



# City of Pensacola

## Agenda Conference

### Agenda - Final

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Monday, March 6, 2017, 3:30 PM

Hagler-Mason Conference Room,  
2nd Floor

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#### ROLL CALL

#### PRESENTATION ITEMS

1. [17-00140](#) PRESENTATION FROM FLORIDA DEPARTMENT OF TRANSPORTATION (FDOT) BRIEFING THE CITY COUNCIL ON THE FDOT PROJECT IN PENSACOLA - GREGORY STREET AND BAYFRONT PARKWAY AT 17TH AVE INTERSECTION IMPROVEMENT PD&E STUDY.

**Recommendation:** That City Council have a presentation at the March 9, 2017 City Council meeting from FDOT, briefing the City Council on the Gregory Street and Bayfront Parkway at 17th Ave intersection improvement PD&E Study.

**Sponsors:** Brian Spencer

**Attachments:** [Pensacola 17th Ave Crowne Plaza Project Map FINAL](#)

#### REVIEW OF CONSENT AGENDA ITEMS

2. [16-00284](#) AWARD OF CONTRACT - BID #17-002 GABERONNE SWAMP STORMWATER PENSACOLA BAY WATERSHED IMPROVEMENTS - SPANISH TRAIL RETENTION POND PROJECT

**Recommendation:**

That City Council award a contract for construction of the Gaboronne Swamp Stormwater Pensacola Bay Watershed Improvements Spanish Trail Retention Pond Project to BKW, Inc., of Pensacola, Florida, the lowest and most responsible bidder with a base bid of \$966,865.55 plus a 10% contingency of \$96,686.56 for a total amount of \$1,063,552.11.

**Sponsors:** Ashton J. Hayward, III

**Attachments:** [Bid Tabulation, Bid No. 17-002](#)  
[Final Vendor Reference List, Bid No. 17-002](#)  
[Gaboronne Swamp Stormwater Pensacola Bay Watershed Improvements Sp](#)  
[FDEP Grant Acceptance 2-13-14](#)

3. [17-00012](#) AWARD OF CONTRACT - BID #17-006 BAYOU CHICO "R" STREET AT MAGGIE'S DITCH STORMWATER TREATMENT ENHANCEMENT PROJECT
- Recommendation:** That City Council award a contract for construction of the Bayou Chico "R" Street at Maggie's Ditch Stormwater Treatment Project to Williams Industrial & Marine, Inc., of Westville, Florida, the lowest and most responsible bidder with a base bid of \$597,719.00, plus 10% contingency of \$59,771.90 for a total amount of \$657,490.90.
- Sponsors:** Ashton J. Hayward, III
- Attachments:** [Bid Tabulation, Bid No. 17-006](#)  
[Final Vendor Reference List, Bid No. 17-006](#)  
[BAYOU CHICO "R" STREET @ MAGGIE DITCH TREATMENT ENHANC COUNCIL MEMO NFWF GRANT 10-8-15](#)
4. [17-00054](#) AIRPORT - APPROVAL OF AMENDMENT NO. 4 TO THE LEASE AND OPERATING AGREEMENT WITH ECKO AIR LLC
- Recommendation:** That City Council authorize the Mayor to execute Amendment No. 4 to the Lease and Operating Agreement between the City of Pensacola and ECKO Air LLC at the Pensacola International Airport. Further that City Council authorize the Mayor to take all necessary actions to execute Amendment No. 4.
- Sponsors:** Ashton J. Hayward, III
- Attachments:** [Airport Amendment No. 4 - ECKO Air LLC](#)
5. [17-00070](#) TRANSFER OF SURPLUS VEHICLES - GEORGE STONE TECHNICAL CENTER
- Recommendation:** That City Council declare four (4) City Police Vehicles (Unit Numbers SO9006, S31906, S35406, and S82906 2006 Ford Crown Victoria marked patrol vehicles) surplus and authorize the transfer of these vehicles to George Stone Technical Center.
- Sponsors:** Ashton J. Hayward, III
6. [17-00163](#) APPOINTMENT - WEST FLORIDA PUBLIC LIBRARY BOARD OF GOVERNANCE
- Recommendation:** That City Council appoint one individual, who is an elector of Escambia County, to the West Florida Public Library Board of Governance for a term of two years, expiring February 28, 2019.
- Sponsors:** Brian Spencer
- Attachments:** [Application of Interest - David J. Bryant.pdf](#)  
[Resume - David J. Bryant.pdf](#)  
[Ballot.docx](#)

7. [17-00187](#) ADDITIONAL APPOINTMENTS TO THE CLIMATE MITIGATION AND ADAPTATION TASK FORCE
- Recommendation:** That City Council appoint Dr. Haris Alibasic and Ms. Carrie Stevenson to the Climate Mitigation and Adaptation Task Force.
- Sponsors:** Sherri Myers
- Attachments:** [2017 bio -- Carrie Stevenson](#)  
[Dr. Haris Alibasic - Bio](#)
8. [17-00125](#) APPOINTMENT TO THE POLICE OFFICERS' RETIREMENT FUND BOARD OF TRUSTEES
- Recommendation:** That City Council ratify the appointment of Rodney Randle as the fifth member trustee of the Police Officers' Retirement Fund.
- Sponsors:** Ashton J. Hayward, III

**REVIEW OF REGULAR AGENDA ITEMS (Sponsor)**

9. [17-00107](#) FY 2016 COMPREHENSIVE ANNUAL FINANCIAL (CAFR)
- Recommendation:** That City Council accept the City of Pensacola Comprehensive Annual Financial Report for the year ended September 30, 2016 as prepared by the Financial Services Department and the Independent Auditors Report issued thereupon.
- Sponsors:** Ashton J. Hayward, III
- Attachments:** [FY2016 CAFR](#)  
[SAS 114 Auditor Letter](#)  
[Financial Condition Assessment](#)
10. [17-00177](#) SIX-CENT LOCAL OPTION FUEL (GASOLINE) TAX SETTLEMENT
- Recommendation:** That City Council authorize the Mayor to take all actions necessary to settle the Six-Cent Local Option Fuel (Gasoline) Tax Appeal with Escambia County.
- Sponsors:** Ashton J. Hayward, III
11. [17-00189](#) MORATORIUM ON ENCUMBERING ANY FURTHER LOCAL OPTION SALES TAX (LOST) IV FUNDS
- Recommendation:** That City Council place a moratorium on encumbering any further LOST IV funds until the City Council and the Mayor have set priorities for expenditures and/or projects for these funds.
- Sponsors:** Jewel Cannada-Wynn

12. [17-00167](#) MORATORIUM ON THE CONTINUATION OF ANY AND ALL STREET RESURFACING PROJECTS CURRENTLY UNDERWAY OR BEGINNING IN THE NEAR FUTURE.

*Recommendation:* That City Council place a moratorium of no more than 45 days on any street resurfacing projects currently underway or planned within the moratorium time frame pending plans to reconstruct certain streets that are experiencing severe storm water issues.

*Sponsors:* Sherri Myers

13. [17-00138](#) PRESENTATION FROM THE CHAIRMAN OF THE COMMUNITY MARITIME PARK ASSOCIATES (CMPA)

*Recommendation:* That City Council request a presentation be given at the April 13, 2017 City Council meeting by the Chairman of the Board of Trustees of the CMPA to update the Council on the financial and maintenance aspects of the park as well as an update on the marketing of the private parcels within the park.

*Sponsors:* Sherri Myers

14. [17-00190](#) REQUEST FOR LEGAL OPINION REGARDING ENFORCEMENT OF ANIMAL CONTROL ORDINANCES

*Recommendation:* That City Council request a legal opinion from the City Attorney to the following question:

Are Escambia County’s animal control ordinances enforceable within the City of Pensacola minus an interlocal agreement or an agreement of some type?

*Sponsors:* Sherri Myers

15. [04-17](#) PROPOSED ORDINANCE NO. 04-17 - REPEALING SECTION 10-4-16(C) OF THE CITY CODE - INSTALLATION OF SERVICES

*Recommendation:* That City Council approve Proposed Ordinance No. 04-17 repealing Section 10-4-16(c) of the city code on first reading.

AN ORDINANCE REPEALING SECTION 10-4-16(c) OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA, INSTALLATION OF SERVICES; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE

*Sponsors:* Ashton J. Hayward, III, Sherri Myers

*Attachments:* [Proposed Ordinance No. 04-17](#)

16. [17-00175](#) CREATION OF SECTION 8-1-28 OF THE CITY CODE - PROHIBITING SOLICITATION OF DONATIONS UPON PUBLIC SIDEWALKS AND RIGHTS-OF-WAY IN THE DOWNTOWN VISITORS' DISTRICT

**Recommendation:** That City Council adopt an ordinance creating Section 8-1-28 of the City Code - Prohibiting solicitation of donations upon public sidewalks and rights-of-way in the Downtown Visitors' District.

**Sponsors:** Ashton J. Hayward, III, Brian Spencer

**Attachments:** [Letter from John Peacock, DIB Chair, dated February 21, 2017 with Ordinance Proposed Ordinance](#)

17. [09-17](#) PROPOSED ORDINANCE NO. 09-17 - CREATING SEC. 8-1-28 OF THE CITY CODE - PROHIBITING SOLICITATION OF DONATIONS UPON PUBLIC SIDEWALKS AND RIGHTS-OF-WAY IN THE DOWNTOWN VISITORS' DISTRICT

**Recommendation:** That City Council approve Proposed Ordinance No. 09-17 on first reading.

AN ORDINANCE CREATING SECTION 8-1-28 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; DEFINING THE DOWNTOWN VISITORS' DISTRICT AND REGULATING THE CONDUCT OF CITIZENS ON SIDEWALKS AND PUBLIC RIGHTS-OF-WAY THEREIN; PROVIDING DEFINITIONS; PROHIBITING SOLICITATION OF DONATIONS; PROVIDING PENALTIES THEREFOR; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

**Sponsors:** Ashton J. Hayward, III, Brian Spencer

**Attachments:** [Proposed Ordinance No. 09-17](#)

18. [17-00114](#) AMENDMENT TO CITY COUNCIL RULES AND PROCEDURES; SECTION 2.07 - CONSENT AGENDA

**Recommendation:** That City Council amend Section 2.07 - Consent Agenda - of the City Council Rules and Procedures to allow the movement of items from the Regular Agenda to the Consent Agenda at the Agenda Conference.

**Sponsors:** Brian Spencer

**Attachments:** [Proposed Amendment to Section 2.07 - City Council Rules and Procedures -](#)

19. [17-00186](#) BUDGET ANALYST TO THE CITY COUNCIL
- Recommendation:** That City Council begin the process of hiring a Budget Analyst in accordance with Section 4.02(6) of the City Charter.
- Sponsors:** Jewel Cannada-Wynn
- Attachments:** [Proposal--Budget Analyst Rev \(002\)](#)  
[Job Description--Budget Analyst](#)  
[City Attorney Opinion - Council Budget Analyst](#)
20. [17-00184](#) SCHEDULE A WORKSHOP REGARDING A PROPOSED ORDINANCE ESTABLISHING A BUSINESS LICENSING PROCESS FOR PERMITTING OF ALL RENTAL PROPERTY.
- Recommendation:** That City Council schedule a workshop for June 2017 for the purpose of establishing an ordinance allowing for establishing a business licensing process for permitting of all rental property within the city limits. The Council also authorizes the Council staff to provide assistance in the research of this topic.
- Sponsors:** Jewel Cannada-Wynn
21. [17-00185](#) SCHEDULE WORKSHOP REGARDING THE REVIEW OF ORDINANCES AND POLICIES GOVERNING ABANDONED DWELLINGS, VACANT LOTS AND UNKEPT PROPERTIES.
- Recommendation:** That City Council schedule a workshop for June 2017 to review all ordinances and policies that govern abandoned dwellings, vacant lots and unkept properties within the city limits. The review would include state statutes that protect the property rights of citizens.
- Sponsors:** Jewel Cannada-Wynn
22. [17-00143](#) SOUTH PALAFOX RESIDENTIAL CONDOMINIUM BUILDING DEVELOPMENT PLAN
- Recommendation:** That the City Council conceptually approve a proposed South Palafox residential condominium building development plan and authorize the Mayor to enter into negotiations for a long term lease for such development.
- Sponsors:** Ashton J. Hayward, III
- Attachments:** [Proposed Building Site dated 2 February 2017](#)  
[Proposed Building Plans dated 2 February 2017](#)

23. [17-17](#) SUPPLEMENTAL BUDGET RESOLUTION NO. 17-17 -  
APPROPRIATING FUNDING FOR ADDITIONAL PARKING AT  
CHAPPIE JAMES PROJECT

**Recommendation:** That City Council adopt Supplemental Budget Resolution No. 17-17 appropriating funding for additional parking at the General Daniel “Chappie” James Jr., Museum & Youth Flight Academy.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017; PROVIDING FOR AN EFFECTIVE DATE.

**Sponsors:** Ashton J. Hayward, III

**Attachments:** [Supplemental Budget Resolution No. 17-17](#)  
[Supplemental Budget Explanation No. 17-17](#)

24. [17-00011](#) AWARD OF CONTRACT FOR INVITATION TO BID (ITB) #17-015  
OSCEOLA CLUBHOUSE RENOVATION PROJECT

**Recommendation:** That City Council award a contract to Joy Gordon Construction, LLC for ITB #17-015 Osceola Clubhouse, for \$590,652.00 plus a 15% contingency of \$88,597.80 for a total amount of \$679,249.80. Further that City Council approve the supplemental budget resolution appropriating LOST IV funding for this project. Finally that City Council authorize the Mayor to execute all contracts, related documents, and take all related actions necessary to complete the project.

**Sponsors:** Ashton J. Hayward, III

**Attachments:** [Tabulation Sheet](#)  
[Final Vendor Reference List](#)  
[Supplemental Budget Resolution](#)  
[Supplemental Budget Explanation](#)

25. [17-18](#) SUPPLEMENTAL BUDGET RESOLUTION NO. 17-18 - OSCEOLA  
CLUB HOUSE RENOVATION PROJECT

**Recommendation:** That City Council adopt Supplemental Budget Resolution No. 17-18.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017; PROVIDING FOR AN EFFECTIVE DATE.

