

City Mayor and Council Members as of September 30, 2023



DISTRICT 1 COPLEY GERDES



DISTRICT 2 BRANDI GABBARD





MAYOR KENNETH T. WELCH



DISTRICT 3 ED MONTANARI



DISTRICT 4
LISSET
HANEWICZ



DISTRICT 5 DEBORAH FIGGS-SANDERS



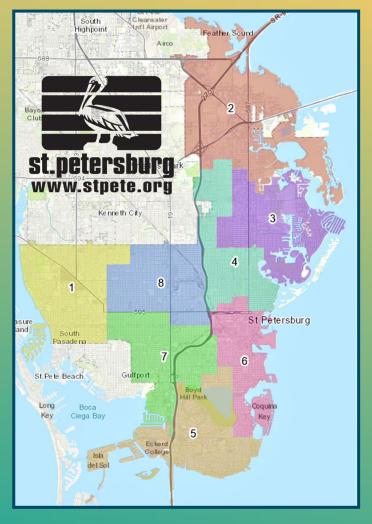
DISTRICT 6
GINA
DRISCOLL



DISTRICT 7 JOHN MUHAMMAD



DISTRICT 8
RICHIE
FLOYD



**Popular Annual Financial Report • For the Year Ended September 30, 2023** 

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### A MESSAGE FROM THE CITY

We understand the importance of being accountable for the proper management of public funds and are pleased to present the City's Popular Annual Financial Report (PAFR) for the year ended September 30, 2023. The report provides you, the citizens, a brief analysis of the City's fiscal operations and showcases the City's various programs and projects. The PAFR is an example of the City's commitment to improve communication

with our citizens and increase transparency and public confidence in the government body of the City of St. Petersburg.

WEARE ST. PETE

The City is committed to providing a full range of services, including

police and fire protection, the construction and maintenance of highways, streets and bridges, golf courses, recreation and park facilities, libraries, performing arts, water, wastewater, reclaimed water, stormwater, solid waste, construction permitting and inspection, codes compliance and parking operations to our citizens in spite of many economic challenges. Continual increases in property tax values have provided the resources needed to invest in additional neighborhood grants and youth and homeless programs across the City.

We also invite you to visit our Online transparency reporting tool at <a href="https://www.stpetersburgfl.opengov.com">www.stpetersburgfl.opengov.com</a> to explore budget and financial data online in various graphical formats. On behalf of the City, we thank you for taking the opportunity to read our Popular Annual Financial Report. As always, we welcome any input or comments you may have regarding the report.

Sincerely,

**Erika R. Langhans**Chief Financial Officer



City of St. Petersburg Finance Department Email: Finance@stpete.org

Popular Annual Financial Report • For the Year Ended September 30, 2023

### ABOUT THE POPULAR ANNUAL FINANCIAL REPORT

The financial information presented in the PAFR is derived from the City's Annual Comprehensive Financial Report ("Annual Report") and is presented here in summarized form. The Annual Report outlines the City's financial position and operating activities for fiscal year 2023 in great detail, includes financial statements audited by Cherry Bekaert LLP and is prepared in conformance with accounting principles generally accepted in the United States (GAAP).



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

City of St. Petersburg Florida

For its Annual Financial Report For the Fiscal Year Ended

September 30, 2022

Christophu P. Morrill

Executive Director/CEO

The information in this report reflects the City's fiscal operations through summarized information from the governmental funds and the enterprise funds financial statements included in the Annual Report. The PAFR does not include all funds of the City or component units. Governmental funds are those primarily supported by tax dollars for services such as parks and recreation, public safety and public works and are shown using a modified basis of accounting that focuses on more short-term financial information. The enterprise funds such as water, stormwater and sanitation are primarily supported by charges for services and are shown using the standard accrual basis of accounting that includes both short and longterm financial information.

