

City of St. Petersburg, Florida

Popular Annual Financial Report

For the year ended September 30, 2014

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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, 2014. The report provides you, the citizens, a brief analysis of the City's fiscal operations and showcases the City's various programs and projects. The PAFR is an example of the City's commitment to improve communication with our citizens and increase transparency and public confidence in the government body of the City of St. Petersburg.

The City is committed to providing a full range of services, including police and fire protection, the construction and maintenance of highways, streets and bridges, golf courses, recreation and park facilities, libraries, performing arts, water, wastewater, reclaimed water, stormwater, solid waste, construction permitting and inspection, codes compliance and parking operations to our citizens in spite of difficult economic challenges. These services have been possible due to budgetary controls and continued commercial growth in spite of the difficult economic environment, while single and multi-family taxable values have decreased. 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,

Gary G. Cornwell
City Administrator

Anne A. Fritz
Finance Director

About the Popular Annual Financial Report

The financial information presented in the PAFR is derived from the City's Comprehensive Annual Financial Report (CAFR) and is presented here in summarized form. The CAFR outlines the City's financial position and operating activities for fiscal year 2014 in great detail, includes financial statements audited by Mayer Hoffman McCann P.C. and is prepared in conformance with accounting principles generally accepted in the United States (GAAP).

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 CAFR. The PAFR does not include all funds of the City and component units. Governmental funds are those primarily supported by tax dollars for services such as parks and recreation, public safety and public works and are shown using the current financial resources measurement focus and modified accrual basis of accounting. The enterprise funds are primarily supported by charges for services such as water, stormwater and sanitation and are shown using the economic resources measurement and accrual basis of accounting.

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 CAFR & PAFR are available to be viewed and downloaded at the City's web site at <http://www.stpete.org/finance>.



City of St. Petersburg, Florida

About our City and Demographics

The City of St. Petersburg is the fourth most populous city in the state of Florida and the largest city in Florida that is not a county seat. The City is located on a peninsula between Tampa Bay and the Gulf of Mexico. *American Style* magazine again ranked St. Petersburg its top mid-size city in 2012, citing its “vibrant” arts scene. In addition to the City’s arts scene, the City is home to many sporting events, large notable employers, premiere education institutions and other well known local events.



ARTS:

Chihuly Collection, Dali Museum, Museum of Fine Arts

Growing Warehouse Arts District celebrating “Where Art is Made”

Home to numerous Arts & Music Festivals (i.e. Mainsail Arts Festival)

EDUCATION INSTITUTIONS:

University of South Florida, St. Petersburg

Eckerd College

Stetson Law School

St. Petersburg College

Poynter Media Institute

LARGE NOTABLE EMPLOYERS:

Raymond James & Associates

All Children’s Health System

Home Shopping Network

FIS Management Services

Publix Supermarkets

SPORTS:

Tampa Bay Rays, MLB (baseball)

Tampa Bay Rowdies, NASL (soccer)

Firestone Grand Prix of St. Petersburg (Indy Cars)

St. Anthony’s Triathlon, among others

County:	Pinellas County
Area (land):	60.9 Square Miles
Incorporated:	1893
Population:	246,642
Median Household Income:	\$45,044
Median Housing Value (2009-2013):	\$144,700
Median Resident Age:	41.8
Average Household Size:	2.29
Bachelor’s Degree or Higher:	28.7%
Per Capita Income:	\$27,972

* Information obtained from U.S. Census Bureau, 2013 American Community Survey 5-Year Est.