**Sponsors:** Ashton J. Hayward, III

**Attachments:** [Supplemental Budget Resolution No. 17-18](#)  
[Supplemental Budget Explanation No. 17-18](#)

26. [05-17](#) PROPOSED ORDINANCE NO. 05-17 - AMENDMENT TO THE LAND DEVELOPMENT CODE - SECTION 12-2-10 - HISTORIC & PRESERVATION LAND USE DISTRICT, (A)(4) PROCEDURE FOR REVIEW

**Recommendation:** That City Council approve proposed Ordinance No. 05-17 on second reading.

AN ORDINANCE AMENDING SECTION 12-2-10 (A) (4) (f) OF THE CODE OF THE CITY OF PENSACOLA; AMENDING THE LAND DEVELOPMENT CODE, HISTORIC & PRESERVATION LAND USE DISTRICT; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE

**Sponsors:** Brian Spencer

**Attachments:** [Proposed Ordinance No. 05-17](#)

27. [06-17](#) PROPOSED ORDINANCE NO. 06-17 - PROPOSED AMENDMENT TO SECTION 12-2-8 (B) (1) OF THE LAND DEVELOPMENT CODE - ADDITION OF MEDICAL MARIJUANA DISPENSARY

**Recommendation:** That City Council approve Proposed Ordinance No. 06-17 on second reading.

AN ORDINANCE AMENDING SECTION 12-2-8 (B) (1) OF THE CODE OF THE CITY OF PENSACOLA; AMENDING THE LAND DEVELOPMENT CODE, ADDITION OF MEDICAL MARIJUANA DISPENSARY; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE

**Sponsors:** Andy Terhaar

**Attachments:** [Proposed Ordinance No. 06-17](#)

28. [07-17](#) PROPOSED ORDINANCE NO. 07-17 - PROPOSED AMENDMENT TO THE LAND DEVELOPMENT CODE - SECTION 12-14-1 DEFINITIONS - BUILDING HEIGHT

**Recommendation:** That City Council adopt Proposed Ordinance No. 07-17 on second reading.

AN ORDINANCE AMENDING SECTION 12-14-1 DEFINITIONS OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

**Sponsors:** Ashton J. Hayward, III

**Attachments:** [Proposed Ordinance No. 07-17](#)



- 29. [03-17](#) PROPOSED ORDINANCE NO. 03-17 - AMENDMENT TO SECTION 3-1-13, COUNCIL RESERVE (GENERAL FUND) OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA

*Recommendation:* That City Council approve Proposed Ordinance No. 03-17 on second reading.

AN ORDINANCE AMENDING SECTION 3-1-13 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; AMENDING THE COUNCIL RESERVE POLICY (GENERAL FUND); SEVERABILITY CLAUSE; REPEALING CLAUSE, AND PROVIDING AN EFFECTIVE DATE.

*Sponsors:* Ashton J. Hayward, III

*Attachments:* [Proposed Ordinance No. 03-17](#)

**FOR DISCUSSION**

- 30. [17-00188](#) DISCUSSION OF REQUEST FOR LETTER OF SUPPORT FOR HB 6019 AND SB 214 REGARDING PRESERVATION OF ARCHAEOLOGICAL SITES.

*Recommendation:* That City Council have a discussion regarding the submission of a letter of support for HB 6019 and SB 214 regarding the preservation of archeological sites.

*Sponsors:* Brian Spencer

*Attachments:* [Pensacola Res04\\_16](#)  
[FAPAFAASt. Aug Talking Points for SB 214 and HB 6019final per glen \(3\)](#)

**INFORMATIONAL ITEMS**

**CONSIDERATION OF ANY ADD-ON ITEMS**

**READING OF ITEMS FOR COUNCIL AGENDA**

**COMMUNICATIONS**

**City Administrator's Communication**

- 31. [17-00152](#) CITY ADMINISTRATOR COMMUNICATION - ERIC W. OLSON

*Sponsors:* Ashton J. Hayward, III

**City Attorney's Communication**

**Monthly Crime Report - Chief David Alexander**

32. [17-00191](#) MONTHLY CRIME REPORT

*Sponsors:* Ashton J. Hayward, III

**Monthly Financial Report - Chief Financial Officer Richard Barker, Jr.**33. [17-00088](#) MONTHLY FINANCIAL REPORT - CHIEF FINANCIAL OFFICER RICHARD BARKER, JR.

*Sponsors:* Ashton J. Hayward, III

34. [17-00144](#) QUARTERLY FINANCIAL REPORT - THREE MONTHS ENDING DECEMBER 31, 2016 - CHIEF FINANCIAL OFFICER RICHARD BARKER, JR.

*Sponsors:* Ashton J. Hayward, III

*Attachments:* [Financial Report - Three Months Ending December 31, 2016](#)

**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

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**File #:** 17-00140

City Council

3/9/2017

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### **PRESENTATION ITEM**

**FROM:** City Council President Brian Spencer

**SUBJECT:**

PRESENTATION FROM FLORIDA DEPARTMENT OF TRANSPORTATION (FDOT) BRIEFING THE CITY COUNCIL ON THE FDOT PROJECT IN PENSACOLA - GREGORY STREET and BAYFRONT PARKWAY AT 17<sup>TH</sup> AVE INTERSECTION IMPROVEMENT PD&E STUDY.

**REQUEST:**

That City Council have a presentation at the March 9, 2017 City Council meeting from FDOT, briefing the City Council on the Gregory Street and Bayfront Parkway at 17<sup>th</sup> Ave intersection improvement PD&E Study.

**SUMMARY:**

This project began last year. FDOT is requesting an opportunity to brief the City Council and City Staff on this project. The presenter will be FDOT Project Manager Joy Swanson Pleas.

**PRIOR ACTION:**

None

**STAFF CONTACT:**

Don Kraher, Council Executive

**ATTACHMENTS:**

1) Pensacola 17th Ave Crowne Plaza Project Map FINAL

**PRESENTATION:** Yes

**PUBLIC MEETING**

Crowne Plaza Grand  
Hotel Grand Ballroom  
200 East Gregory Street  
Pensacola

**PENSACOLA**

Project  
Study  
Area

14th Avenue

17th Avenue

East Gregory Street

S.R. 30

98

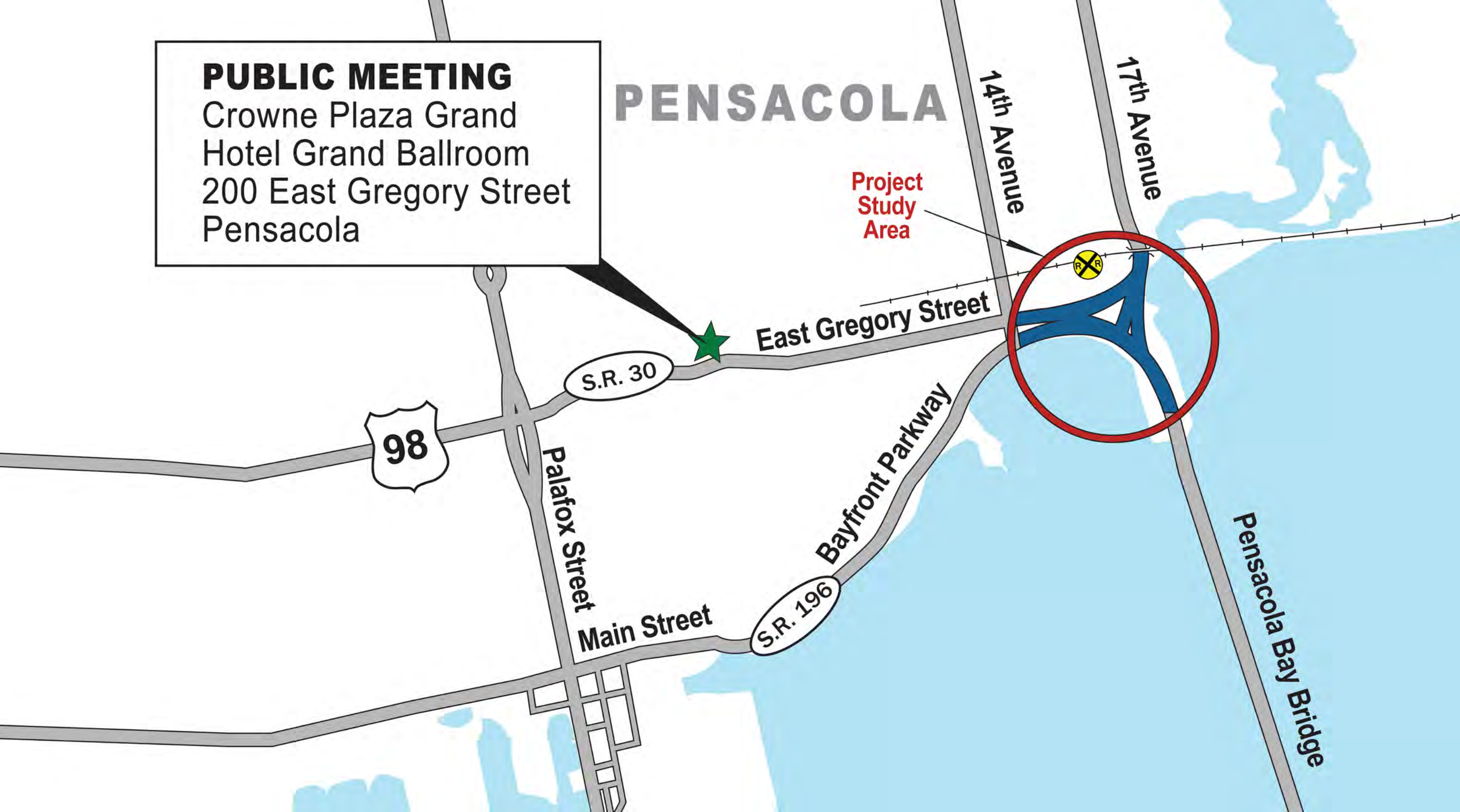
Palafox Street

Main Street

S.R. 196

Bayfront Parkway

Pensacola Bay Bridge





Memorandum

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File #: 16-00284

City Council

3/9/2017

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**LEGISLATIVE ACTION ITEM**

**SPONSOR:** Ashton J. Hayward, III, Mayor

**SUBJECT:**

AWARD OF CONTRACT - BID #17-002 GABERONNE SWAMP STORMWATER PENSACOLA BAY WATERSHED IMPROVEMENTS - SPANISH TRAIL RETENTION POND PROJECT

**RECOMMENDATION:**

That City Council award a contract for construction of the Gaberonne Swamp Stormwater Pensacola Bay Watershed Improvements Spanish Trail Retention Pond Project to BKW, Inc., of Pensacola, Florida, the lowest and most responsible bidder with a base bid of \$966,865.55 plus a 10% contingency of \$96,686.56 for a total amount of \$1,063,552.11.

Public Hearing Required: No Hearing Required

**SUMMARY:**

This project will consist of constructing a new stormwater retention pond to serve as the second construction phase of a 3-phase (total) Section 319 grant project to provide enhanced stormwater treatment for over 760 acres of untreated runoff into Pensacola Bay and help restore the sensitive ecology of the Gaberonne Swamp system. The first phase, Langley Pond Retrofit, is now completed and consisted of re-vamping the existing stormwater pond at Langley Avenue/Scenic Hwy and relocating an existing ECUA lift station. The proposed new dry-retention pond (phase 2) will be approximately 8 acres in size and constructed on City owned property east of Spanish Trail and south of Avenida de Marina immediately adjacent to the swamp. The proposed improvements will meet all applicable standards and specifications from City of Pensacola, Northwest Florida Water Management District (NFWFMD), the Army Corps of Engineers (ACOE), and the Florida Department of Environmental Protection (FDEP).

**PRIOR ACTION:**

July 18, 2013 - Award of Professional Engineering Design Services to Atkins, N.A. for the preparation of 60% construction documents to retrofit the existing stormwater management pond at the intersection of Langley Avenue and Scenic Highway to increase pollutant removal efficiencies and restore the natural hydrology to the northern portion of Gaberonne Swamp.

February 13, 2014 - City Council approved the Florida Department Environmental Protection (FDEP) Total



**PRESENTATION:** No

**TABULATION OF BIDS**

BID NO: 17-002

TITLE: GABERONNE SWAMP STORMWATER PENSACOLA BAY WATERSHED IMPROVEMENTS  
SPANISH TRAIL RETENTION POND PROJECT

OPENING DATE: November 18, 2016	BKW, INC.	PRINCIPLE	J. MILLER	GULF COAST	GULF ATLANTIC
OPENING TIME: 2:30 P.M.		PROPERTIES,	CONSTRUCTION,	UTILITY	CONSTRUCTORS,
		INC.	INC.	CONTRACTORS	INC.
DEPARTMENT: Engineering	Pensacola, FL	Gulf Breeze, FL	Pensacola, FL	Panama City, FL	Pensacola, FL

Base Bid	\$966,865.55	\$914,915.50	\$1,231,465.50	\$1,550,097.00	\$1,856,867.35
Bid Alternate 1	\$217,007.55	\$237,927.00	\$419,875.00	\$260,775.00	\$201,751.25
Bid Alternate 2	\$348,329.04	\$410,330.35	\$476,913.50	\$733,583.00	\$927,238.35
Base Bid & Alternates	\$1,532,202.14	\$1,563,172.85	\$2,128,254.00	\$2,544,455.00	\$2,985,856.95
M/WBE Goal: 5%					
M/WBE Participation	100%	100%	8.9%	0%	0%
Attended Prebid	Yes	Yes	Yes	Yes	Yes

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Opening Date: 11/18/16

Bid No.: 17-002

**FINAL VENDOR REFERENCE LIST  
GABERONNE SWAMP STORMWATER PENSACOLA BAY WATERSHED IMPROVEMENTS  
SPANISH TRAIL RETENTION POND PROJECT  
ENGINEERING**