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



**About Our City** 



Area of Land: 61.8 square miles

Median Age: 42.9

Population 18+ with Bachelor's Degree or Higher: 31.25% Median Housing Value: \$289,000

Median Household Income: \$70,333

Average Household Size:: 2.21

Median Housing Value: \$389,000

ivicular riousing value. \$200,000

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

# **Government-Wide Summary of Net Position**

The summary of net position presents information on all of the City's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. During fiscal 2023 net position increased from the prior year by \$63.4 million for governmental activities and \$39.3 million for business-type activities.

Summary of Net Position							
	Governmental Activities	Business-Type Activities	Total Primary Government				
Current and Other Assets	\$687,904,709	\$585,419,725	\$1,273,324,434				
Capital Assets	448,487,436	1,185,945,011	1,634,432,447				
Total Assets	1,136,392,145	1,771,364,736	2,907,756,881				
Deferred Outflows of Resources	218,020,694	58,623,338	276,644,032				
Other Liabilities	79,114,951	43,807,424	122,922,375				
Long Term Liabilities	553,067,061	914,739,076	1,467,806,137				
Total Liabilities	632,182,012	958,546,500	1,590,728,512				
Deferred Inflows of Resources	64,996,877	31,869,693	96,866,570				
Net investment in capital assets	371,291,991	547,237,599	918,529,590				
Nonexpendable	433,639	400,000	833,639				
Restricted	21,223,407	7,933,998	29,157,405				
Unrestricted	264,284,913	284,000,284	548,285,197				
Total Net Position	\$657,233,950	\$839,571,881	\$1,496,805,831				

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

### **Ratios and Trends**

PURPOSE: Analyzing key financial ratios and trends over several years enables the City to have a clearer picture of where it has been and where it is going. All ratios are based on governmental funds financial data.

City Trends and Ratios:	2023	2022	2021	2020	2019
Available Fund Balance to Expenditures	36.10%	30.74%	25.56%	21.86%	15.51%
Quick Ratio	2,592%	2,363%	2,297%	1,428%	1,263%
Operational Liquidity	1,371%	1,294%	1,116%	904%	832%
Debt per Population	\$ 530 \$	565 \$	631 \$	701 \$	669
Revenue per Population	\$ 1,371 \$	1,230 \$	1,253 \$	1,255 \$	1,150
Expenditure per Population	\$ 1,246 \$	1,143 \$	1,228 \$	1,306 \$	1,285

<u>Available Fund Balance to Expenditures</u>: Percentages decreasing over time may indicate unstructured budgets that could lead to future budgetary problems for the City, even if the current fund balance is positive. The benchmark for comparable cities in Florida is 20.12% in fiscal year 2022 (1).

<u>Quick Ratio</u>: Percentages decreasing over time may indicate that the City has overextended itself in the long run or may be having difficulty raising the cash needed to meet its current needs. A ratio of 100% or higher is desired. The benchmark for comparable cities in Florida is 1,238.23% in fiscal year 2022 (1).

<u>Operational Liquidity</u>: Decreasing results over time may indicate that the City has overextended itself in the long run or may be having difficulty raising the cash needed to meet its current needs. The benchmark for comparable cities in Florida is 978.38% in fiscal year 2022 (1).

<u>Debt per Population</u>: Increasing results over time may indicate that the City has a decreasing level of flexibility in how resources are allocated or decreasing ability to pay its long-term debt. The benchmark in Florida for comparable cities was \$913 for fiscal year 2022 (1).

**Revenue per Population:** Decreasing results indicate that the City may be unable to maintain existing service levels with current revenue sources. The benchmark in Florida for comparable cities was \$1,500 for fiscal year 2022 (1).

**Expenditures per Population:** Increasing results may indicate that the cost of providing services is outstripping the City's ability to pay (i.e., the City may be unable to maintain services at current levels.) The benchmark in Florida for comparable cities was \$1,494 for fiscal year 2022 (1).

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

SUMMARY: The City has continuing efforts to improve its overall condition and is living within its financial means, improving its liquidity and ability to pay its obligations when due. These measures along with consistent revenue sources in fiscal year 2023 position the City to continue to improve the quality of city services and remain fiscally solid in the near future.