City of St. Petersburg, Florida

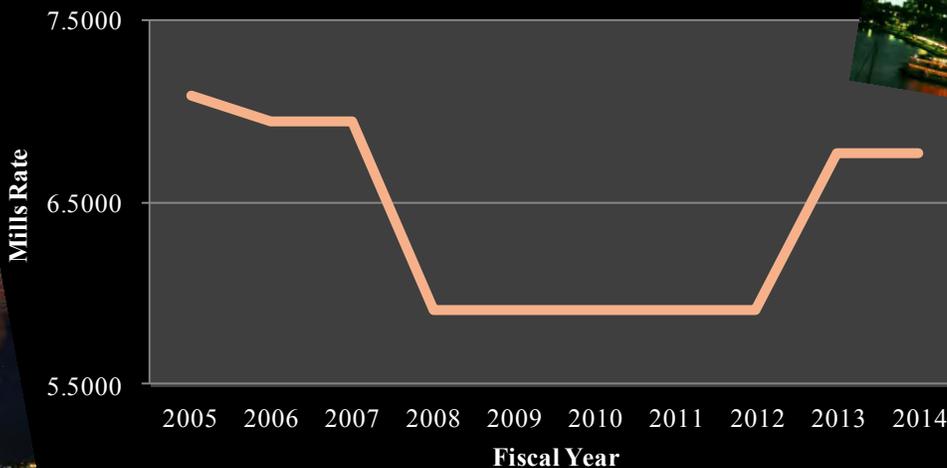
Understanding Property Taxes

Background: Ad valorem tax or “property tax” is a major source of revenue for local governments in Florida. However, property tax is a limited revenue source. The Florida Constitution caps the millage rate assessed against the value of the property at 10 mills per taxing entity. That is, taxing units are prohibited from levying more than \$10 in taxes per \$1,000 of taxable value on properties they tax, without obtaining voter approval at least every two years. The City’s tax year 2013 operating millage rate collected during fiscal year 2014 was 6.7700 mills.



Your property tax bill contains more than just your City taxes. You also pay property taxes to the Pinellas County Board of County Commissioners, the School Board, the Southwest Florida Water Management District, the Pinellas Planning Council, Emergency Medical Services, the Juvenile Welfare Board and the Pinellas Suncoast Transit Authority. **Your City taxes will make up less than one-third of your total property tax bill.** Even when the City’s tax rate is reduced, you may pay more taxes if your property value increases or other taxing authorities raise their rates.

City of St. Petersburg Property Tax Rate History 2005 to 2014



City of St Petersburg, Florida

Where the Money Comes From — Governmental Funds Revenues

For financial reporting the City maintains 32 individual governmental funds. Governmental funds are those primarily supported by tax dollars for services and are shown using the current financial resources measurement focus and modified accrual basis of accounting. The governmental funds reflect the City's basic services provided, including public safety, transportation, general government administration and culture and recreation. The majority of services provided are supported through property tax, utility tax, franchise tax, state shared taxes and direct charges for services revenues. The City of St. Petersburg has benefited from continued commercial growth in a difficult economic environment. The City experienced its second increase in real property taxable values in fiscal year 2014 after five years of declining taxable values.

Source of Revenue	FY 2014
Taxes	\$ 143,090,724
Licenses & Permits	5,173,123
Fines & Forfeitures	3,793,324
Charges for Services & User Fees	25,267,284
Charges for General Administration	9,412,752
Federal, State and Other Grants	9,780,135
State - Taxes	25,704,858
Pinellas County- Taxes	36,252,580
Earnings on Investments	5,196,708
Other Miscellaneous Revenues	5,244,272
	\$ 268,915,760

Sources of Revenue Definitions

Taxes—includes the City's portion of property, utility, communication, occupational and franchise taxes.

Licenses and Permits—includes Economic Development building permit fees, contractor licensing fees and special events permits.

Fines and Forfeitures—receipts from fines and penalties imposed for violations of statutory and ordinances.