Vendor	Name	Address	City	St	Zip Code	M/WBE
006037	AL WINGATE & COMPANY DBA WKG ENTERPRISES INC	10901 GULF BEACH HWY	PENSACOLA	FL	32507	N
046667	ALFRED BURGDORF LLC DBA A&B DOZING LLC	2172 W NINE MILE RD PMB 158	PENSACOLA	FL	32534	N
044957	ALL SEASONS CONSTRUCTION LLC	6161 BLUE ANGEL PARKWAY	PENSACOLA	FL	32526	N
068571	B&W UTILITIES INC	1610 SUCCESS DRIVE	CANTONMENT	FL	32533	N
036997	BELLVIEW SITE CONTRACTORS INC	3300 GODWIN LANE	PENSACOLA	FL	32526	N
032537	BEULAH EXCAVATING CO	6640 FRANK REEDER ROAD	PENSACOLA	FL	32526	N
065014	BIG ORANGE ENT LLC DBA ESCAPE LANDSCAPING AND LAWN CARE	704 THORNWOOD PLACE	PENSACOLA	FL	32514	N
057455	BILL FERGUSON ENTERPRISES INC	2201 VALLEY ESCONDIDO DRIVE	PENSACOLA	FL	32526	N
053457	BIRKSHIRE JOHNSTONE LLC	11 CLARINDA LANE	PENSACOLA	FL	32505	N
065013	BKW INC	5615 DUVAL STREET	PENSACOLA	FL	32503	Y
029184	BLARICOM, KIRK VAN DBA KIRK CONSTRUCTION COMPANY	619 GREEN HILLS ROAD	CANTONMENT	FL	32533	N
067318	BLUE WATER CONSTRUCTION & LANDSCAPING INC	8863 N EIGHT MILE CREEK ROAD	PENSACOLA	FL	32534	N
068970	BR BONNER'S HAULING INC	10231 WALBRIDGE STREET	PENSACOLA	FL	32514	N
022856	BROWN CONSTRUCTION OF NW FL INC	10200 COVE AVE	PENSACOLA	FL	32534	N
041503	BROWN, AMOS P JR DBA P BROWN BUILDERS LLC	4231 CHERRY LAUREL DRIVE	PENSACOLA	FL	32504	Y
042045	CHAVERS CONSTRUCTION INC	1795 WEST DETROIT BLVD	PENSACOLA	FL	32534	N
049653	CHRISTOPHER C BARGAINEER CONCRETE CONSTRUCTION INC	6550 BUD JOHNSON ROAD	PENSACOLA	FL	32505	N
045454	COASTLINE STRIPING INC	8840 FOWLER AVENUE	PENSACOLA	FL	32534	N
060876	CREATIVE PUBLIC AMENITIES	1317 JOHN CARROLL DRIVE	PENSACOLA	FL	32504	N
036146	CRONIN CONSTRUCTION INC	99 S ALCANIZ ST SUITE A	PENSACOLA	FL	32502	Y
032038	EVANS CONTRACTING INC	400 NEAL ROAD	CANTONMENT	FL	32533	N
058842	EVERS COMMERCIAL SERVICES OF NORTHWEST FL LLC	1450 EVERS HAVEN	CANTONMENT	FL	32533	N
033421	FLOYD BROTHERS CONSTRUCTION	101 EAST 9 1/2 MILE ROAD	PENSACOLA	FL	32534	N
067563	FOUR C'S LANDSCAPING SERVICES INC DBA ALTMAN LANDSCAPING	410 DOLPHIN STREET	GULF BREEZE	FL	32561	N
068937	G SMITH'S LAND MANAGEMENT	11809 CHANTICLEER DRIVE	PENSACOLA	FL	32507	N
032792	GATOR BORING & TRENCHING INC	1800 BLACKBIRD LANE	PENSACOLA	FL	32534	Y
050495	GB GREEN CONSTRUCTION MANAGEMENT & CONSULTING INC	303 MAN'O'WAR CIRCLE	CANTONMENT	FL	32533	N
053862	GFD CONSTRUCTION INC	8771 ASHLAND AVE	PENSACOLA	FL	32514	N
000591	GULF ATLANTIC CONSTRUCTORS INC	650 WEST OAKFIELD RD	PENSACOLA	FL	32503	N
044100	GULF BEACH CONSTRUCTION	1308 UPLAND CREST COURT	GULF BREEZE	FL	32563	N
034504	GULF COAST AFRICAN AMERICAN CHAMBER OF COMMERCE	PO BOX 17844	PENSACOLA	FL	32522	N
018636	GULF COAST BUILDING CONTRACTORS INC	1010 N 12TH AVE	PENSACOLA	FL	32501	N
034436	GULF COAST ENVIRONMENTAL CONTRACTORS INC	1765 E NINE MILE RD ST 1, #110	PENSACOLA	FL	32514	Y
055520	GULF COAST UTILITY CONTRACTORS	13938 HIGHWAY 77	PANAMA CITY	FL	32409	N
036662	H H H CONSTRUCTION OF NWF INC	8190 BELLE PINES LANE	PENSACOLA	FL	32526	N
001597	HEATON BROTHERS CONSTRUCTION CO INC	5805 SAUFLEY FIELD ROAD	PENSACOLA	FL	32526	N
049715	HOLLAND PUMP CO	2610 SIDNEY LANIER DR	BRUNSWICK	GA	31525	N
049240	J MILLER CONSTRUCTION INC	8900 WARING RD	PENSACOLA	FL	32534	N
053163	J2 ENGINEERING INC	2101 WEST GARDEN STREET	PENSACOLA	FL	32502	N
067491	JACKSON, EDDIE L DBA FAMILY LANDSCAPING	409 PEPPER TREE TERRACE	PENSACOLA	FL	32506	Y

Opening Date: 11/18/16

Bid No.: 17-002

**FINAL VENDOR REFERENCE LIST  
GABERONNE SWAMP STORMWATER PENSACOLA BAY WATERSHED IMPROVEMENTS  
SPANISH TRAIL RETENTION POND PROJECT  
ENGINEERING**

Vendor	Name	Address	City	St	Zip Code	M/WBE
034691	JOHNSON SEPTIC TANK	10050 SOUTH HWY 97-A	WALNUT HILL	FL	32568	N
043857	KBI CONSTRUCTION CO INC	9214 WARING RD	PENSACOLA	FL	32534	N
051998	KIRKLAND, WILLIE JR DBA WILLIE KIRKLAND TRUCKING	2703 WEYLAND CIRCLE	PENSACOLA	FL	32526	N
064730	KNIGHT LANDSCAPE CONCEPTS INC	910 PINOAK LANE	CANTONMENT	FL	32533	N
068161	LEA, DOUGLAS C DBA L&L CONSTRUCTION SERVICES LLC	9655 SOUTH TRACE ROAD	MILTON	FL	32583	N
058332	LEIDNER BUILDERS INC	409 N PACE BLVD	PENSACOLA	FL	32505	N
058801	M & H CONSTRUCTION SERVICES INC	1161 W 9 1/2 MILE RD	PENSACOLA	FL	32534	Y
035623	MCCOY, MARCUS DBA MAVERICK DEMOLITION & LAND CLEARING	2355 SUMMIT BLVD	PENSACOLA	FL	32503	N
052456	MEI LING DAVIS LLC	PO BOX 18155	PENSACOLA	FL	32523	N
031023	MILLIGAN FORD UNLIMITED INC	3160 TUNNEL ROAD	PACE	FL	32571	N
016210	NORD, STEVE DBA SEA HORSE GENERAL CONTRACTORS INC	4238 GULF BREEZE PKWY	GULF BREEZE	FL	32563	N
049113	O'DANIEL MARINE CONSTRUCTION INC	1165 SUNSET LANE	GULF BREEZE	FL	32563	N
002720	PANHANDLE GRADING & PAVING INC	P O BOX 3717	PENSACOLA	FL	32516	N
049009	PARRIS CONSTRUCTION CO LLC	10 EAST FAIRFIELD DRIVE STE C	PENSACOLA	FL	32503	N
058953	PARSCO LLC	714 NORTH DEVILLIERS STREET	PENSACOLA	FL	32501	N
060636	PATHWAYS FOR CHANGE INC EVERYTHING OUTDOORS LAWN & MAINTENANCE	P O BOX 17852	PENSACOLA	FL	32522	N
030951	PAV'R CONSTRUCTION INC	P O BOX1293	GULF BREEZE	FL	32562	N
003956	PENSACOLA CONCRETE CONSTRUCTION CO INC	P O BOX 2787	PENSACOLA	FL	32513	N
060334	PENSACOLA BAY AREA CHAMBER OF COMMERCE DBA GREATER PENSACOLA CHAMBER	117 W GARDEN ST	PENSACOLA	FL	32502	N
000225	PENSACOLA NEWS JOURNAL	P O BOX 12710	PENSACOLA	FL	32591	N
064219	POE, JAMIN DBA P3 CONSTRUCTION & ENERGY SOLUTIONS LLC	321 N DEVILLIERS ST STE 208	PENSACOLA	FL	32501	N
066152	PRINCIPLE PROPERTIES INC	4371 MARILYN COURT	GULF BREEZE	FL	32563	Y
051133	PUGH, KEVIN D DBA KEVIN D PUGH SITE & DOZER WORKS LLC	5731 STEWART ROAD	WALNUT HILL	FL	32568	Y
045636	PURIFOY CONSTRUCTION LLC	1425 MUSCOGEE ROAD	CANTONMENT	FL	32533	N
050307	QCFS MANAGEMENT GROUP INC	3326 NORTH W STREET	PENSACOLA	FL	32505	N
018305	R D WARD CONSTRUCTION CO INC	15 EAST HERMAN STREET	PENSACOLA	FL	32505	N
049671	RADFORD & NIX CONSTRUCTION LLC	7014 PINE FOREST ROAD	PENSACOLA	FL	32526	N
070005	RAIN FOR RENT	315 DIAL STREET	MOBILE	AL	36612	N
001681	RANDALL, HENRY DBA RANDALL CONSTRUCTION	1045 S FAIRFIELD DRIVE	PENSACOLA	FL	32506	N
031881	ROADS INC OF NWF	106 STONE BLVD	CANTONMENT	FL	32533	N
017634	ROBERSON EXCAVATION INC	6013 SOUTHRIDGE ROAD	MILTON	FL	32570	N
067564	ROBERSON UNDERGROUND UTILITY LLC	6013 SOUTHRIDGE ROAD	MILTON	FL	32570	N
055499	ROCKWELL CORPORATION	3309 LINGER COURT	PENSACOLA	FL	32526	N
057937	ROPER & ROPER GENERAL CONTRACTORS LLC	5042 SKYLARK COURT	PENSACOLA	FL	32505	N
046042	ROYALTY LLC DBA ROYALTY MANAGEMENT LLC	1765 E NINE MILE ROAD #1-104	PENSACOLA	FL	32514	N
044550	SEA COAST & COMPANY	P O BOX 1422	GULF BREEZE	FL	32562	N
065450	SITE AND UTILITY LLC	PO BOX 30136	PENSACOLA	FL	32503	N
059753	SITE WORX OF NORTHWEST FL LLC	1450 EVERS HAVEN	CANTONMENT	FL	32533	N
068159	SOUTHERN DRILL SUPPLY INC	1822 BLACKBIRD LANE	PENSACOLA	FL	32534	N
011457	SOUTHERN UTILITY CO INC	P O BOX 2055	PENSACOLA	FL	32513	N

Opening Date: 11/18/16

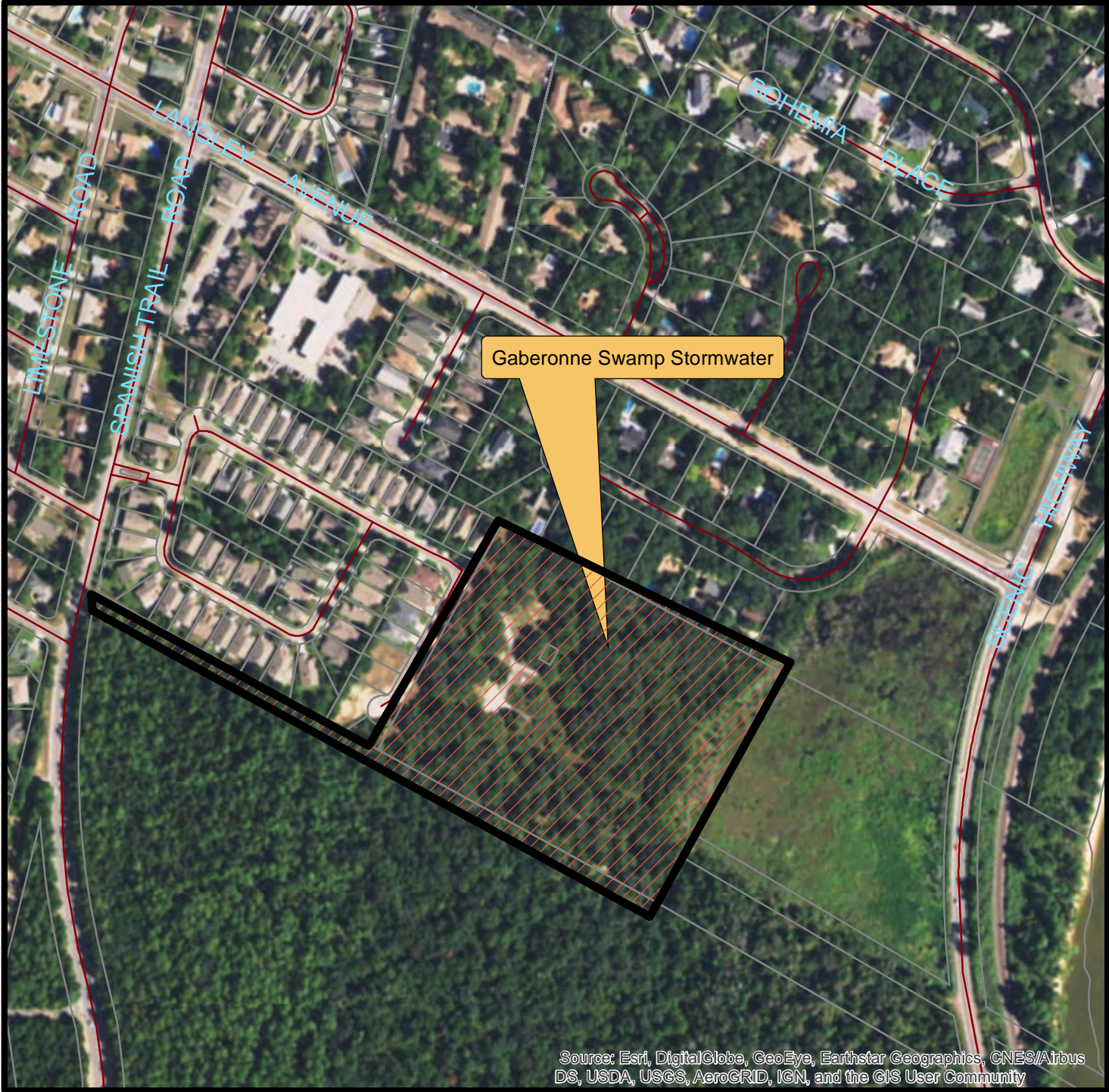
Bid No.: 17-002

**FINAL VENDOR REFERENCE LIST  
GABERONNE SWAMP STORMWATER PENSACOLA BAY WATERSHED IMPROVEMENTS  
SPANISH TRAIL RETENTION POND PROJECT  
ENGINEERING**