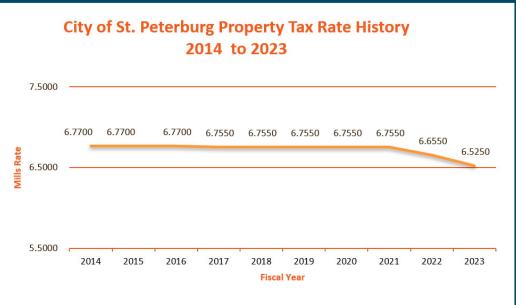
## **Understanding Property Taxes**

Ad valorem tax or "property tax" is a major source of revenue for local governments in Florida. However, it is a limited revenue source. The Florida Constitution caps the millage rate assessed against the value of the property at 10 mills per taxing entity. That is, taxing units are prohibited from levying more then \$10 in taxes per \$1,000 of taxable value on properties they tax, without obtaining voter approval at least every two years. The City's tax year 2022 operating millage rate collected during fiscal year 2023 was 6.5250 mills.







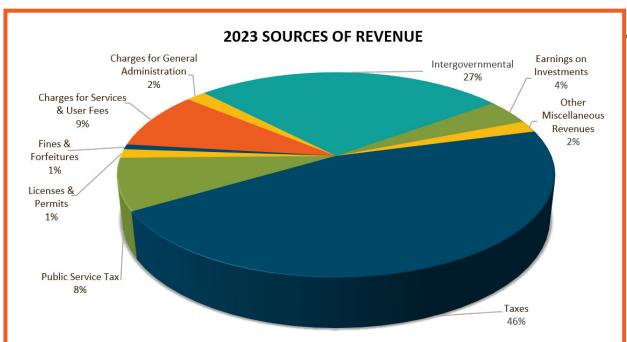


Your City taxes will make up less than one-third of your total property tax bill.

Even when the City's tax rate is reduced, you may pay more taxes if your property value increases or other taxing authorities raise their rates.

### Where The Money Comes From • Governmental Funds Revenues

For financial reporting the City maintains 32 individual governmental funds. Governmental funds are those primarily supported by tax dollars for services and are shown using the current financial resources measurement focus and modified accrual basis of accounting. The governmental funds reflect the City's basic services provided, including public safety, transportation, general government administration and culture and recreation. The majority of services provided are supported through property tax, public service tax, franchise tax, state shared taxes and direct charges for services revenues.



2023		2022
\$ 206,072,631	\$	182,864,707
36,971,854		33,942,329
6,289,526		8,158,892
3,617,999		3,271,111
41,167,912		37,432,770
7,942,634		7,786,895
122,729,258		132,422,268
18,004,690		(15,956,211)
8,408,244		9,343,581
\$ 451,204,748	\$	399,266,342
	\$ 206,072,631 36,971,854 6,289,526 3,617,999 41,167,912 7,942,634 122,729,258 18,004,690 8,408,244	\$ 206,072,631 \$ 36,971,854 6,289,526 3,617,999 41,167,912 7,942,634 122,729,258 18,004,690 8,408,244

# SOURCES OF REVENUE DEFINITIONS

TAXES • City-imposed property, franchise and occupational taxes

PUBLIC SERVICE TAX • City-imposed utility taxes

LICENSES & PERMITS •
Economic Development building permit
fees, contractor licensing fees and special
events permits

FINES & FORFEI-

TURES • Receipts from fines and penalties imposed for violations of statutes and ordinances

CHARGES FOR SERVICES & USER FEES • Receipts collected from the public for services rendered (e.g. parks & recreation programs, use of off-duty police personnel, etc.)

