

Proposed Annual Budget

Fiscal Year 2019

For the Year Ending September 30, 2019



PENSACOLA
THE UPSIDE of FLORIDA

City of Pensacola, Florida
Ashton J. Hayward, Mayor

CONGRATULATIONS
Much Has Been Accomplished

FITCH RATING AGENCY

March 22, 2017 Rating

- Fitch Affirms Pensacola's Non-Ad Valorem Revenue Bonds At 'AA'; Outlook Stable
- Key Rating Drivers
 - Revenue Framework
 - *"Fitch believes that the city's independent legal revenue-raising ability is significant."*
 - *"The largest source of general fund revenue is the ad valorem tax levy. Ad valorem property tax rates are subject to a non-voted statutory limit of 10 mills. The city's adopted fiscal 2017 budget includes a 4.29 millage rate which is well below the limit."*
 - *"The city also has the ability to increase various license and permit revenues and service charges that make up a smaller but still notable portion of its revenue base."*

FITCH RATING AGENCY

March 22, 2017 Rating

- Expenditure Framework
 - *“Fitch expects the natural pace of spending growth to remain in line with to marginally above revenue growth.”*
 - *“The city has adequate expenditure flexibility including the ability to manage the size of its labor force.”*
 - *“Carrying costs for debt service and annual pension and OPEB contributions are somewhat elevated but still moderate at 25% of governmental expenditures in fiscal 2016.”*

FITCH RATING AGENCY

March 22, 2017 Rating

- Operating Performance
 - *Fitch believes the city's high inherent budget flexibility, reflecting its strong revenue raising ability and adequate expenditure flexibility, supplemented by high reserves, provide it with the ability to address a decline of that magnitude while maintaining a high level of financial resilience."*
 - *The unrestricted reserves have remained at or above 20% of general fund expenditures since fiscal 2009 reflecting the city's strong financial operations; reserves totaled \$14 million, 28% of spending and transfer out, at fiscal 2016 year-end."*
 - *"The city maintained ample financial resilience throughout the Great Recession due to management's conservative budgeting and ability to manage expenditure growth."*
 - *"Fitch believes that the projected general fund balances will continue to support strong financial resilience."*

Mauldin & Jenkins

Independent Auditors

- **The quality of the financial reporting is responsibility and representation of the City's management and the City Council. Management is responsible for the fair presentation of the financial statements.**
- FY 2013 Audit Comments
 - *"We found out when we go in here that the Financial Services Department does an excellent job at keeping records."*
- FY 2014 Audit Comments
 - *"You guys have a great system of controls and we appreciate the opportunity to work with the City."*

Mauldin & Jenkins

Independent Auditors

- FY 2015 Audit Comments
 - *“The systems that you have in place really make the entire process go great. You are transparent as any client that I have dealt with.”*
- FY 2016 Audit Comments
 - *“The City went through that process with flying colors.”*
- FY 2017 Audit Comments
 - *“Another good year and good job by the City.”*

The City Is Fiscally Sound and Financially Responsible

- Prudent Fiscal Policy
 - Fiscal Discipline
 - Responsible Spending Habits
 - Living Within Our Means
- FY 2019 Budget Accomplishes These Things
- Major Accomplishments From 2011 - 2018

FY 2011 – FY 2018 Accomplishments

🌀 **CREATING JOBS AND ECONOMIC OPPORTUNITY**

- ✓ Provided vision and leadership in working with Escambia County, the State of Florida and the private sector to bring VT-MAE (ST Engineering) to the Pensacola International Airport; an investment of \$46 million expected to employ more than 400 people.
- ✓ Annexed 33 parcels into the City of Pensacola adding over \$3 million to the taxable valuation within the City. In addition, annexed 61 parcels owned by the City for the Airport Commerce Park development. Once developed these parcels will increase the taxable valuation in the City as well.
- ✓ Accelerated the development of the Airport Commerce Park by obtaining State Grants. A total of 119 parcels have been purchased with 2 parcels remaining.
- ✓ Attracted a UPS Regional Cargo Facility to the Pensacola International Airport which brought 35 jobs to our community and an international shipping presence to our Airport.
- ✓ Facilitated the addition of Southwest Airlines and Frontier Airlines at the Pensacola International Airport.
- ✓ Experienced a revitalization of downtown Pensacola due to the completion of the Community Maritime Park. Developments include the Bank of Pensacola new main branch, a new downtown YMCA, the Artisan mixed-use project, the \$50 million Southtowne Apartments mixed-use project, a new Holiday Inn Express and Maritime One and Maritime Place office buildings located at the Maritime Park.
- ✓ Received the American Planning Association Great Places in Florida 2017 People's Choice Award for Downtown Pensacola.
- ✓ Received the Urban Land Institute North Florida Open Space 2016 Award for the Vince Whibbs Sr. Community Maritime Park.
- ✓ Received the 10 Great Streets 2013 Award for Palafox Street from the American Planning Association.
- ✓ Earmarked funding in the amount of \$10.2 million from the LOST IV Plan for economic development incentives.

FY 2011 – FY 2018 Accomplishments

PROMOTING A HEALTHY ENVIRONMENT

- ✓ Improved water quality by enhancing stormwater management as a result of spending in excess of \$26 million on stormwater related projects.
- ✓ Invested approximately \$3.6 million in three Compressed Natural Gas (CNG) stations.
- ✓ Experienced a reduction of approximately 9,700 metric tons of CO₂ emissions in Escambia County as a result of the transition to NGVs.
- ✓ Purchased Natural Gas Vehicles (NGV) when replacing city fleet vehicles, where feasible. The City's fleet of NGVs has grown to 51 vehicles.
- ✓ Partnered with Emerald Coast Utilities Authority (ECUA), Escambia County Road Division, Escambia County Engineering Department, the Escambia County Area Transit Authority and the City of Gulf Breeze to transition fleet vehicles to natural gas.
- ✓ Earned the LEED (Leadership in Energy and Environmental Design) Silver Certification for the West Florida Public Library Main Downtown Branch.