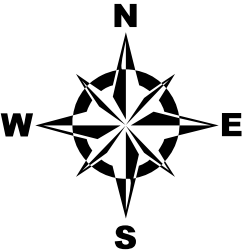
Vendor	Name	Address	City	St	Zip Code	M/WBE
054175	SUPERIOR WASTE & LANDCLEARING LLC	8804 SONNYBOY LANE	PENSACOLA	FL	32514	N
057995	T&W BREAKING GROUND LLC	5748 PRINCETON DRIVE	PENSACOLA	FL	32526	N
028060	THE GREEN SIMMONS COMPANY INC	3407 NORTH W STREET	PENSACOLA	FL	32505	N
037833	THE PENSACOLA VOICE INC	213 EAST YONGE STREET	PENSACOLA	FL	32503	N
053924	THOMPSON CONTRACTOR RESOURCES INC	196 E NINE MILE RD SUITE C	PENSACOLA	FL	32534	N
051465	TROY TEMPLEMAN DBA GULF STATES ENTERPRISES INC	2140 JARROD DRIVE	CANTONMENT	FL	32533	N
069066	UNDERGROUND SOLUTIONS LLC	3070 GODWIN LN	PENSACOLA	FL	32526	Y
002482	UTILITY SERVICE COMPANY INC	4326 GULF BREEZE PARKWAY	GULF BREEZE	FL	32563	N
027461	VISION CONSTRUCTION ENT INC	P O BOX 9604	PENSACOLA	FL	32513	N
030317	W P R INC	4175 BRIARGLEN RD	MILTON	FL	32583	N
032732	WALLER, DONALD DBA NORTHCOAST CONTAINER INC	2325 MID PINE CIRCLE	PENSACOLA	FL	32514	N
030448	WARRINGTON UTILITY & EXCAVATING INC	8401 UNTREINER AVE	PENSACOLA	FL	32534	N
051855	WHITE CONSTRUCTION & RENOVATION INC	2000 MATHISON ROAD	CANTONMENT	FL	32533	N
045140	WIT CONSTRUCTION SERVICES LLC	1161 WEST DETROIT BLVD	PENSACOLA	FL	32534	N
044856	WOLFE CONSTRUCTION	40 W NINE MILE RD #2 STE 212	PENSACOLA	FL	32534	N

Vendors: 95

# Gaberonne Swamp Stormwater Pensacola Bay Watershed Improvements Spanish Trail Retention Pond Project



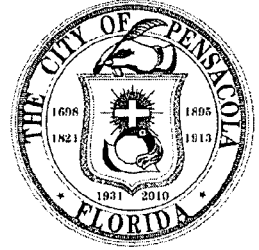
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



**DEPARTMENT OF PUBLIC WORKS AND FACILITIES  
ENGINEERING AND CONSTRUCTION SERVICES DIVISION**

# Report of City Council Action Items

February 13, 2014



**Members Present:** Council President Jewel Cannada-Wynn, Council, Charles Bare, Larry B. Johnson, Sherri Myers, Brian Spencer, Andy Terhaar, and Gerald Wingate

**Absent:** Megan B. Pratt and P. C. Wu

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## CONSENT AGENDA ITEMS

1. REQUEST FOR LICENSE TO USE – 7 & 15 WEST MAIN STREET

That City Council approve the request for a license to use a 4' x 106.63" portion of the West Main Street right of way.

*The motion passed 6 - 0. Council Member Spencer abstaining from the vote.*

## REGULAR AGENDA ITEMS

2. GABERONNE SWAMP STORMWATER – PENSACOLA BAY WATERSHED IMPROVEMENTS GRANT ACCEPTANCE

That City Council authorize the Mayor to accept and execute the Florida Department Environmental Protection (FDEP) Total Maximum Daily Load (TMDL) Award of \$1,584,118.17 and Section 319 FY13 Grant Award in the amount of \$2000,000. Further, that City Council adopt the attached supplemental budget resolution to appropriate the grant funds.

*The motion passed unanimously.*

SUPPLEMENTAL BUDGET RESOLUTION NO. 01-14 – **MOTION TO APPROVE**

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014; PROVIDING FOR AN EFFECTIVE DATE.

*The motion passed unanimously.*

3. PUBLIC HEARING – AMENDMENT TO THE LAND DEVELOPMENT CODE – MINOR LICENSE TO USE APPROVALS – **MOTION TO APPROVE**

That City Council conduct a public hearing on February 13, 2014 to consider the proposed amendment to the Land Development Code.

*The motion passed unanimously.*

PROPOSED ORDINANCE NO. 06-14 – *1<sup>st</sup> Reading* - **MOTION TO APPROVE**

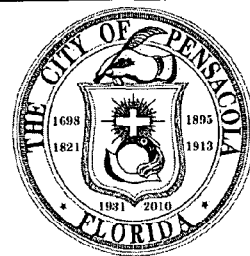
AN ORDINANCE AMENDING SECTION 12-12-7 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; AMENDING THE LICENSE TO USE RIGHT OF WAY REGULATIONS; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

*The motion passed unanimously.*

4. PUBLIC HEARING – REQUEST TO VACATE ALLEY – 2900 EAST CERVANTES STREET – A.K. SUTER SCHOOL – **MOTION TO APPROVE**

That City Council conduct a public hearing on February 13, 2014 to consider the request to vacate the alleyway adjacent to 2900 East Cervantes Street.

*The motion passed unanimously.*



# COUNCIL MEMORANDUM

Council Meeting Date: February 13, 2014

## LEGISLATIVE ACTION ITEM

**SPONSOR:** Ashton J. Hayward, III, Mayor *ASHTON J. HAYWARD*

**SUBJECT:** Gaberonne Swamp Stormwater – Pensacola Bay Watershed Improvements Grant Acceptance

### RECOMENDATION:

That City Council authorize the Mayor to accept and execute the Florida Department Environmental Protection (FDEP) Total Maximum Daily Load (TMDL) Award of \$1,584,118.17 and Section 319 FY13 Grant Award in the amount of \$200,000. Further, that City Council adopt the attached supplemental budget resolution to appropriate the grant funds.

**AGENDA:** \_\_\_\_\_ Regular   X   Consent  
Hearing Required: Public \_\_\_\_\_ Quasi-Judicial \_\_\_\_\_ No Hearing Required   X  

### SUMMARY:

The City of Pensacola is one of the oldest cities in the state of Florida, with a history of urban settlement dating back 300 years. Urbanization has put substantial pressure on both the natural and man-made hydrologic systems to accommodate increasing amounts of runoff carrying ever more complex pollutants. All of the runoff from the City discharges into the Pensacola Bay watershed and the City has moved on several fronts within the last decade to address stormwater impacts on local area waters. The Scenic Heights area in Northeast Pensacola has been identified as an area of concern regarding pollutant loadings as it is a large single family residential development that has a direct discharge to Pensacola Bay. Most of this area was developed prior to water quality regulations and consists of a 72" main trunk line that runs down Langley Avenue to the east and discharges directly to the bay.

In August 2006, City Council authorized the preparation of a grant application under the Florida Forever Competitive Grant and Section 319 Grant Programs for the Gaberonne Swamp Stormwater Enhancement Project. In September 2007, the grant application was prepared by the Engineering consultant and submitted to the Northwest Florida Water Management District (NFWFMD) and the Florida Department of Environmental Protection (FDEP) for evaluation and consideration. The NFWFMD through several programs has identified the preservation of bottomland hardwood habitats, which includes the Gaberonne Swamp, as an essential element with regard to the long term health of the Pensacola Bay System.

This project will serve as a means to provide stormwater treatment for over 760 acres of untreated runoff into Pensacola Bay and help restore the sensitive ecology of the Gaberonne Swamp system. This will primarily take place through the construction of an advanced treatment train process that will remove approx. 96,000 lbs. of pollutants annually utilizing a large stormwater retention pond uphill and adjacent to the swamp, where stormwater will be routed for treatment prior to replenishing the swamp and ultimately discharging into the bay.

Council Memorandum

Gaberonne Swamp Stormwater – Pensacola Bay Watershed Improvements Grant Acceptance

February 13, 2014

Page #2

As part of this, the Emerald Coast Utilities Authority (ECUA) has agreed to partner with the City to relocate a sanitary sewer lift-station facility that currently occupies the area where the new stormwater pond is Proposed and is part of the grant scope. ECUA will oversee the relocation and the City will reimburse them for 50% of the costs up to \$350,000. Funding for the reimbursement will come from the City matching Funds identified in the Funding portion of this memorandum. The existing pond at the intersection of Langley Avenue and Scenic Highway will also be retrofitted to provide treated stormwater to the swamp and will function in a much more effective and efficient manner. This overall project will be phased out over approximately five (5) years with each phase represented as a “sub” or smaller stand-alone project that will ultimately all tie together.

Education of the public about personal impacts on stormwater, changing city field operating procedures, increasing land development code requirements, and addressing water quality in all city construction projects have been instituted for the protection and improvement of water quality. As part of the grant scope, an educational kiosk explaining the importance of stormwater management to enhance bay water quality will be placed at the Pensacola Bay Bluffs Park, a popular destination for city residents and visitors of all ages.

**PRIOR ACTION:**

JUL 2013 - Award of Professional Engineering Design Services to Atkins, N.A. for the preparation of 60% construction documents to retrofit the existing stormwater management pond at the intersection of Langley Avenue and Scenic Highway to increase pollutant removal efficiencies and restore the natural hydrology to the northern portion of Gaberonne Swamp.

**FUNDING:**

Revenues:

FDEP TMDL Grant Award	\$1,584,118.17
Section 319 FY13 Grant Award	\$ 200,000.00
Matching Funds (City)	\$ 976,381.04 (Stormwater Capital Fund)
Matching Funds (ECUA)	<u>\$ 350,000.00</u>
<b>Total</b>	<b>\$3,110,499.21</b>

Expenditures\*:

Construction	\$2,275,499.21
Engineering Design/Permitting	\$ 250,000.00
Project Administration	\$ 150,000.00
Other/Misc.	\$ 85,000.00
Payment to ECUA	<u>\$ 350,000.00</u>
<b>Total</b>	<b>\$3,110,499.21</b>

\*Approximate estimates only

Council Memorandum

Gaberonne Swamp Stormwater – Pensacola Bay Watershed Improvements Grant Acceptance

February 13, 2014

Page #3

**FINANCIAL IMPACT:**

Funding is currently available for the required City “match” within the Stormwater Capital Projects Fund for the Scenic Heights Discharge Project in the amount of \$656,861.89 with the remaining \$319,519.15 available in the FY 2015 Stormwater Capital Projects Fund for the same project. Per ECUA, funding in the amount of \$350,000 is available from them to provide their required match. Approval of the attached supplemental budget resolution will appropriate the grant funds.

**STAFF CONTACT:**

Colleen M. Castille, City Administrator

L. Derrik Owens, P. E., Director of Public Works and Facilities/City Engineer

Richard Barker, Chief Financial Officer

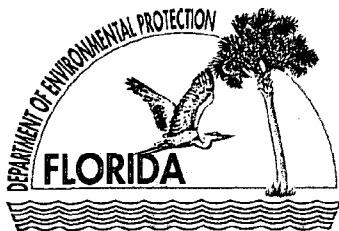
**ATTACHMENTS:**

- 1) FDEP FY13 Award Letter Authorization
- 2) ECUA Letter of Commitment
- 3) Supplemental Budget Resolution
- 4) Supplemental Budget Resolution Explanation

**PRESENTATION:**

No.





## Florida Department of Environmental Protection

Bob Martinez Center  
2600 Blair Stone Road  
Tallahassee, Florida 32399-2400

Rick Scott  
Governor

Jennifer Carroll  
Lt. Governor

Herschel T. Vinyard Jr.  
Secretary

Via e-mail: [dowens@cityofpensacola.com](mailto:dowens@cityofpensacola.com)

August 20, 2013

Mr. Derrik Owens, P.E.  
Public Works Director  
2757 North Palafox Street  
Pensacola, FL 32501

RE: Section 319(h) Grant Proposal Status

Dear Mr. Owens:

The previous award letter informing you that your proposal entitled "Gaberonne Swamp Stormwater- Pensacola Bay Watershed" was selected for funding this year did not include the total amount awarded. In fact it is our pleasure to report that, you will be awarded a total grant amount of \$1,784,118.17. The City will be providing match dollars in the amount of 1,246,381.04 with additional funds in the amount of \$50,000.00 for a total project cost of \$3,080,499.21. The draft work plan was submitted to EPA on September 30, 2012. While we have selected this project for inclusion in the draft work plan, please be aware that funding cannot be guaranteed until EPA approves the draft work plan and the federal funds are received by the state. We would expect to receive EPA's approval and the federal funds by September 2013. Upon receipt of the federal funds, we will contact you to initiate contracting. For planning purposes, if approved by EPA, you should expect contract initiation to occur between September 2013 and January 2014. In the interim (starting October 1, 2012) any non-federal expenditures made for the project can be counted towards the required minimum 40% match.

So that we may better plan our restoration efforts across the state, please respond to this letter by August 23, 2013 and indicate that you accept this grant. You may either email me at [Connie.L.Becker@dep.state.fl.us](mailto:Connie.L.Becker@dep.state.fl.us) or mail to the address in this letterhead. If we do not hear from you by that date, we will assume you do not intend to accept that grant and will reallocate the grant funds as needed.



Mr. Derrick Owens  
August 20, 2013  
Page Two

We look forward to working with you on this project and value your commitment to restoring Florida's waters. In addition to the federal section 319(h) grant, please accept this as notification of the TMDL Award which is included in the total grant award in Paragraph 2 above. If you have any questions, please do not hesitate to call me at (850) 245-8505 or e-mail at [Connie.L.Becker@dep.state.fl.us](mailto:Connie.L.Becker@dep.state.fl.us) or contact Mike Scheinkman at (850) 245-8521 or [Michael.Scheinkman@dep.state.fl.us](mailto:Michael.Scheinkman@dep.state.fl.us).