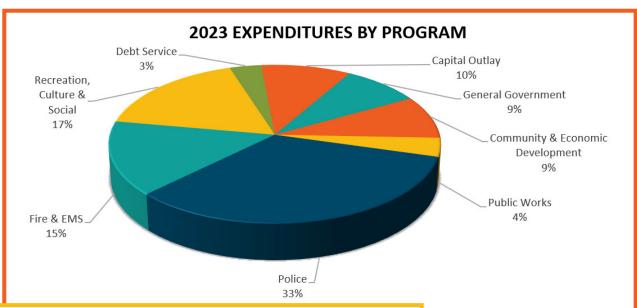
CHARGES FOR GENERAL ADMINISTRATION • Revenue collected from the City's business-type funds for general governmental services rendered

INTERGOVERNMENTAL • includes federal, state and other grant revenues as well as the City's share of taxes imposed by the State of Florida and Pinellas County.

Governmental revenues increased \$52 million in fiscal 2023 as compared to the prior year primarily due to tax revenue and earnings on investments. In 2023 the City had positive earnings from investments due to a more favorable market for investments earnings and unrealized gains as compared to the investment earnings and unrealized losses in the prior year. Notably, property tax increased 12.8% or \$20.3 million despite a millage rate reduction as taxable values continued to rise. Intergovernmental revenues decreased due to the nature of grants and contributions that vary year to year. Governmental revenues continued to benefit from ongoing commercial and residential development, construction permitting, and expansion of events and recreational programs.

### Where The Money Goes • Governmental Funds Expenditures

The City governmental funds expenditures have experienced an \$39 million increase in total expenditures from fiscal year 2022 to 2023. Public Safety is always a community priority and consistently ranks as the largest outlay. Police expenditures increased primarily as a result of salary increases, ongoing operational needs, and additional required pension expenditures of \$4.6 million in the current year as compared to the prior year. Many program expenses increased overall due to salary increases and other inflationary impact operating expenditures. Community & Economic Development experienced a significant increase due to additional programs applied to and awarded from the South St. Pete Community Redevelopment Area of \$4.1 million and from the America Rescue Plan Act funding of \$3.4 million higher than the prior year. The General Government category also has an additional \$2.1 million in grant expenditures from the America Rescue Plan Act funding in the current year as compared to the prior year.



Expenditure by Program	2023	2022
General Government	\$ 34,815,010	\$ 32,235,896
Community & Economic Development	36,031,401	27,578,486
Public Works	15,654,451	14,164,359
Police	136,336,868	123,556,732
Fire & EMS	61,969,481	57,679,995
Recreation & Culture	70,900,905	67,508,743
Debt Service	14,262,508	12,938,053
Capital Outlay	 40,085,681	35,415,170
	\$ 410,056,305	\$ 371,077,434

#### **EXPENDITURES BY PROGRAM DEFINITIONS**

**GENERAL GOVERNMENT** • Consists of services that benefit the public and City as a whole

**PUBLIC SAFETY: POLICE** • Includes the 7 bureaus of the Police department

**PUBLIC SAFETY: FIRE & EMS •** Includes the Fire and EMS divisions

**PUBLIC WORKS** • Reflects the costs incurred

for planning and maintaining public infrastructure such as city roads, medians and city facilities

**COMMUNITY & ECONOMIC DEVELOPMENT** • Consists of costs of providing services which develop and improve the economic condition of the community

**RECREATION, CULTURE & SOCIAL** • Includes the costs of providing libraries, parks and recreational/cultural facilities and programs

**DEBT SERVICE** • Includes principal and interest payments on municipal debt.

CAPITAL OUTLAY • Expenditures of the City's Capital Improvement Program projects.



### **Enterprise Funds • Major Funds**

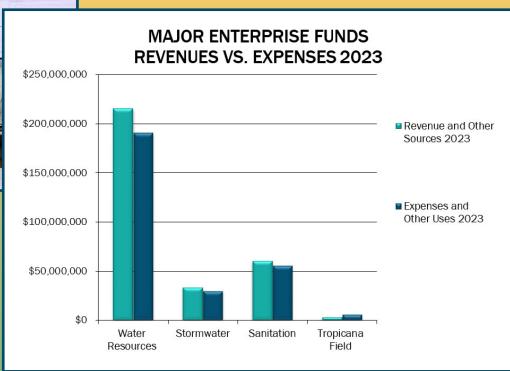
For financial reporting the City operates 14 enterprise funds that are primarily supported by "business" charges for services such as water, stormwater, sanitation, and other charges, and are shown using the economic resources measurement and accrual basis of accounting. Enterprise funds are set apart from other revenue sources and governmental funds as they are designed to highlight the extent to which fees and charges are sufficient to cover the cost of providing goods and services.