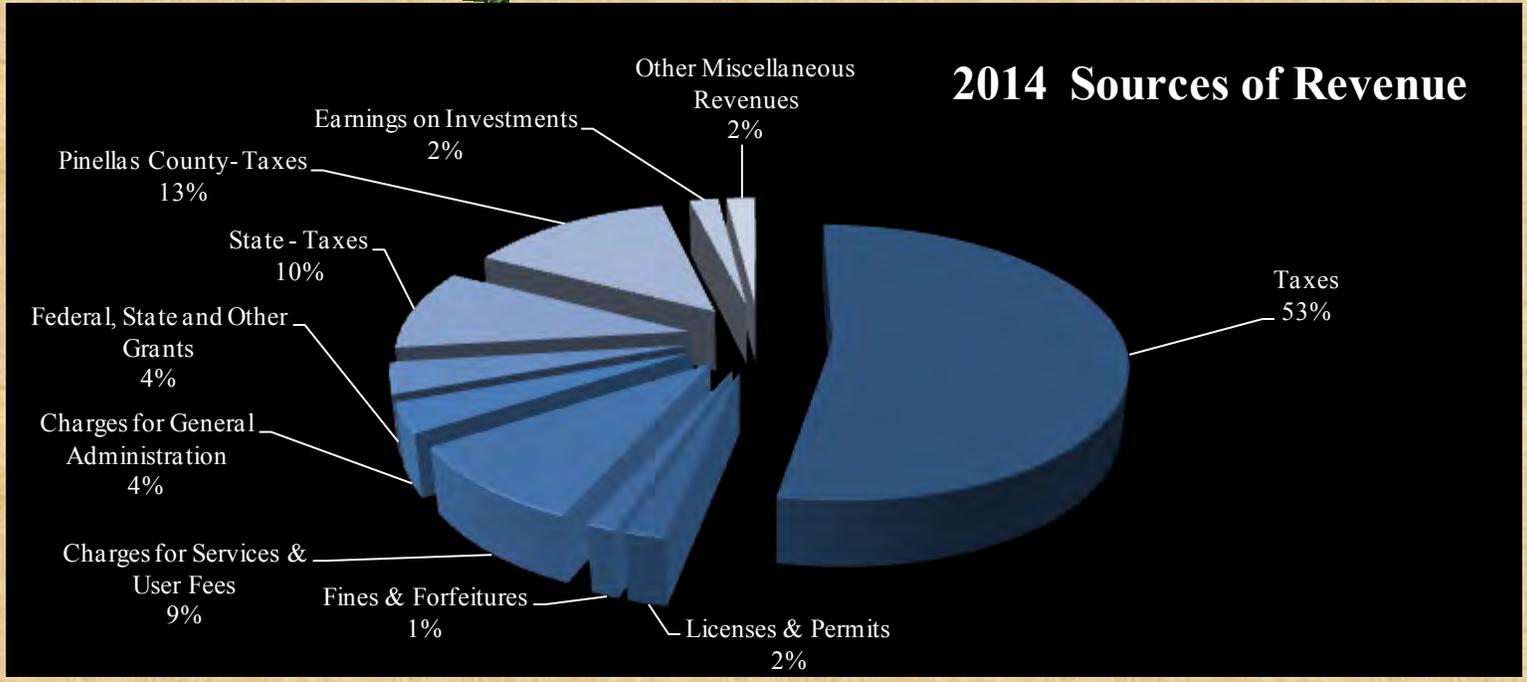
Charges for Services & User Fees—receipts collected from the public for services rendered (e.g. parks & recreation programs, use of off-duty police personnel, etc)

Charges for General Administration—revenue collected from the City's business -type funds for general governmental services rendered.

Federal, State and Other Grants—restricted revenues received from other governments and organizations.

State—Taxes—revenue received from Florida levied shared taxes.

Pinellas County—Taxes—includes the City's portion of the Pinellas County tourist development tax, along with sales, use and fuel taxes.



City of St Petersburg, Florida

Where the Money Goes—Governmental Funds Expenditures

The City governmental funds expenditures have experienced a 9% increase in total expenditures from fiscal year 2013 to 2014 due to a \$17 million debt service expenditure on refunding debt. Total governmental expenditures excluding the refunding debt service expenditure is approximately \$269 million in expenditures, or a 2% increase from the prior year. Public Safety, recognized as a community priority, consistently ranks as the largest outlay. The City has implemented City-wide budget reductions since 2008 in which City departments have reduced costs and maintained service levels. The significant budgetary reductions were not fully realized in citywide areas of expenditures, as other non-controllable expenditures increased due to inflation or other external changes such as healthcare costs.

Expenditure by Program	FY 2014
General Government	\$ 16,058,051
Community & Economic Development	17,292,165
Public Works	11,078,333
Police	90,914,374
Fire & EMS	44,942,714
Recreation & Culture	44,713,043
Debt Service	34,877,365
Capital Outlay	26,713,335
	<u>\$ 286,589,380</u>

Expenditures by Program Definitions

General Government—consists of services that benefit the public and City as a whole.

Police—includes the 7 bureaus of the Police department.

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.