Sincerely,

Connie Becker  
Division of Environmental Assessment and Restoration

XC: Lee Marchman, Non-Point Source Section  
Mike Scheinkman, Contract Manager





**RESOLUTION  
NO. 01-14**

**A RESOLUTION  
TO BE ENTITLED:**

**A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE  
FISCAL YEAR ENDING SEPTEMBER 30, 2014; 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:**

<b>A. SPECIAL GRANTS FUND</b>		
<b>As Reads:</b>	<b>Federal Grant Contributions</b>	<b>256,559</b>
<b>Amended</b>		
<b>To Read</b>	<b>Federal Grant Contributions</b>	<b>1,840,679</b>
<b>As Reads:</b>	<b>Federal Grant Contributions</b>	<b>256,559</b>
<b>Amended</b>		
<b>To Read</b>	<b>Federal Grant Contributions</b>	<b>456,559</b>
<b>As Reads:</b>	<b>Operating Expenses</b>	<b>1,399,162</b>
<b>Amended</b>		
<b>To Read</b>	<b>Operating Expenses</b>	<b>1,459,056</b>
<b>As Reads:</b>	<b>Capital Outlay</b>	<b>840,808</b>
<b>Amended</b>		
<b>To Read</b>	<b>Capital Outlay</b>	<b>2,565,034</b>

**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

Legal in form and valid as drawn:

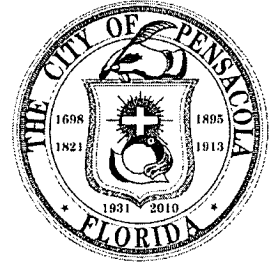
\_\_\_\_\_  
City Attorney

THE CITY OF PENSACOLA  
 FEBRUARY 2014 - SUPPLEMENTAL BUDGET RESOLUTION - GABERONNE SWAMP STORMWATER GRANT

FUND	ACCOUNT NUMBER	AMOUNT	DESCRIPTION
<b>SPECIAL GRANTS FUND</b>	102		
Estimated Revenues			
Federal Grant Contributions		1,584,120	Increase estimated revenue for Federal Grant Contributions
State Grant Contributions		200,000	Increase estimated revenue for State Grant Contributions
Total Revenues		<u>1,784,120</u>	
Appropriations			
Operating Expenses		59,894	Increase appropriation for Operating Expenses
Capital Outlay		1,724,226	Increase appropriation for Capital Outlay
Total Appropriations		<u>1,784,120</u>	

# Report of City Council Action Items

February 13, 2014



**Members Present:** Council President Jewel Cannada-Wynn, Council, Charles Bare, Larry B. Johnson, Sherri Myers, Brian Spencer, Andy Terhaar, and Gerald Wingate

**Absent:** Megan B. Pratt and P. C. Wu

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## CONSENT AGENDA ITEMS

1. REQUEST FOR LICENSE TO USE – 7 & 15 WEST MAIN STREET

That City Council approve the request for a license to use a 4' x 106.63" portion of the West Main Street right of way.

*The motion passed 6 - 0. Council Member Spencer abstaining from the vote.*

## REGULAR AGENDA ITEMS

2. GABERONNE SWAMP STORMWATER – PENSACOLA BAY WATERSHED IMPROVEMENTS GRANT ACCEPTANCE

That City Council authorize the Mayor to accept and execute the Florida Department Environmental Protection (FDEP) Total Maximum Daily Load (TMDL) Award of \$1,584,118.17 and Section 319 FY13 Grant Award in the amount of \$2000,000. Further, that City Council adopt the attached supplemental budget resolution to appropriate the grant funds.

*The motion passed unanimously.*

SUPPLEMENTAL BUDGET RESOLUTION NO. 01-14 – **MOTION TO APPROVE**

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014; PROVIDING FOR AN EFFECTIVE DATE.

*The motion passed unanimously.*

3. PUBLIC HEARING – AMENDMENT TO THE LAND DEVELOPMENT CODE – MINOR LICENSE TO USE APPROVALS – **MOTION TO APPROVE**

That City Council conduct a public hearing on February 13, 2014 to consider the proposed amendment to the Land Development Code.

*The motion passed unanimously.*

PROPOSED ORDINANCE NO. 06-14 – *1<sup>st</sup> Reading* - **MOTION TO APPROVE**

AN ORDINANCE AMENDING SECTION 12-12-7 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; AMENDING THE LICENSE TO USE RIGHT OF WAY REGULATIONS; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

*The motion passed unanimously.*

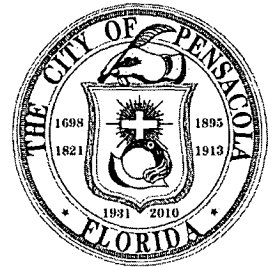
4. PUBLIC HEARING – REQUEST TO VACATE ALLEY – 2900 EAST CERVANTES STREET – A.K. SUTER SCHOOL – **MOTION TO APPROVE**

That City Council conduct a public hearing on February 13, 2014 to consider the request to vacate the alleyway adjacent to 2900 East Cervantes Street.

*The motion passed unanimously.*

# COUNCIL MEMORANDUM

Council Meeting Date: February 13, 2014



## LEGISLATIVE ACTION ITEM

**SPONSOR:** Ashton J. Hayward, III, Mayor *Ashton*

**SUBJECT:** Gaberonne Swamp Stormwater – Pensacola Bay Watershed Improvements Grant Acceptance

### RECOMENDATION:

That City Council authorize the Mayor to accept and execute the Florida Department Environmental Protection (FDEP) Total Maximum Daily Load (TMDL) Award of \$1,584,118.17 and Section 319 FY13 Grant Award in the amount of \$200,000. Further, that City Council adopt the attached supplemental budget resolution to appropriate the grant funds.

**AGENDA:** \_\_\_\_\_ Regular      X   Consent  
Hearing Required: Public \_\_\_\_\_ Quasi-Judicial \_\_\_\_\_ No Hearing Required   X  

### SUMMARY:

The City of Pensacola is one of the oldest cities in the state of Florida, with a history of urban settlement dating back 300 years. Urbanization has put substantial pressure on both the natural and man-made hydrologic systems to accommodate increasing amounts of runoff carrying ever more complex pollutants. All of the runoff from the City discharges into the Pensacola Bay watershed and the City has moved on several fronts within the last decade to address stormwater impacts on local area waters. The Scenic Heights area in Northeast Pensacola has been identified as an area of concern regarding pollutant loadings as it is a large single family residential development that has a direct discharge to Pensacola Bay. Most of this area was developed prior to water quality regulations and consists of a 72" main trunk line that runs down Langley Avenue to the east and discharges directly to the bay.

In August 2006, City Council authorized the preparation of a grant application under the Florida Forever Competitive Grant and Section 319 Grant Programs for the Gaberonne Swamp Stormwater Enhancement Project. In September 2007, the grant application was prepared by the Engineering consultant and submitted to the Northwest Florida Water Management District (NFWFMD) and the Florida Department of Environmental Protection (FDEP) for evaluation and consideration. The NFWFMD through several programs has identified the preservation of bottomland hardwood habitats, which includes the Gaberonne Swamp, as an essential element with regard to the long term health of the Pensacola Bay System.

This project will serve as a means to provide stormwater treatment for over 760 acres of untreated runoff into Pensacola Bay and help restore the sensitive ecology of the Gaberonne Swamp system. This will primarily take place through the construction of an advanced treatment train process that will remove approx. 96,000 lbs. of pollutants annually utilizing a large stormwater retention pond uphill and adjacent to the swamp, where stormwater will be routed for treatment prior to replenishing the swamp and ultimately discharging into the bay.

Council Memorandum

Gaberonne Swamp Stormwater – Pensacola Bay Watershed Improvements Grant Acceptance

February 13, 2014

Page #2

As part of this, the Emerald Coast Utilities Authority (ECUA) has agreed to partner with the City to relocate a sanitary sewer lift-station facility that currently occupies the area where the new stormwater pond is Proposed and is part of the grant scope. ECUA will oversee the relocation and the City will reimburse them for 50% of the costs up to \$350,000. Funding for the reimbursement will come from the City matching Funds identified in the Funding portion of this memorandum. The existing pond at the intersection of Langley Avenue and Scenic Highway will also be retrofitted to provide treated stormwater to the swamp and will function in a much more effective and efficient manner. This overall project will be phased out over approximately five (5) years with each phase represented as a “sub” or smaller stand-alone project that will ultimately all tie together.

Education of the public about personal impacts on stormwater, changing city field operating procedures, increasing land development code requirements, and addressing water quality in all city construction projects have been instituted for the protection and improvement of water quality. As part of the grant scope, an educational kiosk explaining the importance of stormwater management to enhance bay water quality will be placed at the Pensacola Bay Bluffs Park, a popular destination for city residents and visitors of all ages.

**PRIOR ACTION:**

JUL 2013 - Award of Professional Engineering Design Services to Atkins, N.A. for the preparation of 60% construction documents to retrofit the existing stormwater management pond at the intersection of Langley Avenue and Scenic Highway to increase pollutant removal efficiencies and restore the natural hydrology to the northern portion of Gaberonne Swamp.

**FUNDING:**

Revenues:

FDEP TMDL Grant Award	\$1,584,118.17
Section 319 FY13 Grant Award	\$ 200,000.00
Matching Funds (City)	\$ 976,381.04 (Stormwater Capital Fund)
Matching Funds (ECUA)	<u>\$ 350,000.00</u>
<b>Total</b>	<b>\$3,110,499.21</b>

Expenditures\*:

Construction	\$2,275,499.21
Engineering Design/Permitting	\$ 250,000.00
Project Administration	\$ 150,000.00
Other/Misc.	\$ 85,000.00
Payment to ECUA	<u>\$ 350,000.00</u>
<b>Total</b>	<b>\$3,110,499.21</b>

\*Approximate estimates only



Council Memorandum

Gaberonne Swamp Stormwater – Pensacola Bay Watershed Improvements Grant Acceptance

February 13, 2014

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**FINANCIAL IMPACT:**

Funding is currently available for the required City “match” within the Stormwater Capital Projects Fund for the Scenic Heights Discharge Project in the amount of \$656,861.89 with the remaining \$319,519.15 available in the FY 2015 Stormwater Capital Projects Fund for the same project. Per ECUA, funding in the amount of \$350,000 is available from them to provide their required match. Approval of the attached supplemental budget resolution will appropriate the grant funds.

**STAFF CONTACT:**

Colleen M. Castille, City Administrator

L. Derrik Owens, P. E., Director of Public Works and Facilities/City Engineer

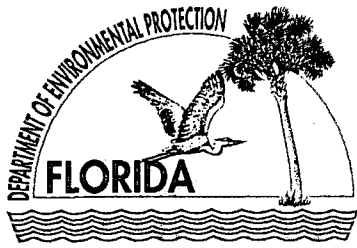
Richard Barker, Chief Financial Officer

**ATTACHMENTS:**

- 1) FDEP FY13 Award Letter Authorization
- 2) ECUA Letter of Commitment
- 3) Supplemental Budget Resolution
- 4) Supplemental Budget Resolution Explanation

**PRESENTATION:**

No.



# Florida Department of Environmental Protection

Bob Martinez Center  
2600 Blair Stone Road  
Tallahassee, Florida 32399-2400

Rick Scott  
Governor

Jennifer Carroll  
Lt. Governor

Herschel T. Vinyard Jr.  
Secretary

Via e-mail: [dowens@cityofpensacola.com](mailto:dowens@cityofpensacola.com)

August 20, 2013

Mr. Derrik Owens, P.E.  
Public Works Director  
2757 North Palafox Street  
Pensacola, FL 32501

RE: Section 319(h) Grant Proposal Status

Dear Mr. Owens:

The previous award letter informing you that your proposal entitled "Gaberonne Swamp Stormwater- Pensacola Bay Watershed" was selected for funding this year did not include the total amount awarded. In fact it is our pleasure to report that, you will be awarded a total grant amount of \$1,784,118.17. The City will be providing match dollars in the amount of 1,246,381.04 with additional funds in the amount of \$50,000.00 for a total project cost of \$3,080,499.21. The draft work plan was submitted to EPA on September 30, 2012. While we have selected this project for inclusion in the draft work plan, please be aware that funding cannot be guaranteed until EPA approves the draft work plan and the federal funds are received by the state. We would expect to receive EPA's approval and the federal funds by September 2013. Upon receipt of the federal funds, we will contact you to initiate contracting. For planning purposes, if approved by EPA, you should expect contract initiation to occur between September 2013 and January 2014. In the interim (starting October 1, 2012) any non-federal expenditures made for the project can be counted towards the required minimum 40% match.

So that we may better plan our restoration efforts across the state, please respond to this letter by August 23, 2013 and indicate that you accept this grant. You may either email me at [Connie.L.Becker@dep.state.fl.us](mailto:Connie.L.Becker@dep.state.fl.us) or mail to the address in this letterhead. If we do not hear from you by that date, we will assume you do not intend to accept that grant and will reallocate the grant funds as needed.

Mr. Derrick Owens  
August 20, 2013  
Page Two

We look forward to working with you on this project and value your commitment to restoring Florida's waters. In addition to the federal section 319(h) grant, please accept this as notification of the TMDL Award which is included in the total grant award in Paragraph 2 above. If you have any questions, please do not hesitate to call me at (850) 245-8505 or e-mail at [Connie.L.Becker@dep.state.fl.us](mailto:Connie.L.Becker@dep.state.fl.us) or contact Mike Scheinkman at (850) 245-8521 or [Michael.Scheinkman@dep.state.fl.us](mailto:Michael.Scheinkman@dep.state.fl.us) .