The major enterprise funds at the City are the Water Resources, Stormwater, Sanitation and Tropicana Field Funds. The other enterprise funds at the City are the Airport, Port, Marina, Golf Courses, Jamestown Complex, Parking, Pier, Mahaffey Theater, Coliseum and Sunken Gardens.



#### **MAJOR ENTERPRISE FUNDS:**

The revenues versus expenses comparison demonstrates if funds have sufficient resources to pay operating costs and debt and interest payments during the year to operate as self-supporting enterprise funds.



Water resources experienced an increase in net position in 2023 (revenues and other sources were approximately \$24.8 million higher than expenses and other uses) due primarily to utility rate increases. The utility rate increases (and thus excess revenues over expenditures) are to be used to fund significant utility system capital improvements and related future debt service payments. As compared to the prior year, total expenses and other uses experienced an increase of \$18.8 million while revenues and other sources increased by \$34.8 million.

**Stormwater** experienced an increase in net position of \$3.8 million in 2023 primarily due to the rate increases for funding planned projects in the upcoming capital plan. Compared to the prior year, expenses and other uses experienced an increase of \$5.7 million, while total revenues and other sources increased \$5.9 million.

**Sanitation** results show an increase in net position of \$4.9 million in 2023 due to the rate increases which will be used to invest in planned facility, service and equipment improvements and additional operating expenses. Compared to the prior year, expenses and other uses experienced an increase of \$3.3 million, while total revenues and other sources increased \$4.1 million.

**Tropicana Field** results showed a \$2.8 million decrease in net position in 2023 compared to a decrease of \$3.1 million in the prior year. Decreases are primarily due to significant depreciation expense on capital assets, which was \$3.0 million of the overall \$6 million of expenses and other uses in 2023.