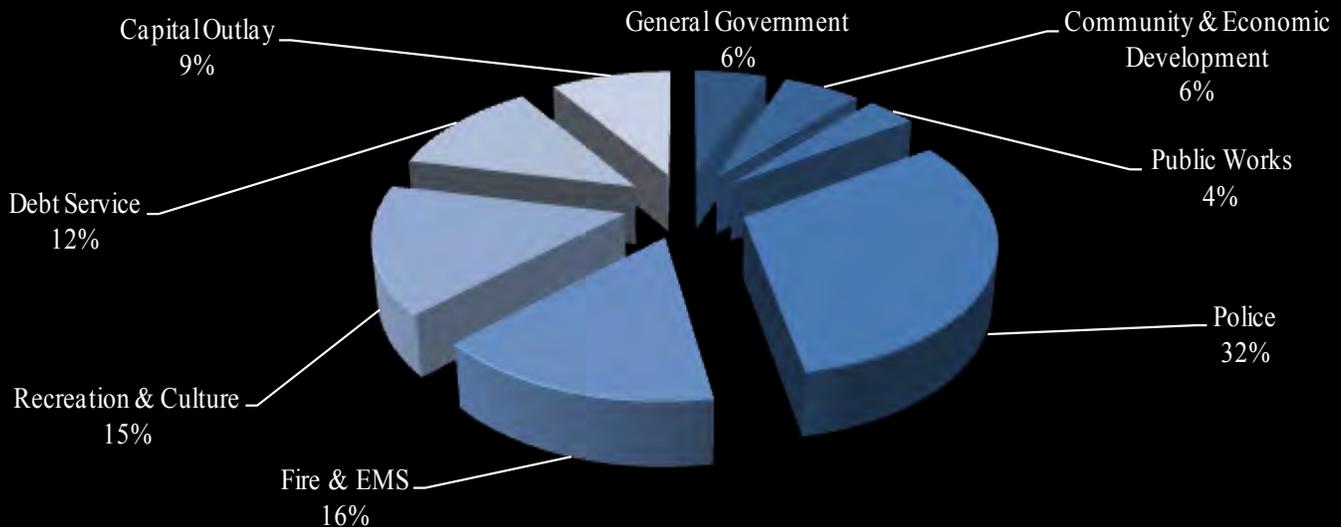
Recreation & Culture— includes the costs of providing libraries, parks and recreational / cultural facilities.

Debt Service—includes principal and interest payments on municipal debt.

Capital Outlay—expenditures of the City’s Capital Improvement Program projects.



2014 Expenditures by Program



City of St Petersburg, Florida

Enterprise Funds of the City

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. 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 Course, Jamestown Complex, Parking, Pier, Mahaffey Theater, Coliseum and Sunken Gardens. Enterprise funds are set apart from other revenue sources and governmental funds as they are designed to be self-supporting funds. Self-supporting funds have sufficient operating revenues to pay operating expenses.



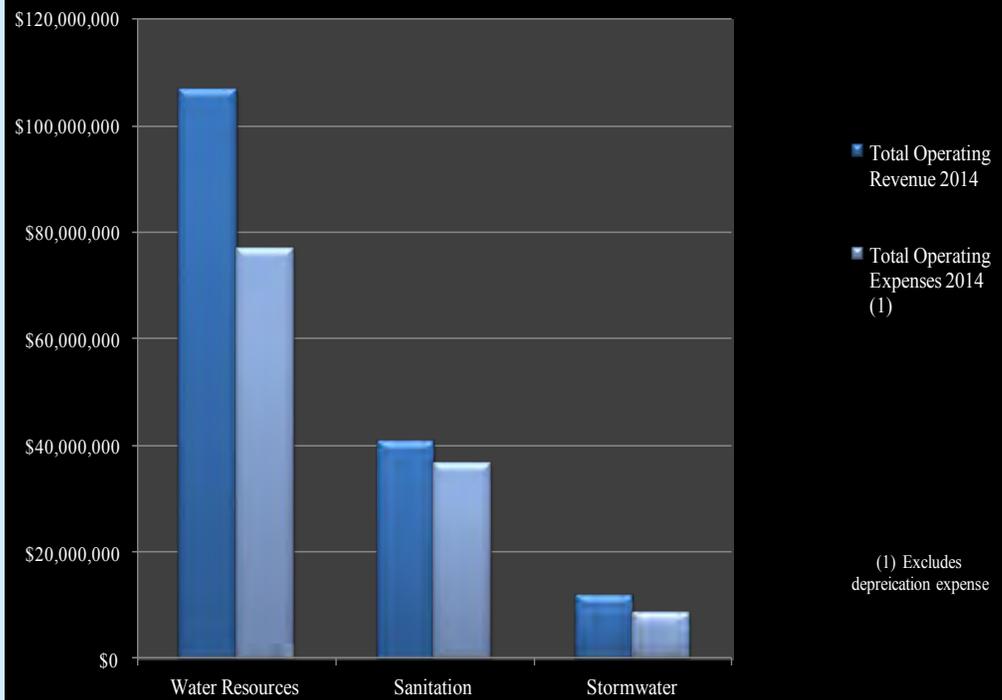
Significant Enterprise Funds:

The Water, Stormwater and Sanitation funds have operating revenues in excess of operating expenses (excluding depreciation expenses) in fiscal year 2014. This comparison demonstrates that the funds should have sufficient cash flows to pay debt and interest payments due during the year and operate as self-supporting enterprise funds. Revenues raised from the Water and Stormwater fees are also used to maintain and improve these important infrastructures.

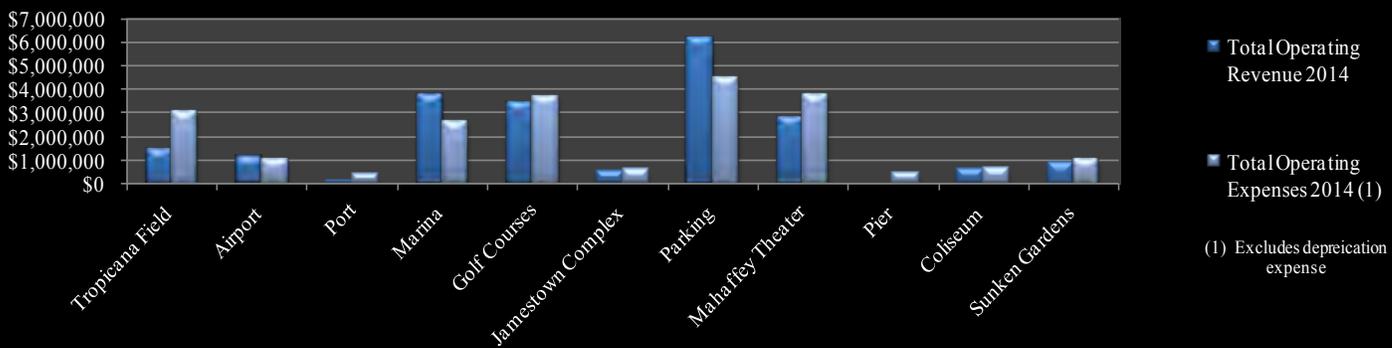
Other Enterprise Funds:

Many of the other enterprise funds at the City have experienced rising costs of providing services due to inflation or increased healthcare costs and have not been able to increase charges for services to continue as a self-supporting enterprise fund. During fiscal year 2014, 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.

Significant Enterprise Funds - Revenues v. Expenses (1) 2014



Other Enterprise Funds - Revenues v. Expenses (1) 2014



City of St. Petersburg, Florida

Ratios and Trends

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

Ratio and Trend	2014	2013	2012	2011	2010
Available Fund Balance to Expenditures	13.84%	11.86%	10.74%	14.58%	18.34%
Quick Ratio	677.59%	726.79%	628.28%	553.65%	652.26%
Operational Liquidity	764.41%	708.49%	588.88%	600.14%	684.85%
Debt per Population	\$ 435	\$ 468	\$ 520	\$ 589	\$ 526
Revenue per Population	\$ 984	\$ 963	\$ 942	\$ 972	\$ 1,085
Expenditure per Population	\$ 1,049	\$ 968	\$ 1,110	\$ 1,089	\$ 1,160

Available Fund Balance to Expenditure Trend: 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 12.11% in fiscal year 2013 (1).

Quick Ratio: Percentages decreasing over time may indicate that the City has overextended itself in the long run or may be having difficulty raising the cash needed to meet its current needs. A ratio of 100% or higher is desired. The benchmark for comparable cities in Florida is 515.22% in fiscal year 2013 (1).

Operational Liquidity Trend: 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 586.75% in fiscal year 2013 (1).

Debt per Population: Increasing results over time may indicate that the City has a decreasing level of flexibility in how resources are allocated or decreasing ability to pay its long-term debt. The benchmark in Florida for comparable cities was \$1,604 for fiscal year 2013 (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 \$1,115 for fiscal year 2013 (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 \$1,168 for fiscal year 2013 (1) .