Sincerely,

Connie Becker  
Division of Environmental Assessment and Restoration

XC: Lee Marchman, Non-Point Source Section  
Mike Scheinkman, Contract Manager



**RESOLUTION  
NO. 01-14**

**A RESOLUTION  
TO BE ENTITLED:**

**A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE  
FISCAL YEAR ENDING SEPTEMBER 30, 2014; 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 GRANTS FUND**

As Reads:	Federal Grant Contributions	256,559
Amended		
To Read	Federal Grant Contributions	1,840,679
As Reads:	Federal Grant Contributions	256,559
Amended		
To Read	Federal Grant Contributions	456,559
As Reads:	Operating Expenses	1,399,162
Amended		
To Read	Operating Expenses	1,459,056
As Reads:	Capital Outlay	840,808
Amended		
To Read	Capital Outlay	2,565,034

**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

Legal in form and valid as drawn:

\_\_\_\_\_  
City Attorney

THE CITY OF PENSACOLA  
 FEBRUARY 2014 - SUPPLEMENTAL BUDGET RESOLUTION - GABERONNE SWAMP STORMWATER GRANT

FUND	ACCOUNT NUMBER	AMOUNT	DESCRIPTION
<b>SPECIAL GRANTS FUND</b>	<b>102</b>		
Estimated Revenues			
Federal Grant Contributions		1,584,120	Increase estimated revenue for Federal Grant Contributions
State Grant Contributions		200,000	Increase estimated revenue for State Grant Contributions
Total Revenues		<u>1,784,120</u>	
Appropriations			
Operating Expenses		59,894	Increase appropriation for Operating Expenses
Capital Outlay		<u>1,724,226</u>	Increase appropriation for Capital Outlay
Total Appropriations		<u>1,784,120</u>	



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00012

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** Ashton J. Hayward, III, Mayor

**SUBJECT:**

AWARD OF CONTRACT - BID #17-006 BAYOU CHICO "R" STREET AT MAGGIE'S DITCH STORMWATER TREATMENT ENHANCEMENT PROJECT

**RECOMMENDATION:**

That City Council award a contract for construction of the Bayou Chico "R" Street at Maggie's Ditch Stormwater Treatment Project to Williams Industrial & Marine, Inc., of Westville, Florida, the lowest and most responsible bidder with a base bid of \$597,719.00, plus 10% contingency of \$59,771.90 for a total amount of \$657,490.90.

Public Hearing Required: No Hearing Required

**SUMMARY:**

The site location for this grant-funded project is in the former "R" Street right-of-way (vacated) on Escambia County School District (ECSD) property at the Global Learning Academy Elementary School site adjacent to Maggie's Ditch. The project is a joint cooperation and collaboration effort with Escambia County, ECSD and the National Fish and Wildlife Foundation (NFWF). Even though the project is located on the physical school site property, it will serve the entire community as a public educational facility and outreach tool for greater environmental awareness and stewardship in regards to proper/responsible stormwater management practices.

The new facility will have multiple educational elements to promote learning and comprehension of the fragile ecological balances within our environment and emphasis on stewardship of our natural resources. It will also have numerous public amenities that include park benches for passive observation, proper trash receptacles, enhanced hardscape features, lush landscape, an observation gazebo directly overlooking Maggie's Ditch, a walking path and ornamental lighting. The project is scheduled to begin construction in April of 2017 and will take approximately 6 months to complete.

**PRIOR ACTION:**

October 8, 2015 - City Council approved the Interlocal Agreement with Escambia County relating to the NFWF Grant for the Bayou Chico Restoration Project for the "R" Street at Maggie's Ditch Stormwater Treatment Enhancement Project.

**FUNDING:**

Budget:    \$ 865,000.00 NFWF Grant Award

Actual:    \$ 597,719.00 Construction Contract  
              59,771.90 10% Contingency  
              50,716.10 Engineering Design/Permitting  
              43,000.00 Project Inspection (estimated)  
              5,000.00 Construction Testing/Misc.  
              756,207.00 Total

**FINANCIAL IMPACT:**

Grant funding in the amount of \$865,000.00 has been appropriated in the Special Grants Fund. To Date, \$52,404.43 has been expended or encumbered for items related to engineering design and miscellaneous preconstruction cost, leaving a remaining current balance of \$812,595.57. The remaining budget balance is sufficient to cover the remaining items that have yet to be completed/expended.

**CITY ATTORNEY REVIEW:** Yes

2/17/2017

**STAFF CONTACT:**

Eric W. Olson, City Administrator  
L. Derrik Owens, Director of Public Works and Facilities/City Engineer

**ATTACHMENTS:**

- 1) Bid Tabulation, Bid No. 17-006
- 2) Final Vendor Reference List, Bid No. 17-006
- 3) Bayou Chico R Street at Maggie's Ditch Stormwater Treatment Enhancement Project
- 4) Council Memo NFWF Grant 10-8-15

**PRESENTATION:** No



TABULATION OF BIDS

BID NO: 17-006

TITLE: BAYOU CHICO AT STREET AT MAGGIE'S DITCH STORMWATER TREATMENT ENHANCEMENT

OPENING DATE: January 6, 2017 OPENING TIME: 2:30 P.M. DEPARTMENT: Engineering	WILLIAMS INDUSTRIAL & MARINE Bonifay, FL	BIRKSHIRE JOHNSTONE, LLC Pensacola, FL	J. MILLER CONSTRUCTION, INC. Pensacola, L	GULF COAST UTILITY CONTRACTORS Panama City, FL
Base Bid	\$597,719.00	\$618,248.23	\$971,925.00	\$1,033,913.00
M/WBE Participation Goal 5%	8.1%	7.8%	4.8%	7.2%
Attended Prebid	Yes	Yes	Yes	Yes

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**FINAL VENDOR REFERENCE LIST**  
**BAYOU CHICO "R" STREET @ MAGGIE'S DITCH STORMWATER TREATMENT ENHANCEMENT**  
**ENGINEERING AND CONSTRUCTION SERVICES**

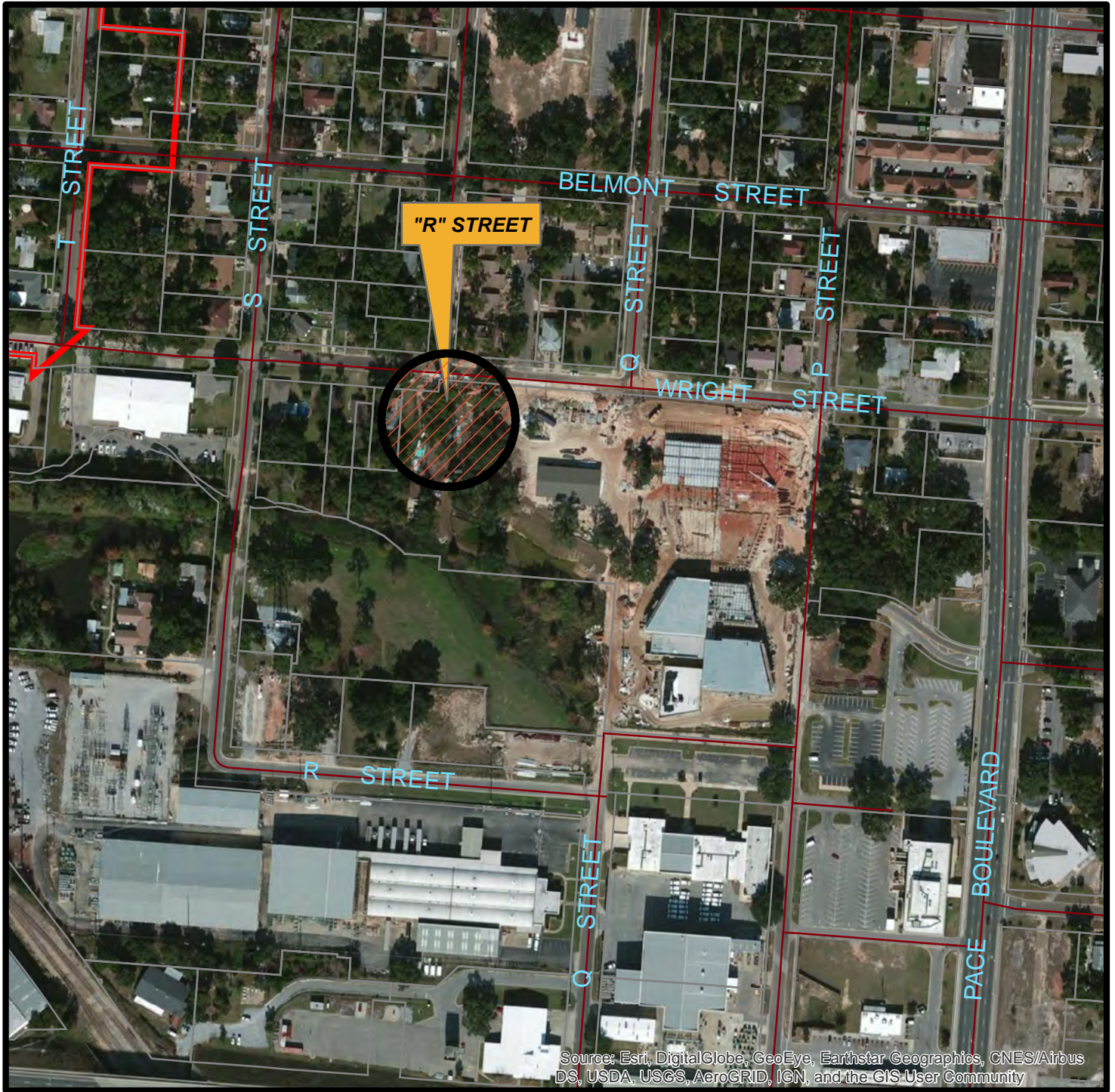
Vendor	Name	Address	City	St	Zip Code	M/WBE
044957	ALL SEASONS CONSTRUCTION LLC	6161 BLUE ANGEL PARKWAY	PENSACOLA	FL	32526	N
000377	BASKERVILLE DONOVAN	449 WEST MAIN ST	PENSACOLA	FL	32502	N
036997	BELLVIEW SITE CONTRACTORS INC	3300 GODWIN LANE	PENSACOLA	FL	32526	N
053457	BIRKSHIRE JOHNSTONE LLC	11 CLARINDA LANE	PENSACOLA	FL	32505	N
065013	BKW INC	5615 DUVAL STREET	PENSACOLA	FL	32503	W
029184	BLARICOM, KIRK VAN DBA KIRK CONSTRUCTION COMPANY	619 GREEN HILLS ROAD	CANTONMENT	FL	32533	N
022856	BROWN CONSTRUCTION OF NW FL INC	10200 COVE AVE	PENSACOLA	FL	32534	N
041503	BROWN, AMOS P JR DBA P BROWN BUILDERS LLC	4231 CHERRY LAUREL DRIVE	PENSACOLA	FL	32504	M
042045	CHIVERS CONSTRUCTION INC	1795 WEST DETROIT BLVD	PENSACOLA	FL	32534	N
049653	CHRISTOPHER C BARGAINEER CONCRETE CONSTRUCTION INC	6550 BUD JOHNSON ROAD	PENSACOLA	FL	32505	N
057454	COASTAL PILE DRIVING INC	2201 VALLEY ESCONDIDO DRIVE	PENSACOLA	FL	32526	N
045454	COASTLINE STRIPING INC	8840 FOWLER AVENUE	PENSACOLA	FL	32534	N
058302	CONTECH	182 MONTGOMERY STREET	SANTA ROSA BEACH	FL	32455	N
060876	CREATIVE PUBLIC AMENITIES	1317 JOHN CARROLL DRIVE	PENSACOLA	FL	32504	N
036146	CRONIN CONSTRUCTION INC	913 GULF BREEZE PKWY STE 12	GULF BREEZE	FL	32561	M/W
033554	D K E MARINE SERVICES	P O BOX 2395	PENSACOLA	FL	32513	N
032038	EVANS CONTRACTING INC	289 NOWAK RD	CANTONMENT	FL	32533	N
058842	EVERS COMMERCIAL SERVICES OF NORTHWEST FL LLC	1450 EVERS HAVEN	CANTONMENT	FL	32533	N
033421	FLOYD BROTHERS CONSTRUCTION	101 EAST 9 1/2 MILE ROAD	PENSACOLA	FL	32534	N
032792	GATOR BORING & TRENCHING INC	1800 BLACKBIRD LANE	PENSACOLA	FL	32534	W
050495	GB GREEN CONSTRUCTION MGMT & CONSULTING INC	303 MAN'O'WAR CIRCLE	CANTONMENT	FL	32533	M
053862	GFD CONSTRUCTION INC	8777 ASHLAND AVE	PENSACOLA	FL	32514	N
000591	GULF ATLANTIC CONSTRUCTORS INC	650 WEST OAKFIELD RD	PENSACOLA	FL	32503	N
044100	GULF BEACH CONSTRUCTION	1308 UPLAND CREST COURT	GULF BREEZE	FL	32563	N
034504	GULF COAST AFRICAN AMERICAN CHAMBER OF COMMERCE	PO BOX 17844	PENSACOLA	FL	32522	N
018636	GULF COAST BUILDING CONTRACTORS INC	1010 N 12TH AVE	PENSACOLA	FL	32501	N
017352	GULF COAST TRAFFIC ENGINEERS	8203 KIPLING STREET	PENSACOLA	FL	32514	N
055520	GULF COAST UTILITY CONTRACTORS	13938 HIGHWAY 77	PANAMA CITY	FL	32409	N
036662	H H H CONSTRUCTION OF NWF INC	8190 BELLE PINES LANE	PENSACOLA	FL	32526	N
050489	HAILE, MICHAEL JACKSON DBA THE HAILE COMPANY OF NW FL INC	PO BOX 13425	PENSACOLA	FL	32591	N
001597	HEATON BROTHERS CONSTRUCTION CO INC	5805 SAUFLEY FIELD ROAD	PENSACOLA	FL	32526	N
052866	HEWES & COMPANY LLC	390 SELINA ST	PENSACOLA	FL	32503	N
056716	HOWELL, KENNETH C, JR DBA KEN JR CONSTRUCTION LLC	1102 WEBSTER DRIVE	PENSACOLA	FL	32505	N
022978	INGRAM SIGNALIZATION INC	4522 N DAVIS HWY	PENSACOLA	FL	32503	N
049240	J MILLER CONSTRUCTION INC	201 SOUTH "F" STREET	PENSACOLA	FL	32501	N
043857	KBI CONSTRUCTION CO INC	9214 WARING RD	PENSACOLA	FL	32534	N
058332	LEIDNER BUILDERS INC	409 N PACE BLVD	PENSACOLA	FL	32505	N
058801	M & H CONSTRUCTION SVCS INC	4782 MALLARD CREEK ROAD	PENSACOLA	FL	32526	M
052456	MEI LING DAVIS LLC	PO BOX 18155	PENSACOLA	FL	32523	N
053467	MIDSOUTH PAVING INC	4375 MCCOY DRIVE	PENSACOLA	FL	32503	N
016210	NORD, STEVE DBA SEA HORSE GENERAL CONTRACTORS INC	4238 GULF BREEZE PKWY	GULF BREEZE	FL	32563	N
049208	NWF PAVING AND BLACK TOP INC	3709 WEST BRAINERD STREET	PENSACOLA	FL	32505	N
051747	PAEDAE PROPERTIES INC	5104 NORTH W STREET	PENSACOLA	FL	32505	N
002720	PANHANDLE GRADING & PAVING INC	2665 SOLO DOS FAMILIAF	PENSACOLA	FL	32534	N
030951	PAV'R CONSTRUCTION INC	501 EAST GREGORY ST STE 3	PENSACOLA	FL	32502	N