FY 2011 – FY 2018 Accomplishments

🌀 **INVESTING IN INFRASTRUCTURE AND NEIGHBORHOODS**

- ✓ Initiated the FY 2017-2019 Street Rehabilitation Project to repave more than 1,800 blocks of City streets. Simultaneously Pensacola Energy is replacing all cast iron pipeline in the City by the end of FY 2019. In total, since Fiscal Year 2011 approximately 3,692 blocks (64.4%) of a total 5,730 city blocks will be rehabilitated.
- ✓ Constructed Woodland Heights Resource Center and the Theophalis May Resource Center.
- ✓ Transformed the gateways to Downtown Pensacola, the Historic District and the Community Maritime Park with the reconstruction and beautification of Main Street.
- ✓ Completed the “A” Street beautification – a critical north-south corridor on Pensacola’s west side and a major artery to the Community Maritime Park.
- ✓ Constructed Admiral Mason Park and received the Florida Stormwater Association 2012 Project Excellence Award.
- ✓ Constructed Corrine Jones Park and received the Florida Stormwater Association 2018 Project Excellence Award for the Government Street Regional Stormwater Pond located at the Park.
- ✓ Collected over 2,415 tons of bulk waste, 7,157 tires and 34,955 gallons of paint during the Monthly Mayor Cleanups around the City.
- ✓ Strengthened Code Enforcement ordinances to include appropriate penalties for owners of abandoned or neglected properties and the ability to abate nuisances including instituting the Code Enforcement Foreclosure Program.
- ✓ Facilitated the sale of surplus City and CRA properties for neighborhood developments such as Hawkshaw for a mixed use development and the old Blount School parcel for infill development of workforce housing.
- ✓ Provided Housing Section 8 rental assistance to approximately 30,000 units annually.
- ✓ Provided funding to repair/rehabilitate 154 homes, to construct 22 homes, for down payment assistance on 49 homes and to rapidly rehouse 66 homeless families through various Housing Programs.
- ✓ Created a Housing Initiatives Fund supported by the sale of surplus property.

FY 2011 – FY 2018 Accomplishments

🌀 **RESTORING TRUST AND TAKING ACTION**

- ✓ Reduced the millage rate by 0.25 mills from 4.5395 to 4.2895 which has resulted in savings to the taxpayers of over \$973,300 annually.
- ✓ Increased fund balance in the General Fund approximately \$5.8 million (FY 2017 fund balance in the General Fund is over \$17 million).
- ✓ Increased General Fund Reserves approximately \$3.66 million since FY 2011 (FY 2017 General Fund Reserves are over \$11 million).
- ✓ Negotiated pension reform with all of the collective bargaining units resulting in pension reform measures which at the time reduced the Unfunded Pension Liability by approximately \$15 million.
- ✓ Secured over \$200 million in grant funding from FY 2011 to FY 2017.
- ✓ Retained the firm of Moffatt & Nichol, an international infrastructure advisory firm, to seek input from the numerous stakeholders and the public regarding a new strategic plan for the Port. A final vision plan and reinvestment strategy should be released September 2018.
- ✓ Implemented a 3-1-1 Citizen Request Service which allows citizens to contact the City for any non-emergency request for service via telephone, a web-based interface as well as an app for Smart Phones.
- ✓ Initiated monthly briefings to City Council by the Chief Financial Officer on the City's overall financial status, which supplements the existing quarterly briefings presented to City Council in order to maintain fiscal responsibility and transparency.
- ✓ Recognized by the Florida First Amendment Foundation, scoring third highest among 47 city websites surveyed for the Report Card on Local Government Website Transparency.
- ✓ Reduced the number of City Departments from 17 to 9 while carefully restricting the organization of the City to improve and streamline operations. In addition, reduced the overall number of executive branch positions from 875 to 774.

FY 2019 Proposed Budget

Purpose of Budget

- **Policy Guide**
- **Financial Plan**
- **Operations Guide**
- **Communications Device**

FY 2019 Proposed Budget

Budget Process

- **Budget Developed At Fixed Point In Time**
 - Work Plan For Specific Period Of Time
 - Budget Process Is Fluid
 - New Initiatives, Regulations, Concerns, Priorities
- **What is a Budget?**
 - Planning Tool
 - Financial Plan
 - Policy and Administrative Plan
- **What is a Fund Based Budget?**
 - Each Fund Has Specific Purpose

FY 2019 Proposed Budget

Budget Process

- **Why Do A City Budget?**
 - **Mandated By Florida State Law**
 - **Charter Requirement**
 - *“To prepare and submit the annual budget and capital program to the City Council.”*
- **How Do You Know How Much Money The City Will Have?**
 - **Projections/Estimates**
 - **General Economic Conditions**
 - **Weather Conditions**
 - **Historical Trends**

FY 2019 Proposed Budget

Budget Process

- **How Can You Tell If Your Planning Is Any Good?**
 - Quarterly & Monthly Reports
 - Comprehensive Annual Financial Report (CAFR)
- **Can You Change The Budget Once It Is Adopted?**
 - Budget Transfers
 - Supplemental Budget Resolutions

FY 2019 Proposed Budget

Mayor Hayward's Standing Goals and Strategic Direction

🔄 **Safe**

Everyone who spends time in the City, not just residents, will not only be safe, but feel that they are personally safe and so is their property. The City will be prepared for disasters and provide for the protection of life and property in such event.

🔄 **Attractive**

Public facilities, parks, rights-of-way and other infrastructure will be maintained in a manner that is consistent with the level of maintenance our citizens provide to their private property. City programs and services will contribute to a standard of living that attracts residents, businesses and visitors.

🔄 **Well-Managed**

Core City services will be provided in a manner that maximizes the taxpayers' return on investment. City assets will be managed and safeguarded through reasonable internal controls, policies and systems that ensure legal compliance and fiscal stability. The public will be well-informed and able to fully access City services and participate in local government.

Make it safe.

Make it scenic.

Make it sensational – and they will come.

Dale Allen

Executive Director

Florida Greenways and Trails Foundation

Mayor's Budget Message

FY 2019 Proposed Budget

- **Balanced Budget of \$239.7 Million**
 - Projected Rise of 6.9% in Total Value of Taxable Property
 - Amendment to Increase Homestead Exemption
- **Total Number of Executive Branch Positions – 774**
- **Mayor Hayward's Final Budget**
 - Transition Budget
 - Preserving Flexibility For Next Administration
- **Delivering Quality Services**
 - Public Safety
 - Infrastructure Improvements
 - Disaster Preparedness

Mayor's Budget Message

FY 2019 Proposed Budget

- **Public Safety**
 - **Historically Low Crime Rates**
 - **One of the Most Responsive Fire Departments In The Nation**
 - **Emphasis on Recruiting and Hiring**
 - **Will Allow Us To Fully Staff Public Safety**
 - **Collective Bargaining Agreements**
 - **Tentative Agreement With Three Police Unions**

Mayor's Budget Message

FY 2019 Proposed Budget

- **Infrastructure**
 - **Resurfacing of Over 1800 Blocks of City Streets**
 - **Complete the Replacement of 75 Miles of Aging Cast Iron Natural Gas Lines By End of FY 2019**
 - **More Reliable Infrastructure**
 - **Better Environmental Outcomes**
 - **Less Potential For Emergency Interruptions to Service Delivery**

Mayor's Budget Message

FY 2019 Proposed Budget

- **Preservation of Assets**
 - **Fix it First Approach**
 - **Eliminating Infrastructure Spending Deficit Developed After 2008 Recession**
 - **Smart Planning And Pursuit of Matching Funds**
 - **Government Street Regional Stormwater Park**
 - **Bill Gregory Park**
 - **Maggie's Ditch**