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



Saturday Morning Market

Overall Summary: After the economic downturn in 2010, the City has been putting forth 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 increases in revenue in fiscal year 2014 position the City to continue to improve the quality of city services and remain fiscally solid in the near future.

Spotlight on Departments: ***POLICE***



Anthony Holloway
Chief of Police



The Police Department has a new police chief and a new approach to community policing. Chief Anthony Holloway initiated 'Park, Walk and Talk' where every officer is expected to spend time walking through their patrol area and talking to residents.



Officer Lesandro Santiago was chosen as the Officer of the Year by the Exchange Club. Besides being an excellent police officer, he was recognized for his charitable work helping a family who lost their home weeks before the holidays.



The Street Crimes Unit is a highly flexible group to specifically address policing problems throughout the City, such as street level drug dealing, narcotics and prostitution, utilizing both traditional and contemporary methodologies.

City of St. Petersburg, Florida

Spotlight on Parks & Recreation

Bartlett Park & Frank W. Pierce Recreation Center

Location: 2000 7th St. S.

Park Hours: Open Daily 30 minutes before sunrise and closes 30 minutes after sunset.

Center Hours: Monday to Thursday 7:00 am—8:00 pm, Friday 7:00 am to 7:00 pm, and Saturday 9:00 am—3:00 pm

www.stpeteparksrec.org/bartlett-park.html

The 22.3 Acres Bartlett Park Features:

- Playground and Playcamp site
- 2 Lighted Football/Soccer Fields
- 2 Lighted Outdoor Basketball Courts
- 4 Lighted Tennis Courts

Frank W. Pierce Recreation Center has a long standing tradition of youth activities such as elementary and teen camps, sporting facilities and playground equipment as well as classes and activities for all ages. A complete listing of the classes and activities at the center is available online.

Azalea Park & Recreation Center

Location: 1600 72nd Street North

Park Hours: Open Daily 30 minutes before sunrise until 30 minutes after sunset.

Center Hours: Monday 9:00 am—9:00 pm, Tuesday 11:30 am-9:00 pm, Wednesday 4:00 pm –9:00 pm and Thursday 4:00 pm –8:00 pm

www.stpeteparksrec.org/azalea-rec.html

Azalea Park Features:

- Playground and Picnic Shelter
- Lighted Football/Soccer Fields,
- 2 Lighted Outdoor Basketball Courts,
- Lighted Softball Fields & Non-Lighted Softball Field
- 4 Lighted Tennis Courts & Lighted Racquetball/Handball Court

Azalea Recreation Center is unique offering both adult and child fee classes as well as classes to meet the needs of participants with disabilities through Therapeutic Recreation. A complete listing of the classes and activities is available online.



City of St. Petersburg, Florida

City Mayor and City Council Members



Mayor Rick Kriseman



District 1:
Charlie Gerdes, Chair



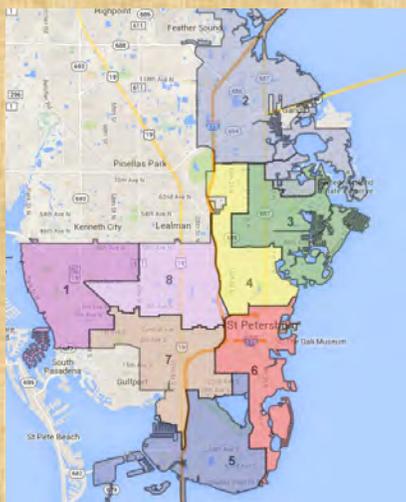
District 2:
Jim Kennedy



District 3:
Bill Dudley



District 1:
Darden Rice



District 5:
Steve Kornell,



District 6:
Karl Nurse



District 7:
Wengay "Newt"
Newton



District 8:
Amy Foster, Vice Chair

Stay Connected

Finance Department Telephone: (727) 893-7304 Fax: (727) 893-7120

The City is going live with a new web-based platform OpenGov in 2015. The new platform to be available on the City's web site will enable the City to share our financial data with the public to improve financial transparency and communication.



@StPeteFL General city news, developments and new videos

@StpetePD News and information directly from your local police department

@StPeteParkRec Discover what's going on in our parks and recreation center