**FINAL VENDOR REFERENCE LIST  
BAYOU CHICO "R" STREET @ MAGGIE'S DITCH STORMWATER TREATMENT ENHANCEMENT  
ENGINEERING AND CONSTRUCTION SERVICES**

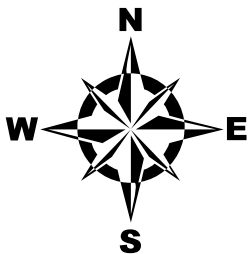
Vendor	Name	Address	City	St	Zip Code	M/WBE
060344	PENSACOLA BAY AREA CHAMBER OF COMMERCE DBA GREATER PENSACOLA CHAMBER	117 W GARDEN ST	PENSACOLA	FL	32502	N
003956	PENSACOLA CONCRETE CONSTRUCTION CO INC	P O BOX 2787	PENSACOLA	FL	32513	N
000225	PENSACOLA NEWS JOURNAL	P O BOX 12710	PENSACOLA	FL	32591	N
055028	PERDIDO GRADING & PAVING	PO BOX 3333	PENSACOLA	FL	32516	N
066152	PRINCIPLE PROPERTIES INC	4371 MARILYN COURT	GULF BREEZE	FL	32563	W
051133	PUGH, KEVIN D DBA KEVIN D PUGH SITE & DOZER WORKS LLC	5731 STEWART ROAD	WALNUT HILL	FL	32568	M
050307	QCFS MANAGEMENT GROUP INC	3326 NORTH W STREET	PENSACOLA	FL	32505	N
018305	R D WARD CONSTRUCTION CO INC	15 EAST HERMAN STREET	PENSACOLA	FL	32505	N
049671	RADFORD & NIX CONSTRUCTION LLC	7014 PINE FOREST ROAD	PENSACOLA	FL	32526	N
021834	RANDALL CHAVERS SEPTIC TANK INC DBA R & L PRODUCTS	9492 PENSACOLA BLVD	PENSACOLA	FL	32534	N
001681	RANDALL, HENRY DBA RANDALL CONSTRUCTION	1045 S FAIRFIELD DRIVE	PENSACOLA	FL	32506	N
031881	ROADS INC OF NWF	106 STONE BLVD	CANTONMENT	FL	32533	N
017634	ROBERSON EXCAVATION INC	6013 SOUTHRIDGE ROAD	MILTON	FL	32570	N
067564	ROBERSON UNDERGROUND UTILITY LLC	6013 SOUTHRIDGE ROAD	MILTON	FL	32570	N
055499	ROCKWELL CORPORATION	3309 LINGER COURT	PENSACOLA	FL	32526	N
042044	SALTER/3C'S CONSTRUCTION CO	4512 TRICE RD	MILTON	FL	32571	N
052761	SEASIDE GOLF DEVELOPMENT INC	312 N DAVIS HWY	PENSACOLA	FL	32501	N
065450	SITE AND UTILITY LLC	PO BOX 30136	PENSACOLA	FL	32503	N
059753	SITE WORX OF NORTHWEST FL LLC	1450 EVERS HAVEN	CANTONMENT	FL	32533	N
011457	SOUTHERN UTILITY CO INC	P O BOX 2055	PENSACOLA	FL	32513	N
057995	T&W BREAKING GROUND LLC	5748 PRINCETON DRIVE	PENSACOLA	FL	32526	N
066848	TALCON GROUP LLC	156 DUPONT ROAD	HAVANA	FL	32333	N
045247	TEAM POWER SOLUTIONS	4033 WILLIS WAY	MILTON	FL	32583	N
002839	TERHAAR & CRONLEY GENERAL CONTRACTOR INC	1401 EAST BELMONT STREET	PENSACOLA	FL	32501	N
028060	THE GREEN SIMMONS COMPANY INC	3407 NORTH W STREET	PENSACOLA	FL	32505	N
037833	THE PENSACOLA VOICE INC	213 EAST YONGE STREET	PENSACOLA	FL	32503	N
053924	THOMPSON CONTRACTOR RESOURCES INC	196 E NINE MILE RD SUITE C	PENSACOLA	FL	32534	N
002482	UTILITY SERVICE COMPANY INC	4326 GULF BREEZE PARKWAY	GULF BREEZE	FL	32563	N
022290	VICTOR A WALKER DBA V A WALKER GENERAL CONTRACTOR	10235 LILLIAN HIGHWAY	PENSACOLA	FL	32506	N
030096	W D ROGERS MECHANICAL CONTRACTORS INC	3018 NORTH DAVIS HWY	PENSACOLA	FL	32503	N
030317	W P R INC	4175 BRIARGLEN RD	MILTON	FL	32583	N
030448	WARRINGTON UTILITY & EXCAVATING INC	8401 UNTREINER AVE	PENSACOLA	FL	32534	N
070332	WILLIAMS INDUSTRIAL	902 SOUTH MCGEE ROAD	BONIFAY	FL	32425	N
045140	WIT CONSTRUCTION SVCS LLC	1161 WEST DETROIT BLVD	PENSACOLA	FL	32534	N
044856	WOLFE CONSTRUCTION	40 W NINE MILE RD #2 STE 212	PENSACOLA	FL	32534	N

Vendors: 80

# BAYOU CHICO R STREET @ MAGGIE DITCH TREATMENT ENHANCEMENT PROJECT



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



# PENSACOLA

THE UPSIDE of FLORIDA

**DEPARTMENT OF PUBLIC WORKS AND FACILITIES  
ENGINEERING AND CONSTRUCTION SERVICES DIVISION**

# Report of City Council Action Items

October 8, 2015

**Members Present:** Council President Andy Terhaar, Council Vice President Larry B. Johnson, Charles Bare, Jewel Cannada-Wynn, Sherri Myers, Brian Spencer, Gerald Wingate, and P. C. Wu

**Absent:** None



## CONSENT AGENDA ITEMS

1. MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF PENSACOLA, PORT OF PENSACOLA AND FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (DEP) FOR LAND USE CONTROLS

That City Council authorize the Mayor to execute a Memorandum of Agreement and any related documents between the City of Pensacola, Port of Pensacola and the Division of Waste Management, Florida DEP to perform contamination assessments and implement institutional Land Use Controls at the Port of Pensacola. Further, that City Council approve adding the MOA to the Port Terminal Tariff as required by the MOA.

*The motion passed unanimously.*

## REGULAR AGENDA ITEMS

2. INTERLOCAL AGREEMENT BETWEEN THE CITY OF PENSACOLA AND ESCAMBIA COUNTY RELATING TO THE NATIONAL FISH AND WILDLIFE FOUNDATION (NFWF) GRANT FOR THE BAYOU CHICO RESTORATION PROJECT

That City Council approve and authorize the Mayor to execute the Interlocal Agreement between the City of Pensacola and Escambia County relating to the NFWF Grant for the Bayou Chico Restoration Projects at Bill Gregory Park and 'R' Street at Maggie's Ditch. Further, that City Council adopt the attached supplemental budget resolution to appropriate the grant funds.

*The motion passed unanimously.*

### SUPPLEMENTAL BUDGET RESOLUTION NO. 50-15 – **MOTION TO APPROVE**

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2016; PROVIDING FOR AN EFFECTIVE DATE.

*The motion passed unanimously.*

3. APPOINTMENTS – ARCHITECTURAL REVIEW BOARD

City Council reappointed Nina H. Campbell a planning board member or resident property owner of the Pensacola Historic District, North Hill Preservation District or Old East Hill Preservation District; Susan Campbell a Property or Business Owner in the Palafox Historic Business District; and George R. Mead, II a resident property owner of the Pensacola Historic District, North Hill Preservation District or Old East Hill Preservation District, for a term of two years, expiring September 30, 2017.

*The motion passed by acclamation unanimously.*

4. MARITIME PARK BOARD OF TRUSTEE APPOINTMENT

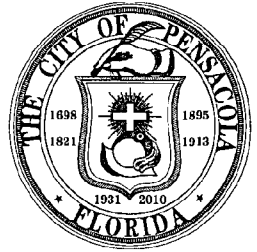
~~The CMPA board members shall be appointed by direct appointment of City Council Members. Current appointments shall be made by the Council Member at large, followed by individual district representatives beginning with Council District 1. Nothing herein shall prevent a Council Member from serving on the CMPA rather than appointing a non-Council Member.~~

**Substitute Motion:** That City Council direct the City Attorney to draft a resolution that will allow City Council Members to make direct appointments to CMPA Board of Trustees.

*The motion passed 5 – 3. Council Members Cannada-Wynn, Wingate, and Wu dissenting.*

# COUNCIL MEMORANDUM

Council Meeting Date: October 8, 2015



## LEGISLATIVE ACTION ITEM

**FROM:** Ashton J. Hayward, III, Mayor *EJO FOR*

**SUBJECT:** Interlocal Agreement between the City of Pensacola and Escambia County relating to the National Fish and Wildlife Foundation (NFWF) Grant for the Bayou Chico Restoration Project

### **RECOMMENDATION:**

That City Council approve and authorize the Mayor to execute the Interlocal Agreement between the City of Pensacola and Escambia County relating to the NFWF Grant for the Bayou Chico Restoration Projects at Bill Gregory Park and 'R' Street at Maggie's Ditch. Further, that City Council adopt the attached supplemental budget resolution to appropriate the grant funds.

**AGENDA:** \_\_\_\_\_ Regular      X   Consent

Hearing Required: Public \_\_\_\_\_ Quasi-Judicial: \_\_\_\_\_ No Public Hearing:   X  

### **SUMMARY:**

The Bayou Chico Restoration Project grant proposal was submitted to NFWF by Escambia County as the lead organization and includes a suite of four (4) separate stormwater sub-projects, totaling \$11,032,250.00, two of which will be constructed by the City of Pensacola. The requested grant was awarded to Escambia County as the primary recipient and the attached interlocal agreement allows for the City to self-manage the two approved sub-projects within the suite at Bill Gregory Park and 'R' Street/Maggie's Ditch with reimbursement directly from Escambia County. The City sub-projects will be fully funded by the NFWF grant through Escambia County in the amount of \$2,180,000 for Bill Gregory Park and \$865,000 for 'R' Street at Maggie's Ditch. These projects will help to meet stormwater treatment goals intended to assist in the restoration of Bayou Chico and support planned restoration activities identified in the Florida Department of Environmental Protection's restoration plan for the Bayou. Expected outcomes include restored and greatly improved benthic habitat quality, increased biological diversity and productivity, and improved water quality to assist in meeting the total maximum daily pollutant loads (TMDL's) established for Bayou Chico. This suite of projects works to fulfill the NFWF focal area to restore and maintain the ecological integrity of priority coastal bays and estuaries.

### **PRIOR ACTION:**

None

Council Memorandum

Subject: Interlocal Agreement between the City of Pensacola and Escambia County relating to the National Fish and Wildlife Foundation (NFWF) Grant for the Bayou Chico Restoration Project

Council Meeting Date: October 8, 2015

Page 2

**FUNDING:**

Bill Gregory Park Stormwater Sub-Project

Budget: \$2,180,000 (NFWF Grant)

Actual: \$2,180,000 (Estimated)

R Street at Maggie's Ditch Stormwater Sub-Project

Budget: \$865,000 (NFWF Grant)

Actual: \$865,000 (Estimated)

**FINANCIAL IMPACT:**

Approval of the supplemental budget resolution will appropriate the funding for this grant.

**STAFF CONTACT:**

Eric W. Olson, City Administrator

L. Derrik Owens, P.E., Director of Public Works and Facilities/City Engineer

**ATTACHMENTS:**

- 1) Interlocal Agreement between the City of Pensacola and Escambia County, Florida relating to the Bayou Chico Restoration Project
- 2) Supplemental Budget Resolution
- 3) Supplemental Budget Resolution Explanation

**PRESENTATION:**

None

**INTERLOCAL AGREEMENT BETWEEN THE CITY OF PENSACOLA  
AND ESCAMBIA COUNTY, FLORIDA RELATING TO THE BAYOU  
CHICO RESTORATION PROJECT**

**THIS AGREEMENT** made and entered into on this \_\_\_ day of \_\_\_\_\_ 2015, by and between the City of Pensacola, Florida, a municipal corporation organized under the laws of the State of Florida (hereinafter referred to as "City"), with administrative offices located at 222 West Main Street, Pensacola, Florida 32502, and Escambia County, a political subdivision of the State of Florida (hereinafter referred to as "County"), with administrative offices located at 221 Palafox Place, Pensacola, Florida 32502.

**WITNESSETH:**

**WHEREAS**, both the City and County have legal authority to perform general government services within their respective jurisdictions; and

**WHEREAS**, the City and County are authorized by §163.01, Florida Statutes, to enter into interlocal agreements and thereby cooperatively utilize their powers and resources in the most efficient manner; and

**WHEREAS**, the County previously entered into a Project Funding Agreement with the National Fish and Wildlife Foundation (NFWF) to provide funding for the Bayou Chico Restoration Project (hereinafter referred to as "Funding Agreement"), a copy of which is attached hereto and incorporated herein as **Exhibit A**; and

**WHEREAS**, the City and County desire to cooperatively perform a portion of the Work comprising the Bayou Chico Restoration Project with Escambia County serving as the lead jurisdiction for purposes of administrative authority and grant management.

**NOW, THEREFORE**, for and in consideration of the mutual covenants contained herein and of the mutual benefits and for other good and valuable consideration, Escambia County and the City of Pensacola agree as follows:

**ARTICLE 1**  
**Purpose**

1.1 **Recitals**. The recitals contained in the Preamble of this Agreement are declared to be true and correct and are hereby incorporated into this Agreement.

1.2 **Purpose**. This Agreement sets forth the terms and conditions whereby the City and County shall jointly perform a portion of the Bayou Chico Restoration Project to include the Bill Gregory Park Regional Stormwater Treatment Facility Project and the R Street at Maggie's Ditch Stormwater Treatment Enhancement Project (hereinafter referred to as the "Project" or "Projects") as provided herein.



**ARTICLE 2**  
**Responsibilities of the Parties**

2.1 The County shall serve as the direct recipient of Project Funding pursuant to the Funding Agreement with NFWF and reimburse the City for eligible Project costs performed in accordance with the terms of this Agreement and the Funding Agreement. NFWF shall ultimately determine the eligibility of costs related to the project, as outlined in the grant project scope.