Mayor's Budget Message

FY 2019 Proposed Budget

- **Economic Growth**
 - **\$6 Million Local Option Sales Tax**
 - **Construction of City-owned Infrastructure At Pensacola International Airport**
 - **Attract Aviation Industry Businesses to Northwest Florida**
 - **Build on Success of Public/Private Partnership Strategy and Leverage ST Engineering's Presence**
- **Affordable Housing**
 - **Provide Resources To Preserve Affordable Housing Choices**
 - **Bring New Tools To Establish Affordability**
 - **Continue to Support Housing Initiative Fund**
 - **Sale of Surplus City Property**

Mayor's Budget Message

FY 2019 Proposed Budget

- **Upward Momentum**
 - **Fire Department Cadet Program**
 - **Improve Community Policing**
 - **Design Innovative Stormwater Projects**
 - **Business with State and Federal Agencies**
 - **Pensacola Becoming A Model City For Other Cities**
- **2010 Vision – “A City For All The Ages”**
 - **Safe Neighborhoods**
 - **Attractive Business Climate**
 - **Quality Infrastructure**
 - **Efficient Services**

City Council Budgetary Issues

March 20, 2018 Council Workshop

- **Employee Salary Increases**
 - 9196 – Salary Increases (Non-Union)
 - Average 3% Overall Salary Increase (Including Benefits)
- **Maintenance/Capital Needs Assessment**
 - Five-Year Facilities Capital Improvement Plan
 - Sidewalk Study
 - Park Study
 - Athletic Facilities & Resource Center Improvement and Park Improvement Descriptions

City Council Budgetary Issues

March 20, 2018 Council Workshop

- **Revenue Strategies**
 - **FY 2020 Property Tax Revenue - \$650,000 Down If Approved By 60% Vote**
 - **Revenue Diversification**
 - **Fee Adjustments**
 - **Millage Rate**
 - **Special Assessments**
 - **Beautification**
 - **Fire Protection**
 - **Parking Facilities Assessments**
 - **Road Improvements (Paving and O&M)**
 - **Sidewalk Assessments**
 - **Street Lighting Assessments**

City Council Budgetary Issues

March 20, 2018 Council Workshop

- **Fund Balance**
 - **Council Reserve Changed from 15% to 20%**
 - Amended March 9, 2017
 - **CFO Preference is 25%**
 - **Fiscal Year Ending September 30, 2018**
 - **\$2.2 Million Reallocated To Increase Council Reserve**
 - **Total Council Reserve - \$13.509 Million**
 - **25.11% of Beginning FY 2019 General Fund Appropriations**
- **Unencumbered Carryover Resolutions**
 - **Detail Pertaining To Specific Projects Being Carried Forward**

FY 2019 Proposed Budget Highlights

- **Property Tax**
 - **FY 2019 Property Valuation**
 - **Based on July 1st Valuation – \$3,768,631,204 (6.90% Increase Over Final FY 2018)**
 - **Estimated Revenue To Increase \$1,088,200 Over FY 2018 Beginning**
 - **\$15,459,000 [(Gross)– \$2,453,800 (TIF) = \$13,005,200 (Net)]**
 - **Millage Rate**
 - **City – 4.2895 Mils (8th Year No Increase)**
 - **DIB – 2.00 Mils (No Change)**
 - **FY 2018 - 1 Mill Equals \$3,350,200 (Net Mil = \$2,848,600)**
 - **FY 2019 – 1 Mil Equals \$3,603,900 (Net Mil - \$3,031,900)**

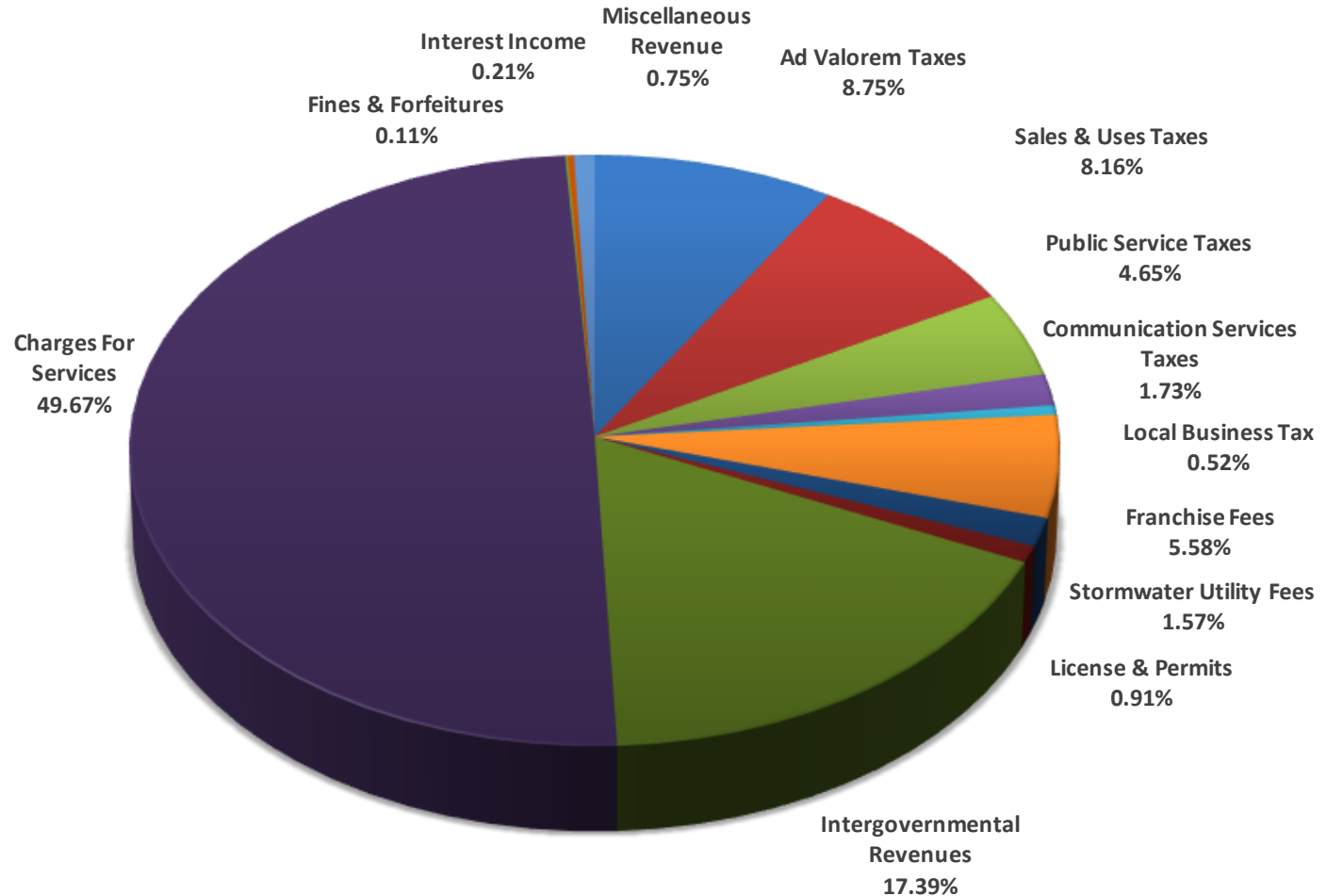
WHERE THE MONEY COMES FROM FISCAL YEAR 2019 BUDGET