**Enterprise Funds • Nonmajor Funds** 

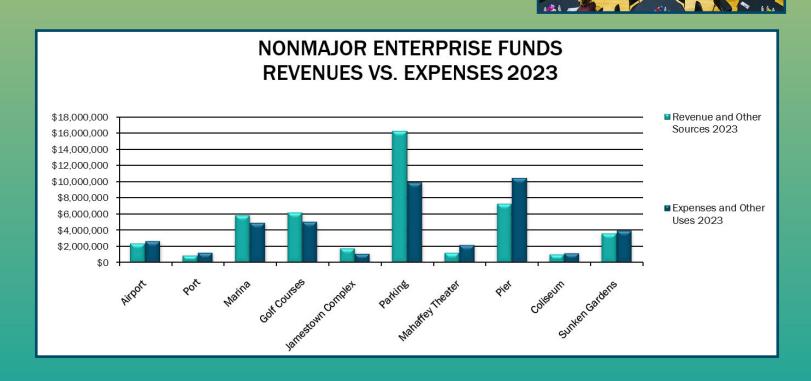
### **NONMAJOR ENTERPRISE FUNDS:**

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

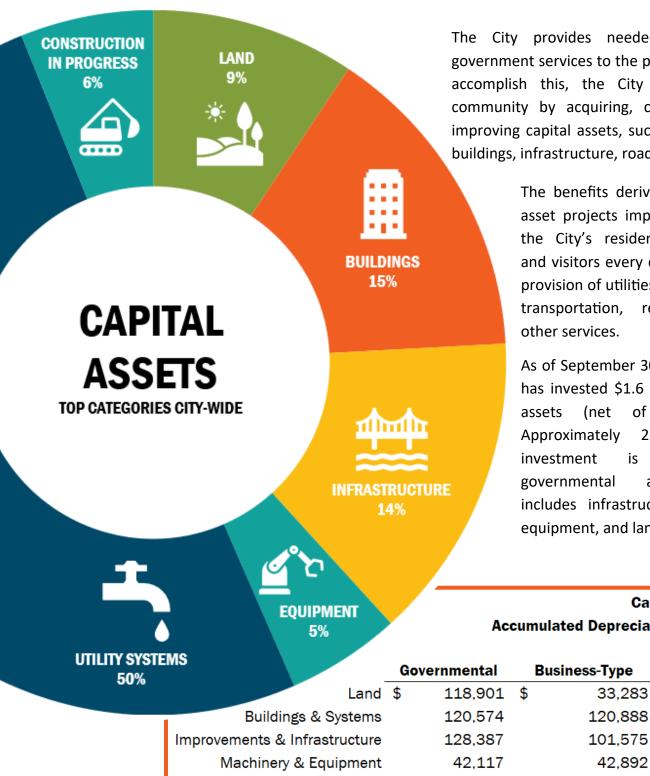
In 2023, the Parking, Golf, and Marina funds had sufficient operating revenues and other sources to cover the costs of providing services. The Port, Jamestown Complex,

Mahaffey Theater, Coliseum and Pier funds all received transfers or loans from the General Fund to support operations. The Airport and Port funds also received capital assets (construction in progress) from governmental-activities-sponsored funding sources, such as tax increment financing and grants, that is included in the total for revenues and other sources, while Sunken Gardens contributed to capital projects for facility improvements which is included in expenses and other uses.





**Capital Assets** 



The City provides needed and desired government services to the public. In order to accomplish this, the City invests in the community by acquiring, constructing and improving capital assets, such as equipment, buildings, infrastructure, roads, and land.

> The benefits derived from capital asset projects impact the lives of the City's residents, businesses, and visitors every day through the provision of utilities, health, safety, recreation,

> As of September 30, 2023, the City has invested \$1.6 billion in capital assets (net of depreciation). 27.4% of this related to activities and includes infrastructure, buildings, equipment, and land.

Capital Assets, Net of Accumulated Depreciation (in Thousands)

Total

	U	overninentai	Busiliess-Type	iotai
Land	\$	118,901	\$ 33,283	\$ 152,184
Buildings & Systems		120,574	120,888	241,462
Improvements & Infrastructure		128,387	101,575	229,962
Machinery & Equipment		42,117	42,892	85,009
Utility Systems		-	822,503	822,503
Leased Buildings/Equipment		450	61	511
Right-to-Use Subscriptions		3,342	10	3,352
Construction in Progress		34,717	64,733	99,450
	\$	448,488	\$ 1,185,945	\$ 1,634,433

### **Debt Outstanding**

The City of St. Petersburg primarily issues debt to pay for large and long-term capital improvements including but not limited to water and wastewater utility systems, City facilities, and equipment. Sometimes existing debt is refunded with new debt to achieve savings on interest costs. City debt is structured to be repaid over time as it is being used to finance long-life assets, spreading out the cost across present and future users of these assets. Furthermore, each issuance of debt is funded and secured by specific revenue sources that cannot be altered. For example, Public Utility Enterprise debt must be paid for by Water and Stormwater Utility Operating Revenues.

As of September 30, 2023, the total gross indebtedness of the City was \$838.1 million. A comparison of gross debt of \$822.1 million as of September 30, 2022, shows an increase of \$16 million during the year. Governmental debt had a net decrease of \$13.2 million in gross debt due to principal payments. Enterprise debt (see next page) had a net increase of \$29.2 million in gross debt due to \$50.8 million in debt issuances and \$21.6 million in principal payments.

