000.00	(1,209,000.00)	13,491,000.00	0.00	1,305,952.40	10/01/26
TOTAL GAS UTILITY FUND	16,830,000.00	(1,725,000.00)	15,105,000.00	0.00	1,373,877.40	
<u>AIRPORT FUND</u>						
2008 AIRPORT TAXABLE CFC REVENUE NOTE	5,800,000.00	0.00	5,800,000.00	0.00	993,419.29 (b)	12/31/21
2010 AIRPORT REVENUE REFUNDING NOTE (97B, 98A AIRPORT)	1,285,000.00	(1,285,000.00)	0.00	0.00	0.00	10/01/18
2015 AIRPORT REFUNDING REVENUE NOTE	10,625,000.00	(945,000.00)	9,680,000.00	1,219,797.50	1,275,765.00	10/01/27
2016 AIRPORT FACILITIES GRANT ANTICIPATION NOTE (d)	6,299,600.00	(6,299,600.00)	0.00	0.00	0.00 (b)	10/01/19
2017 AIRPORT REFUNDING REVENUE NOTE	6,300,000.00	(540,000.00)	5,760,000.00	0.00	755,886.50	10/01/27
2018 AIRPORT REFUNDING REVENUE NOTE	29,678,000.00	(324,000.00)	29,354,000.00	2,149,814.60	13,573,709.10	10/01/38
TOTAL AIRPORT FUND	59,987,600.00	(9,393,600.00)	50,594,000.00	3,369,612.10	16,598,779.89	
TOTAL	\$ 169,305,600.00	(14,386,600.00)	154,919,000.00	3,369,612.10	65,980,193.24	

(a) Does not include required O&M and R&R reserves.

(b) Estimated.

(c) Interest is shown as a gross amount. The federal government subsidy for Build America Bonds is \$13,264,990.79 for a net interest on the bonds of \$24,732,489.11.

(d) Note was paid in full on November 1, 2018.

CITY OF PENSACOLA
SCHEDULE OF LEGAL COSTS
December 31, 2018
(Unaudited)

ATTORNEY NAME OR FIRM	AMOUNT PAID	NATURE OF SERVICES PROVIDED
ALLEN NORTON & BLUE P A	\$44,024.01	Administrative, Collective Bargaining and Employee Matters
BEGGS & LANE	66,198.42	Contract and Real Estate Law
CARLTON FIELDS JORDEN BURT	855.00	Environmental and Real Estate
COLLEEN CLEARY ORTIZ PA	1,505.00	Police Forfeiture Claim
GUNSTER YOAKLEY & STEWART PA	93.15	Natural Gas Matters
MCCARTER & ENGLISH LLP	1,234.25	Natural Gas Industry
PLAUCHE MASELLI PARKERSON LLP	674.50	Utility Litigation
QUINTAIROS PRIETO WOOD & BOYER PA	10,208.92	Workers Compensation and Liability Claims
RAY, JR LOUIS F	2,871.00	Code Enforcement Special Magistrate
RODERIC G. MAGIE, PA	17,629.66	Workers Compensation Claims
SNIFFEN & SPELLMAN PA	12,269.84	Police Liability Claims
STEINMEYER FIVEASH LLP	3,515.01	Environmental and Property Matters
WILSON HARRELL & FARRINGTON PA	30,945.96	Claims and Litigation
REPORT TOTAL	<u>\$192,024.72</u>	



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 19-00115

City Council

2/25/2019

INFORMATION ITEM

FROM: City Council President Andy Terhaar

SUBJECT:

UPDATE OF THE MARKET STUDY FOR THE WEST MAIN MASTER PLAN

SUMMARY:

Mr. Peter Bazeli, consultant for the market study of the West Main Master Plan will give an update to City Council. This includes a look at the ECUA and CMP parcels and will be done via a Conference Call.

PRIOR ACTION:

None

STAFF CONTACT:

Don Kraher, Council Executive

ATTACHMENTS:

1) None

PRESENTATION: No