FISCAL YEAR 2019 FINANCIAL SOURCES ALL FUNDS

SOURCES OF FUNDS

Revenues

Ad Valorem Taxes	\$ 15,459,000
Sales & Uses Taxes	14,417,100
Public Service Taxes	8,204,000
Communication Services Taxes	3,049,500
Local Business Tax	920,000
Franchise Fees	9,862,200
Stormwater Utility Fees	2,775,000
License & Permits	1,602,000
Intergovernmental Revenues	30,716,300
Charges For Services	87,708,000
Fines & Forfeitures	187,500
Interest Income	363,200
Miscellaneous Revenue	1,331,200
Sub-Total Revenues	\$ 176,595,000
Other Financing Sources	43,009,200
Appropriated Fund Balance	20,114,400
TOTAL FINANCIAL SOURCES	\$ 239,718,600



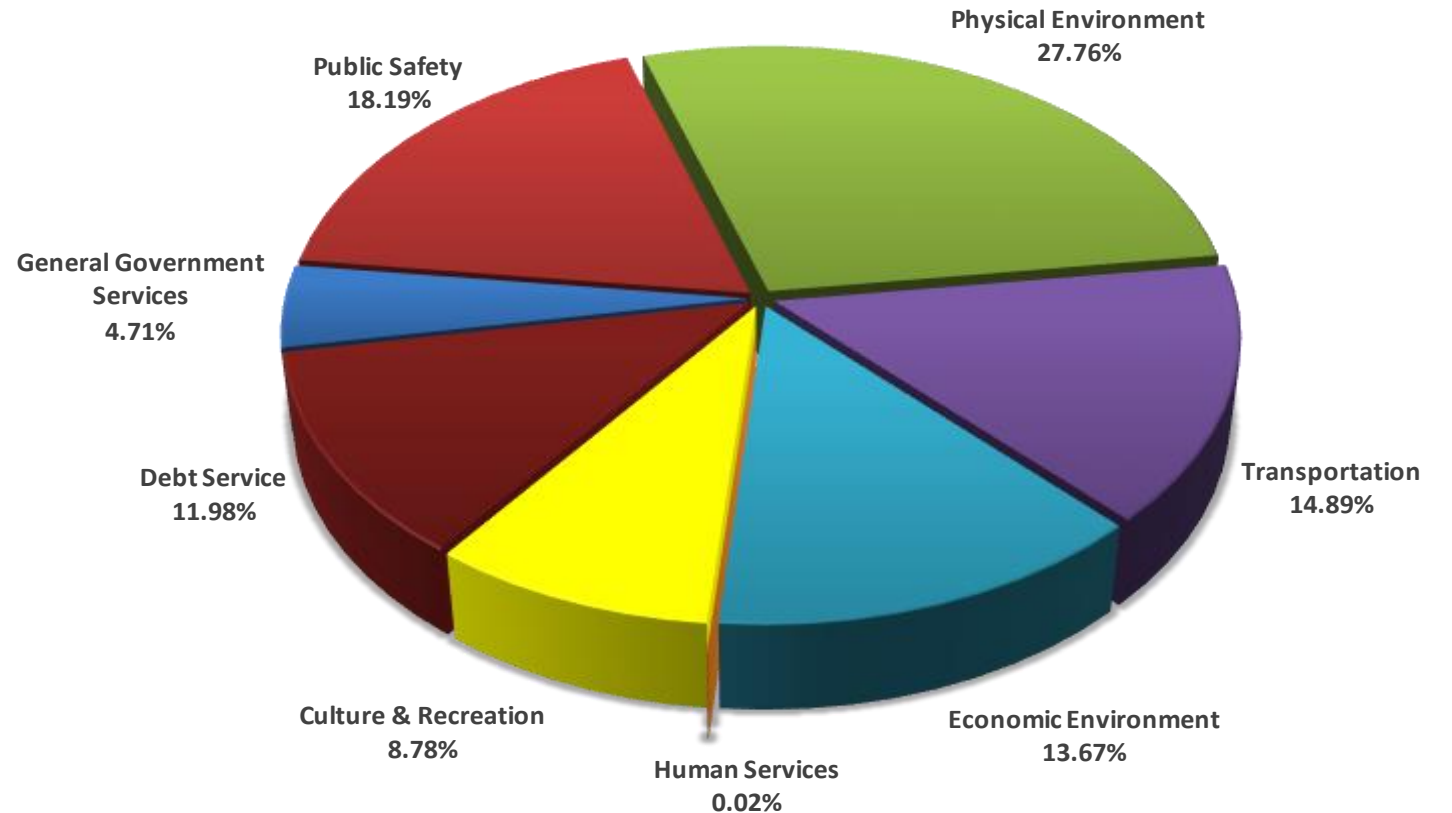
WHERE THE MONEY GOES FISCAL YEAR 2019 BUDGET