#### GOVERNMENTAL ACTIVITIES

Purpose	Funded By	Category	2023	2022	2021
	Funded by Tax Increment				
Construction of Pier and Pier	Financing; Pledged by	Public Service Tax Revenue			
Approach	Public Service Tax	Bonds	\$ 44,680,000	\$ 48,785,000	\$ 52,725,000
Police Training Facility and					
Parking Garage (Paid off in	Penny for Pinellas				
FY23)	General Fund	Non-Ad Valorem Revenue Notes	-	2,595,000	5,145,000
	Federal Interest Subsidy				
	(QECB)				
City Facility Solar Panels	General Fund	Non-Ad Valorem Revenue Notes	1,869,000	2,020,000	2,165,000
Infrastructure and Buildings	Penny for Pinellas				
Capital Projects	General Fund	Non-Ad Valorem Revenue Notes	18,340,000	20,785,000	23,190,000
Public Safety Equipment	General Fund	Non-Ad Valorem Revenue Notes	1,010,000	2,010,000	3,000,000
	State Professional Sports				
Professional Sports Franchise	Franchise Facility Tax				
Facility (Tropicana Field)	Revenue	Non-Ad Valorem Revenue Notes	5,230,000	7,120,000	7,665,000
	Equipment Replacement	Equipment Lease - Finance			
Public Safety Radios	Fund	Purchase	3,087,031	4,081,834	5,146,027

\$ 74,216,031 \$ 87,396,834 \$ 99,036,027

The City consistently achieves some of the highest bond ratings possible from the major ratings agencies Moody's and Fitch. High bond ratings indicate that the city is financially strong, stable and able to repay its debt, which generally results in lower interest costs.

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

### **Debt Outstanding**

#### **BUSINESS TYPE ACTIVITIES**

Purpose	Funded By	Category	2023	2022	2021
Water and Waste Water	Water and Stormwater				
Projects	Utility Operating Revenues	Public Utility Revenue Bonds	\$702,695,000	\$685,605,000	\$701,005,000
Southwest Water Reclamation	Water and Stormwater	Public Utility State Revolving			
Facility Projects	Utility Operating Revenues	Fund Loans	43,676,488	46,240,190	48,794,632
2022 and prior: Containers and trucks for City's Recycling Program (Paid off in FY23) 2023: Construction of the Sanitation Administrative	Sanitation Operating	Non-Ad Valorem Revenue Notes -			
	, ,		45 055 000	200 000	F7F 000
Building	Revenues	Sanitation	15,255,000	290,000	575,000
	Marina Operating	Non-Ad Valorem Revenue Notes -			
Marina Capital Improvements	Revenues	Marina	2,300,000	2,560,000	3,200,000

\$763,926,488 \$734,695,190 \$753,574,632



In October 2022, the City issued Non-Ad Valorem Refunding Revenue Note, Series 2022 for \$15.3 million at a fixed interest rate of 3.230%. This Note will finance the cost of capital projects for infrastructure and buildings, including, a sanitation administrative building.

In November 2022, the City issued Public Utility Revenue Bonds, Series 2022B for \$35,590,000, proceeds from which will be used for upgrades to water reclamation facilities, wastewater lift stations, wastewater collection system, computer resources and support facilities, stormwater system, and the acquisition, construction, and erection of improvements to the System.

The City continues to monitor for opportunities to refinance or refund existing long term debt as regulatory and market conditions permit. The City had one subsequent debt issuance. In March 2024, the City issued Public Utility Subordinate Lien Bond Anticipation Note, Series 2024 in the amount of \$53,000,000 at a fixed interest rate of 4.240%. This Note will be used to finance the acquisition, construction and erection of additions, improvements and extensions to the combined water, wastewater, reclaimed water and stormwater systems, and matures November 1, 2025.



# PILLARS for PROGRESS

### IN-TOUCH

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

## **INCLUSIVE**

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

## **INNOVATIVE**

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

## **INFORMED**

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

### **IMPACTFUL**

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

## INTENTIONAL

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

# PRINCIPLES FOR ACCOUNTABLE AND RESPONSIVE GOVERNMENT

KENNETH 1. WELCH CITY OF ST. PETERSBURG

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