FISCAL YEAR 2019 USES OF FUNDS ALL FUNDS

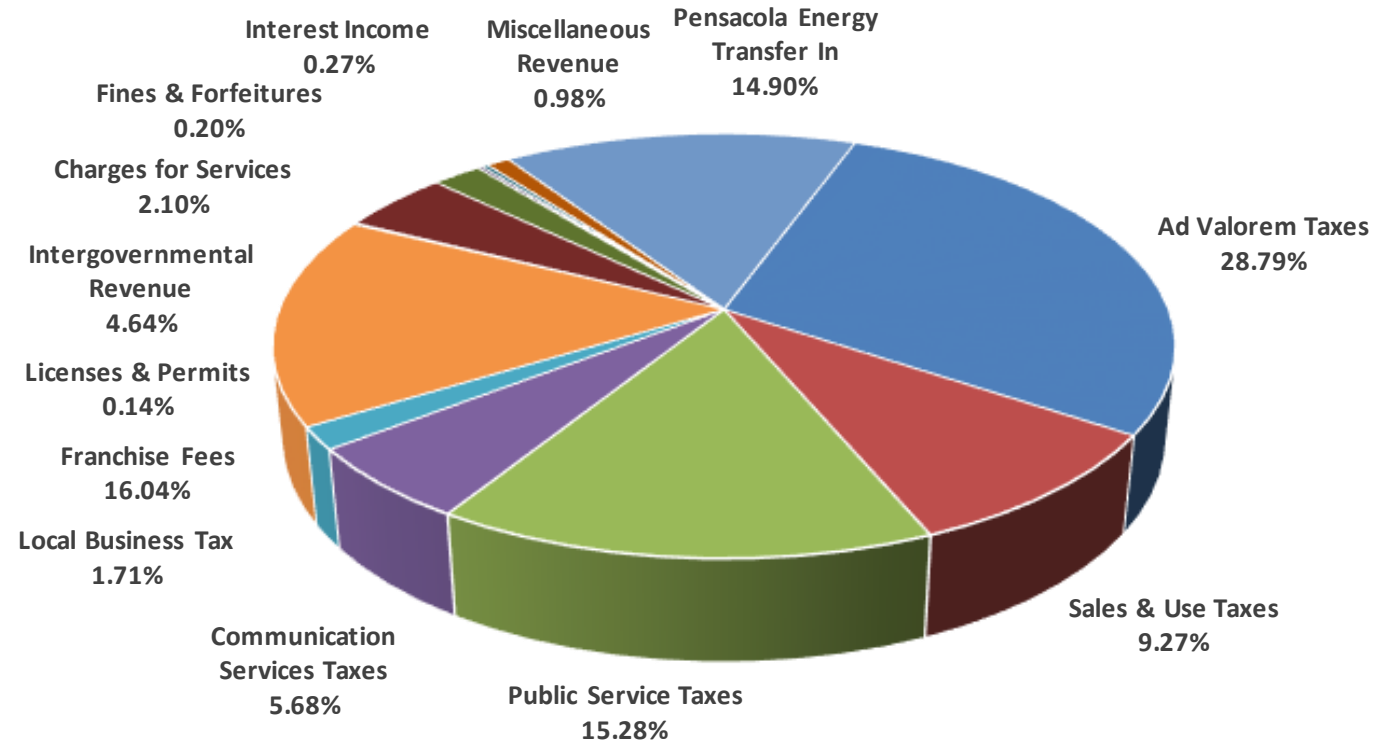
USES OF FUNDS

Expenditures/Expenses

General Government Services	\$ 9,207,000
Public Safety	35,537,800
Physical Environment	54,233,500
Transportation	29,093,900
Economic Environment	26,694,100
Human Services	30,000
Culture & Recreation	17,139,900
Debt Service	23,406,000
Sub-Total Expenditures/Expenses	<u>\$ 195,342,200</u>
Other Financing Uses	44,376,400
TOTAL FINANCIAL USES	<u>\$ 239,718,600</u>



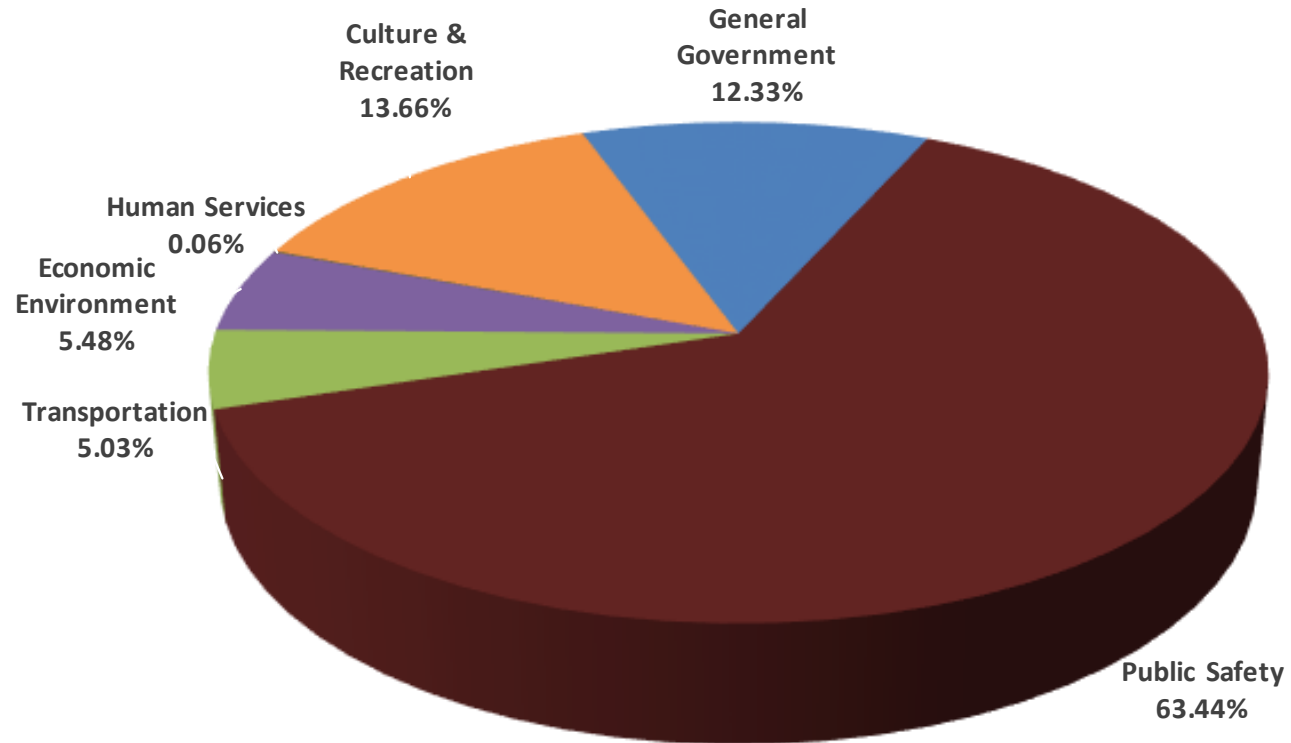
GENERAL FUND REVENUES FISCAL YEAR 2019 BUDGET



Ad Valorem Taxes	\$ 15,459,000	Intergovernmental Revenue	\$ 2,488,700
Sales & Use Taxes	4,978,700	Charges for Services	1,128,700
Public Service Taxes	8,204,000	Fines & Forfeitures	107,500
Communication Services Taxes	3,049,500	Interest Income	145,000
Local Business Tax	920,000	Miscellaneous Revenue	525,000
Franchise Fees	8,610,300	Pensacola Energy Transfer In	8,000,000
Licenses & Permits	77,000		

Sub-Total Revenues	<u>\$ 53,693,400</u>
Appropriated Fund Balance	-
Total Financial Sources	<u><u>\$ 53,693,400</u></u>

GENERAL FUND EXPENDITURES FISCAL YEAR 2019 BUDGET



General Government	\$ 6,251,400	Economic Environment	\$ 2,778,800
Public Safety	32,163,800	Human Services	30,000
Transportation	2,549,900	Culture & Recreation	6,924,500
		Sub-Total Expenditures	<u>\$ 50,698,400</u>
		Other Financial Uses	<u>2,995,000</u>
		TOTAL EXPENDITURES	<u><u>\$ 53,693,400</u></u>

**City of Pensacola
All Funds
FY 2018 to FY 2019 Budget Comparison**

	FY 2018 Beginning Budget	FY 2019 Proposed Budget	Difference	Percentage Difference
Personal Services	63,188,600	65,115,500	1,926,900	3.05%
Operating Expenses	85,119,100	83,719,400	(1,399,700)	-1.64%
Subtotal	<u>148,307,700</u>	<u>148,834,900</u>	<u>527,200</u>	<u>0.36%</u>
Capital Outlay	20,184,600	30,327,400	10,142,800	50.25%
Debt Service	22,780,600	22,126,000	(654,600)	-2.87%
Grants and Aids	1,633,800	1,747,800	114,000	6.98%
Non-Operating	<u>35,942,100</u>	<u>36,682,500</u>	<u>740,400</u>	<u>2.06%</u>
Total	<u><u>228,848,800</u></u>	<u><u>239,718,600</u></u>	<u><u>10,869,800</u></u>	<u><u>4.75%</u></u>

**City of Pensacola
General Fund
FY 2018 to FY 2019 Budget Comparison**

	FY 2018 Beginning Budget	FY 2019 Proposed Budget	Difference	Percentage Difference
Personal Services	36,656,300	37,943,300	1,287,000	3.51%
Operating Expenses	12,657,100	12,931,300	274,200	2.17%
Subtotal	49,313,400	50,874,600	1,561,200	3.17%
Grants and Aids	862,900	929,100	66,200	7.67%
Non-Operating	1,705,300	1,889,700	184,400	10.81%
Total	51,881,600	53,693,400	1,811,800	3.49%

FY 2019 Proposed Budget Highlights

- **Property Tax (Continued)**
 - **TIF Districts**
 - **Urban Core (CRA)**
 - July 1st Valuation Increase - 11.96% (FY 2018 – 9.74%)
 - Revenue Increase - \$638,500 From FY 2018 Beginning Budget \$5,260,200
 - **Eastside TIF**
 - July 1st Valuation Increase - 32.15% (FY 2018 – 15.41%)
 - Revenue Increase - \$38,800 From FY 2018 Beginning Budget \$120,600
 - **Westside TIF**
 - July 1st Valuation Increase - 40.76% (FY 2018 – 57.54%)
 - Revenue Increase - \$125,100 From FY 2018 Beginning Budget \$307,100
 - **Maintain Transfer From Pensacola Energy (\$8,000,000)**
 - **Council Policy**
 - Long term, the budgeted transfer should not be more than 15% of budgeted Pensacola Energy revenues (FY 17 – 15.69%; FY 18 – 15.49%; FY 19 – 15.30%)

FY 2019 Proposed Budget Highlights

- **Discretionary Funds for City Council**
 - **Maintaining \$10,000 per Council Member**
- **Tree Planting Trust Fund**
 - **No Appropriations**
 - **Pending Full Review of Tree Planting Trust Fund Expenditures Per City Council Action at First Public Hearing on FY 2018 Budget (September 13, 2017)**

FY 2019 Proposed Budget Highlights

- **Pensions**
 - **City-Wide Increase - \$130,300 (\$13,914,600)**
 - **General Pension**
 - **City-Wide Decrease – No Change**
 - **Fire Pension**
 - **City-Wide Decrease - <\$192,300>**
 - **Police Pension**
 - **City-Wide Decrease - <\$84,400>**
 - **Florida Retirement System**
 - **City-Wide Increase - \$407,000**

FY 2019 Proposed Budget Highlights

- **Position Changes**
 - **FY 2019 Same As FY 2018**
 - **Total Positions – 781**
 - **Executive Branch – 774**
 - **Legislative Branch – 5**
 - **CRA - 2**

FY 2019 Proposed Budget Highlights

- **Employee Compensation**
 - **Fire Union – 3% - Year 2 (FY 19) of 3 (FY 20) (Year 3 – 3%)**
 - **Police Unions – Tentative Agreement**
 - **Police Officer Union – 10% - Year 1 (FY 19) of 3 (FY 21)**
 - **Year 2 (FY 20) – 4%**
 - **Year 3 (FY 21) – 4%**
 - **Police Sergeant Union – 3% - Year 1 (FY 19) of 3 (FY 21)**
 - **Year 2 (FY 20) – 4%**
 - **Year 3 (FY 21) – 4%**
 - **Police Lieutenant – 3% - Year 1 (FY 19) of 3 (FY 21)**
 - **Year 2 (FY 20) – 3%, Year 3 (FY 21) – 3%**

FY 2019 Proposed Budget Highlights

- **Employee Compensation (Continued)**
 - **AFSCME – 3% Year 1 (FY 19) of 3 (FY 21)**
 - No Tentative Agreement Yet
 - Year 2 (FY 20) – 3%
 - Year 3 (FY 21) – 3%
 - **Non-Union Employees – 3% (FY 19)**
 - 9196 – Salary Increases (Non-Union)

FY 2019 Proposed Budget Highlights

- **Municipal Golf Course**
 - **Overall Decrease of \$12,100**
 - **Transfer From General Fund Remaining Same - \$220,000**
- **Recreation Fund**
 - **Recommending fee increases to various areas (see pages 411 – 420 of FY 2019 Proposed Budget)**

FY 2019 Proposed Budget Highlights

- **Housing Division**
 - **Community Development Block Grant Fund**
 - Overall Fund Increasing \$75,100
 - **Section 8 Housing Assistance Fund**
 - FY 2019 Same As FY 2018 - \$17,841,600
- **Inspection Services**
 - No Change In Fees
 - Overall Fund Increasing \$117,900

FY 2019 Proposed Budget Highlights

- **Gas Utility Fund**
 - **Estimated Revenue Increasing by \$635,200 from FY 2018 Beginning Budget**
 - **No Fund Balance Drawdown**
 - **Rate change in accordance with FY 2019 CPI increase of 2.4%.**
- **Sanitation Fund**
 - **Estimated Operating Revenue Increased by \$440,600 from FY 2018 Beginning Budget**
 - **Rate change in accordance with FY 2019 CPI Increase of 2.4% Sanitation Equipment Surcharge – Additional \$1.00 per month (Total \$2.00/month)**

FY 2019 Proposed Budget Highlights

- **Sanitation Fund (Continued)**
 - **Code Enforcement Increasing \$92,400**
 - **No Rate Increase**
 - **Commercial Solid Waste Franchise Fee Revenues Increasing \$81,900**
 - **Lot Cleaning Revenues Increasing \$34,800**
 - **Code Enforcement Violations Decreasing \$20,300 Based On FY 2018 Collections To Date**
 - **CDBG Contribution Eliminated (\$4,000)**

FY 2019 Proposed Budget Highlights

- **Port Fund**
 - **Estimated Operating Revenue Decreased by \$8,800 from FY 2018 Beginning Budget**
 - **Port Vision Plan and Reinvestment Strategy**
- **Airport Fund**
 - **Estimated Operating Revenue Increased by \$226,000 from FY 2018 Beginning Budget**
 - **Increase In Non-Airline Revenues - \$398,000**
 - **Decrease in Airline Revenues of \$172,000**

CAPITAL IMPROVEMENT PLAN

CITY OF PENSACOLA
 STORMWATER CAPITAL PROJECTS FUND
 STORMWATER PROJECT LIST
 FISCAL YEAR ENDING SEPTEMBER 30, 2019

<u>STORMWATER OPERATING EXPENDITURES</u>	<u>PROPOSED</u>
Stormwater Capital Maintenance	\$ 350,000
NPDES Permit Monitoring	115,000
SUBTOTAL STORMWATER OPERATING EXPENDITURES	<u>465,000</u>
 <u>STORMWATER PROJECTS</u> 	
Pensacola Bay Outfalls - Alcaniz Street	75,300
Bayou Texar Outfalls - Bayou Blvd, Lee, Lloyd & Stanley	60,000
Bayou Texar Outfalls - Bayou Blvd, Perry, Blount & Avery	55,000
Bayou Texar Outfalls - E. Cross, Yates, Escambia & Osceola	460,000
Bayou Texar Outfalls - Scott, Yates, Lakeview & Strong	65,000
Bayou Texar Outfalls - Texar Drive, 17th & 18th Avenues	445,000
Stormwater Vaults City-Wide	296,100
Davis Hwy @ Carpenter's Creek (North Side)	415,000
Grant Match Funding	140,000
Land Acquisitions For Stormwater Pond Sites	50,000
Scenic Heights Discharge (Langley Ave Into Escambia Bay)	50,000
SUBTOTAL STORMWATER PROJECTS	<u>2,111,400</u>
TOTAL STORMWATER CAPITAL PROJECTS FUND	<u>\$ 2,576,400</u>

CITY OF PENSACOLA
LOCAL OPTION SALES TAX FUND
PROJECT LIST
FISCAL YEAR ENDING SEPTEMBER 30, 2019

LOST IV CAPITAL PROJECTS LIST

PROPOSED

City Council	
Council Chambers Improvements	375,000
Police	
800 Mhz Radio System	1,000,000
Public Works	
City-Wide ADA Improvements	50,000
Energy Conservation & Efficiency Improvements	300,000
Intersection Improvements	100,000
Pavement Management Program	500,000
Sidewalk Improvements	200,000
Economic Development Initiatives	6,000,000

CITY OF PENSACOLA
 LOCAL OPTION SALES TAX FUND
 PROJECT LIST
 FISCAL YEAR ENDING SEPTEMBER 30, 2019

PROPOSED

LOST IV CAPITAL PROJECTS LIST (Continued)

Parks & Recreation	
Aviation Park	50,000
Bayview Park	20,000
Bill Gregory Park	50,000
Chimney Park	15,000
Cobb Center	150,000
East Pensacola Heights	75,000
General Athletic Facilities Improvements	90,000
General Park Improvements	35,000
Highland Terrace Park	100,000
Legion Field	1,100,000
Magee Field	100,000
Malcolm Young Gym	195,000
Mallory Heights Park #2 (Goya)	950,000
Miraflores Park	30,000
Park Sidewalk Improvements	30,000
Plaza De Luna	50,000
Roger Scott Tennis Center	700,000
Sanders Beach-Corrine Jones Center	1,075,000
Vickrey Center	315,000
Wayside East Seawall Refurbishment	1,600,000
SUB-TOTAL CAPITAL PROJECTS	15,255,000

CITY OF PENSACOLA
LOCAL OPTION SALES TAX FUND
PROJECT LIST
FISCAL YEAR ENDING SEPTEMBER 30, 2019

PROPOSED

LOST IV CAPITAL EQUIPMENT LIST

Fire

Replace 01 Ford Excursion, Unit #909	36,500
Replace 99 Crown Victoria, Unit #901	27,500
Replace 06 Toyota Corolla, Unit #916-06	28,700
Training Simulator	45,000
Replace Copier/Fax/Scanner	9,400
SCBA Facemask Fitness Test Equipment	9,500
New Air Conditioning Units	11,000
Breathing Air Compressor	25,000

Police

Police Marked Vehicles	550,000
Police Unmarked Vehicles	110,000
Mobile Data Terminals	50,000
Police Headquarters Building HVAC Controls	150,000

CITY OF PENSACOLA
 LOCAL OPTION SALES TAX FUND
 PROJECT LIST
 FISCAL YEAR ENDING SEPTEMBER 30, 2019

PROPOSED

LOST IV CAPITAL EQUIPMENT LIST (Continued)

Parks & Recreation

Replace 07 Ford 650 Trash Packer, Unit #557-07	105,000
Replace 97 Ford F150, Unit #557-97	27,500
New Refuse Pack Rat Trailer	55,500
Replace 02 Ford Crew Cab W/Dump Hoist, Unit #517-02	40,000
Replace 99 Dodge Pickup, Unit #524-99	27,500
Replace 03 Ford 3/4 Ton Pickup, Unit #543-03	30,000
Replace 94 Ford Pickup W/Dump Body, Unit #554-97	40,000
Replace John Deere Utility Vehicle	8,900
Replace Toro Infield Groomer	18,000
Roger Scott Tennis Center - Clay Court Maintenance Utlility Vehicle	20,000

Public Works & Facilities Maintenance

Replace 98 International Dump Truck, Unit #156-98	165,000
Replace 00 CAT Loader, Unit #180-00	145,000
Replace 05 Ford F150, Unit #503	45,000
New Hot Water Pressure Washer	6,300

SUB-TOTAL CAPITAL EQUIPMENT

1,786,300

TOTAL LOCAL OPTION SALES TAX FUND

\$ 17,041,300

NON-DEPARTMENTAL AGENCY FUNDING

FY 2019 Proposed Budget

- **Non-Departmental Less TIF's**
 - **Increasing \$66,200 from FY 2018 Beginning Budget**
 - **Saenger Theatre MIS Allocation Increasing \$3,200**
 - **First City Lights Festival Increasing \$66,000 (Total Budget \$91,000)**
 - **FY 2017 & FY 2018 Funded From Mayor Contingency, CRA and Non-Departmental**
 - **Bay Area Resource Council Decreasing \$3,000**
 - **Shifted to City Council Dues, Subscriptions & Memberships**
 - **Escambia-Pensacola Human Relations Commission**
 - **Escambia County Clerk of the Court Audit**
 - **Fair Housing**
 - **County Discussed Bringing In-House At July 10, 2018 Budget Workshop**

	FY 2016 <u>ACTUAL</u>	FY 2017 <u>ACTUAL</u>	FY 2018 <u>APPROVED</u>	FY 2018 <u>CURRENT</u>	FY 2019 <u>PROPOSED</u>	FY 2020 <u>PROJECTED</u>	FY 2021 <u>PROJECTED</u>
<u>EXTERNAL AGENCIES</u>							
INTERLOCAL AGREEMENTS							
Escambia-Pensacola Human Relations Commission	\$ 79,000	79,000	79,000	79,000	0	0	0
Fair Housing	0	0	0	0	79,000	79,000	79,000
Sub-Total Interlocal Agreements	<u>79,000</u>	<u>79,000</u>	<u>79,000</u>	<u>79,000</u>	<u>79,000</u>	<u>79,000</u>	<u>79,000</u>
GOVERNMENTAL AGENCIES							
Bay Area Resource Council (BARC)	3,000	3,000	3,000 ^(f)	0	0	0	0
UWF Historic Trust (Formerly Historic Pensacola Preservation Board)	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>
Sub-Total Governmental Agencies	<u>5,400</u>	<u>5,400</u>	<u>5,400</u>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>
ECONOMIC DEVELOPMENT							
Gulf Coast African American Chamber of Commerce	24,916	25,000	25,000	25,000	25,000	25,000	25,000
Pensacola-Escambia Development Commission (PEDC)	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Florida West (CEDA) ^(a)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Sub-Total Economic Development	<u>324,916</u>	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>
SUB-TOTAL INTERLOCAL/GOVERNMENTAL AGENCIES	<u>409,316</u>	<u>409,400</u>	<u>409,400</u>	<u>406,400</u>	<u>406,400</u>	<u>406,400</u>	<u>406,400</u>

	FY 2016 <u>ACTUAL</u>	FY 2017 <u>ACTUAL</u>	FY 2018 <u>APPROVED</u>	FY 2018 <u>CURRENT</u>	FY 2019 <u>PROPOSED</u>	FY 2020 <u>PROJECTED</u>	FY 2021 <u>PROJECTED</u>
<u>INTERNAL NON-DEPARTMENTAL</u>							
MANAGEMENT AGREEMENT							
Saenger Theatre Operating	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Saenger Theatre Communications (MIS Allocation)	32,713	40,193	43,500	43,500	46,700	46,700	46,700
Saenger Theatre Capital	25,525	52,762	75,000	323,121	75,000	75,000	75,000
Sub-Total Management Agreement	<u>208,238</u>	<u>242,955</u>	<u>268,500</u>	<u>516,621</u>	<u>271,700</u>	<u>271,700</u>	<u>271,700</u>
LEASE AGREEMENTS							
Community Maritime Park Associates, Inc.	110,000	110,000	0	0	0	0	0
Sub-Total Lease Agreements	<u>110,000</u>	<u>110,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
INTERFUND TRANSFERS							
CRA-Tax Increment District	1,662,929	1,807,608	1,983,700	1,983,700	2,221,100	2,309,900	2,402,300
Eastside Tax Increment District	35,474	41,066	47,400	47,400	62,700	65,900	69,300
Westside Tax Increment District	36,293	76,658	120,800	120,800	170,000	178,500	187,400
Residential Sanitation Assistance Program	3,940	3,542	5,000	5,000	5,000	5,000	5,000
Sub-Total Interfund Transfers	<u>1,738,636</u>	<u>1,928,874</u>	<u>2,156,900</u>	<u>2,156,900</u>	<u>2,458,800</u>	<u>2,559,300</u>	<u>2,664,000</u>
SUB-TOTAL INTERNAL NON-DEPARTMENTAL	<u>2,056,874</u>	<u>2,281,829</u>	<u>2,425,400</u>	<u>2,673,521</u>	<u>2,730,500</u>	<u>2,831,000</u>	<u>2,935,700</u>
SUB-TOTAL EXTERNAL AND INTERNAL NON-DEPARTMENTAL	<u>2,466,190</u>	<u>2,691,229</u>	<u>2,834,800</u>	<u>3,079,921</u>	<u>3,136,900</u>	<u>3,237,400</u>	<u>3,342,100</u>

	FY 2016 <u>ACTUAL</u>	FY 2017 <u>ACTUAL</u>	FY 2018 <u>APPROVED</u>	FY 2018 <u>CURRENT</u>	FY 2019 <u>PROPOSED</u>	FY 2020 <u>PROJECTED</u>	FY 2021 <u>PROJECTED</u>
MISCELLANEOUS							
OTHER OUTSIDE AGENCIES							
2-1-1 Escambia (Formerly First Call for Help)	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Lakeview Center, Inc.	20,000	20,000	20,000	20,000	20,000	20,000	20,000
BRACE	0	0	0	15,000	0	0	0
Homeless Initiative	0	0	0	100,000	0	0	0
Sub-Total Other Outside Agencies	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>145,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
ARTS/CULTURE/HISTORICAL							
Arts/Culture/Entertainment	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Barnardo DeGalvez Monument	0	100,000	0	0	0	0	0
First City Lights Festival	25,000 (e)	41,000 (g)	25,000	50,000 (h)	91,000	91,000	91,000
Pelican Drop	0	30,000	0	0	0	0	0
Sub-Total Arts/Culture/Historical	<u>150,000</u>	<u>296,000</u>	<u>150,000</u>	<u>175,000</u>	<u>216,000</u>	<u>216,000</u>	<u>216,000</u>
SUB-TOTAL MISCELLANEOUS	<u>180,000</u>	<u>326,000</u>	<u>180,000</u>	<u>320,000</u>	<u>246,000</u>	<u>246,000</u>	<u>246,000</u>
TOTAL GENERAL FUND NON-DEPT FUNDING	<u>2,646,190</u>	<u>3,017,229</u>	<u>3,014,800</u>	<u>3,399,921</u>	<u>3,382,900</u>	<u>3,483,400</u>	<u>3,588,100</u>
OTHER FUNDING SOURCES							
Council on Aging ^(d)	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Parades ^(c)	93,488	86,880	64,500	82,599	65,100	65,100	65,100
Florida West (CEDA) ^(a)	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Pensacola Clean and Green ^(b)	19,300	19,300	19,300	19,300	19,300	19,300	19,300
SUB-TOTAL OTHER FUNDING SOURCES	<u>222,788</u>	<u>216,180</u>	<u>193,800</u>	<u>211,899</u>	<u>194,400</u>	<u>194,400</u>	<u>194,400</u>
TOTAL NON-DEPARTMENTAL FUNDING	<u>\$ 2,868,978</u>	<u>3,233,409</u>	<u>3,208,600</u>	<u>3,611,820</u>	<u>3,577,300</u>	<u>3,677,800</u>	<u>3,782,500</u>

(a) Additional Florida West Funding provided by Pensacola Energy (\$40,000).

(b) Funding provided by Sanitation Services (\$19,300)

(c) Funding for Parades included in Public Works, Parks & Recreation, Police and Sanitation Departments.

(d) Funding for Council on Aging included in Community Development Block Grant Fund.

(e) FY 2016 Paid from Mayor Contingency

(f) Beginning in FY 2018 funding for BARC will be paid from City Council's Dues, Subscriptions & Membership line item.

(g) Includes \$16,000 payment from Mayor Contingency.

(h) Includes \$25,000 payment from CRA.

FY 2019 Proposed Budget Highlights

- **Future Dates**
 - **Monday, August 6, 2018 – Approval By CRA Of The FY 2019 Budget**
 - **Wednesday, September 12, 2018 – First Public Hearing**
 - **Wednesday, September 19, 2018 – Final Public Hearing**

QUESTIONS

Proposed Annual Budget

Fiscal Year 2019

For the Year Ending September 30, 2019



PENSACOLA
THE UPSIDE *of* FLORIDA

City of Pensacola, Florida
Ashton J. Hayward, Mayor