2.2 The City shall submit written requests for reimbursement of eligible Project costs already paid or incurred no more frequently than once monthly, and the County shall provide reimbursement once monthly for eligible costs. Requests shall include, at a minimum, the total dollar amount, an itemization by Task and Cost Category of the Project costs, and copies of any payment documentation or other relevant financial documents as may be reasonably required to verify Project costs. Requests for Reimbursement shall be submitted to the County's designated Project Manager at the following address:

To the County:  
Taylor "Chips" Kirschenfeld  
Escambia County Central Office Complex  
3363 West Park Place  
Pensacola, FL 32505

2.3 The City shall complete the individual Tasks comprising the Work identified in the Funding Agreement as follows:

\*Bill Gregory Park Regional Stormwater Treatment Facility Project  
Task 1- Bill Gregory Park Stormwater Project- Pre-Construction  
Task 2- Bill Gregory Park Stormwater Project- Construction  
Task 3- Bill Gregory Park Stormwater Project- Monitoring

\*R Street at Maggie's Ditch Stormwater Treatment Enhancement Project  
Task 4- R Street at Maggie's Ditch Stormwater Project- Pre-Construction  
Task 5- R Street at Maggie's Ditch Stormwater Project- Construction  
Task 6- R Street at Maggie's Ditch Stormwater Project- Monitoring

2.4 The City shall submit a Monthly Report to the County's designated Project Manager with a narrative description of the Work performed to date and certification that the Work performed to date constitutes part of the Project and each Task is proceeding on or under the Task Budget and will be completed on or under the Task Budget.

2.5 As it relates to the performance of Work pursuant to this Agreement, the City represents and warrants as follows:

a. The City shall conduct all activities related to the Work in compliance with applicable laws, regulations, rules, orders, and other governmental mandates,

including, but not limited to, those pertaining to procurement, acquisition, or other contracting actions;

b. The City shall comply with generally accepted policies and procedures applicable to procurement, acquisition, or other contracting actions;

c. The City is qualified to perform the applicable Work and reserves the right to contract and/or subcontract any aspect of the project work, as deemed necessary to complete the adopted project scope and schedule;

d. The City shall perform the applicable Work within budgeted costs as identified for such Work as provided in the Funding Agreement;

d. The City shall maintain appropriate insurance against liability for injury to persons or property from any and all activities related to the Work; and

e. The City does not have any conflict of interest with respect to NFWF, the County, or the Project.

2.6 Upon completion of the Projects described herein, the City shall be responsible for the maintenance of said improvements.

2.7 Project Funding as referenced herein is solely available subject to an award from NFWF. County shall have the right to terminate this Agreement and immediately cease all payments related thereto in the event NFWF should fail to award, terminate or cancel said funding after the effective date of this agreement. Upon such occurrence, neither party shall have any responsibility whatsoever for any payments beyond the costs directly paid or reimbursed by NFWF.

2.8 This Agreement shall become effective, after being properly executed by the Parties, when filed in the Office of the Clerk of the Circuit Court of Escambia County. The County shall be responsible for filing the Agreement with the Clerk.

### **ARTICLE 3** **GENERAL PROVISIONS**

3.1 Liability and Insurance. Subject to any claim of sovereign immunity provided by Florida Statutes 768.28, each party to this agreement shall be fully liable for the acts and omissions of its respective employees and agents acting within the course of normal duties in the performance of this Agreement. Each party shall insure its own interests either through appropriate insurance policies or through a self-insurance program. This provision shall not be construed to prevent any claim or action which either party may have against the other.

3.2 Termination. The Agreement may be terminated by either party for cause, or for convenience, upon thirty (30) days written notice by the terminating party to the other party of such termination.

3.3 Records. The parties acknowledge that this Agreement and any related financial records, audits, reports, plans, correspondence, and other documents may be subject to disclosure to members of the public pursuant to Chapter 119, Florida Statutes, as

amended. In the event a party fails to abide by the provisions of Chapter 119, Florida Statutes, the other party may, without prejudice to any right or remedy and after giving that party, seven (7) days written notice, during which period the party fails to allow access to such documents, terminate this Agreement.

3.4 Assignment. This Agreement, or any interest herein, shall not be assigned, transferred, or otherwise encumbered, under any circumstances, by the parties, without the prior written consent of the other party.

3.5 Governing Law and Venue. This Agreement shall be governed and construed in accordance with the laws of the State of Florida, and the parties stipulate that venue, for any matter, which is the subject of this Agreement shall be in the County of Escambia.

3.6 Severability. The invalidity or non-enforceability of any portion or provision of this Agreement shall not affect the validity or enforceability of any other portion or provision. Any invalid or unenforceable portion shall be deemed severed from this Agreement and the balance shall be construed and enforced as if this Agreement did not contain such invalid or unenforceable portion or provision.

3.7 Further Documents. The parties shall execute and deliver all documents and perform further actions that may reasonably be necessary to effectuate the provision of this Agreement.

3.8 No Waiver. The failure of either party to insist upon the strict performance of the terms and conditions hereof shall not constitute or be construed as a waiver or relinquishment of any other provision or of either party's right to thereafter enforce the same in accordance with this Agreement.

3.9 Notices: All notices required or made pursuant to this Agreement by either party to the other shall be in writing and delivered by hand or by United States Postal Service, first class mail, postage prepaid, return receipt requested, addressed to the following:

**To the County:**

Jack R. Brown  
County Administrator  
Escambia County  
221 South Palafox Place  
Pensacola, Florida 32502

**To the City:**

Ashton J. Hayward, III  
Mayor  
City of Pensacola  
222 West Main Street  
Pensacola, Florida 32502

Either party may change its above noted address by giving written notice to the other party in accordance with the requirements of this section.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the respective dates, under each signature:

**COUNTY:**  
**ESCAMBIA COUNTY, FLORIDA**, a political subdivision of the State of Florida acting by and through its authorized Board of County Commissioners.

By: \_\_\_\_\_  
Steven Barry, Chairman

**ATTEST:** Pam Childers  
Clerk of the Circuit Court

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Deputy Clerk

**CITY:**  
**The City of Pensacola**, a Florida Municipal Corporation

By: \_\_\_\_\_  
Ashton J. Hayward, III, Mayor,

Date: \_\_\_\_\_

**ATTEST:** Ericka Burnett  
Clerk of the City of Pensacola

By: \_\_\_\_\_  
City Clerk

Legal in form and valid as drawn:

By: \_\_\_\_\_  
City Attorney

**RESOLUTION  
NO.   -**

**A RESOLUTION  
TO BE ENTITLED:**

**A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE  
FISCAL YEAR ENDING SEPTEMBER 30, 2016; 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 GRANTS FUND**

To:	Miscellaneous Revenue	3,045,000
To:	Capital Outlay	3,045,000

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  
OCTOBER 2015 - SUPPLEMENTAL BUDGET RESOLUTION - BAYOU CHICO STORMWATER GRANT

<u>FUND</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
<b>SPECIAL GRANTS FUND</b>		
Estimated Revenues		
Miscellaneous Revenue	3,045,000	Appropriate estimated revenue for Miscellaneous Revenue
Total Revenues	<u>3,045,000</u>	
Appropriations		
Capital Outlay	3,045,000	Appropriate funding for Capital Outlay
Total Appropriations	<u>3,045,000</u>	



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00054

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** Ashton J. Hayward, III, Mayor

**SUBJECT:**

AIRPORT - APPROVAL OF AMENDMENT NO. 4 TO THE LEASE AND OPERATING AGREEMENT WITH ECKO AIR LLC

**RECOMMENDATION:**

That City Council authorize the Mayor to execute Amendment No. 4 to the Lease and Operating Agreement between the City of Pensacola and ECKO Air LLC at the Pensacola International Airport. Further that City Council authorize the Mayor to take all necessary actions to execute Amendment No. 4.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

The City of Pensacola and ECKO Air LLC entered into a Lease and Operating Agreement dated August 18, 2004. Under the Agreement, ECKO Air leased certain property at the Pensacola International Airport on which they developed a hangar and office complex to provide commercial aeronautical services to the public.

ECKO Air is currently working with a subtenant to provide contract flight training services from the facility. To accommodate the needs of the subtenant, ECKO Air LLC wishes to lease 26,620 square feet of available aircraft apron parking space, and wishes to add flight training services, on a non-exclusive basis, to their commercial aeronautical services.

**PRIOR ACTION:**

July 22, 2004 - City Council approved the Lease and Operating Agreement with ECKO Air LLC

February 10, 2005 - City Council approved Amendment No. 1

July 25, 2005 - Amendment No. 2 executed

April 22, 2010 - City Council approved Amendment No. 3

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

ECKO Air LLC currently pays a rental amount of \$11,615.96 per year for their leasehold. The additional space will add \$8,458.87 in rent per year, for a new total annual rental amount of \$20,074.83.

**CITY ATTORNEY REVIEW:** Yes

2/10/2017

**STAFF CONTACT:**

Eric W. Olson, City Administrator  
Daniel E. Flynn, Airport Director

**ATTACHMENTS:**

- 1) Airport Amendment No. 4 - ECKO Air LLC.

**PRESENTATION:** No



AMENDMENT NO. 4 TO THE LEASE AND OPERATING AGREEMENT  
BETWEEN THE CITY OF PENSACOLA AND ECKO AIR LLC AT THE PENSACOLA  
INTERNATIONAL AIRPORT

THIS AMENDMENT NO. 4 (“Amendment No. 4”) to the Lease Agreement between the City of Pensacola and ECKO Air LLC dated August 18, 2004 (“Original Agreement”), effective this \_\_\_ day of \_\_\_\_\_, 2016, is made by and between the City of Pensacola (“City”), a municipal corporation of the State of Florida with the business address of 222 W. Main Street, Pensacola, Florida and ECKO Air LLC, a limited liability company with a business address of 400 East Government Street, Pensacola, Florida 32502 (“Operator”).

WITNESSETH:

**WHEREAS**, the City owns, operates, and maintains the Pensacola International Airport (“Airport”) located in Escambia County, Florida; and

**WHEREAS**, Amendment No. 1 to the Original Agreement dated March 16, 2005 amended the Original Agreement to increase the square footage of the Leased Premises, adjust the lease rental rate provision, modify the Insurance and Indemnification language, and modify the Surrender Upon Termination language; and

**WHEREAS**, Amendment No. 2 to the Original Agreement dated July 25, 2005 amended the Original Agreement as amended to substitute Exhibit A annexed to the Amendment No. 2 for Exhibit A annexed to the Amendment No. 1 of the lease; and

**WHEREAS**, Amendment No. 3 to the Original Agreement dated May 25, 2010 amended the Original Agreement as amended to memorialize the number of tie-down spaces identified in the square footage of the Leased Premises; and

**WHEREAS**, Operator desires, and City agrees, to increase the square footage of the Leased Premises and adjust the lease rental rate provision in the Original Agreement as amended upon the terms and conditions hereinafter set forth to provide for additional aircraft parking; and

**WHEREAS**, Operator desires, and City agrees, to amend the grant of use in the Original Agreement as amended upon the terms and conditions hereinafter set forth to provide that Operator be permitted to perform flight training services; and

**WHEREAS**, Article XLIII of the Original Agreement provides the parties may amend the Original Agreement in writing executed by the parties; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, it is agreed that the Original Agreement as previously amended shall be further amended as follows:

1. Article I, Leased Premises, is hereby amended in its entirety to read:

The City hereby leases and demises to Operator, and Operator hereby hires and takes from the City, the tract(s) of land (herein referred to as the “Leased Premises”), in Escambia County, Florida, and any and all rights, privileges, easements and appurtenances now or hereafter belonging to said tract(s) of real property, subject, however, to all liens, easements, restrictions and other encumbrances of record, provided such matters do not prevent Operator from conducting its business on the Leased Premises as contemplated herein. These premises, more particularly shown on Exhibit A, encompass approximately 28,840 square feet of land for offices, hangars, and automobile parking, and 2,400 square feet of land in between the ramp and office/hangar facility strictly for the installation of below-ground wells and piping for a geothermal heating system. Additionally, the premises also include 5,328 square feet of ramp which encompasses five of the existing tie-down spaces on the ramp. Further, the premises also include 26,620 square feet of helicopter ramp which encompasses two of the existing helicopter spaces on the helicopter ramp.

The Leased Premises shall be taken by Operator in the AS IS condition, subject to all defects, latent and patent, and shall be improved, maintained and operated at Operator’s sole cost and expense except as may otherwise be specifically provided in this Agreement. It is the express intention of the parties hereto that the Operator’s improvements, use and occupancy of the Leased Premises, and all costs associated therewith, shall be and remain the financial obligation of the Operator.

2. Article II, Grant of Use, is hereby amended, in the pertinent part, to read:

The City hereby grants operator the exclusive right to the Leased Premises, and all of the improvements located thereon, to conduct on a non-exclusive basis, commercial aeronautical services/activities describes as Avionics Maintenance and Sales, Airframe and Powerplant Maintenance, and Flight Training in accordance with this Agreement, Operator’s proposal for said operation, and in accordance with the current Minimum Standards for Commercial Aeronautical Activities.

3. Article VI, Rent & Fees, is hereby amended, in the pertinent part, to read:

In consideration of the rights and privileges herein granted, the Operator hereby covenants and agrees to pay the City upon commencement of this agreement a base ground rent, calculated on a square foot basis, of:

Lease Term	Annual Rate	Square Footage	Annual Rent
Commencement Date			
– 2/28/05	\$0.12	34,168	\$4,100.16
3/1/05 – 12/31/06	\$0.12	36,568	\$4,388.16
1/1/07 – 12/31/11	\$0.136	36,568	\$4,973.25
1/1/12 – 12/31/16	\$0.30	36,568	\$10,970.40

1/1/17 – 12/31/21 Amendment No.4	\$0.3177	36,568	\$11,615.96
Date of Execution After 12/31/21	\$0.3177	63,188	\$20,074.83
		Adjusted rate as defined below	

4. Article XLIV is hereby created to read:

**Public Records Act.**

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

5. Exhibit A, Leased Premises, is hereby deleted and replaced in its entirety to with Exhibit A, Leased Premises, Amendment No. 4, attached hereto and incorporated by this reference.

6. All other terms and conditions of the Original Agreement, as previously amended, and not further amended, hereby, shall remain in full force and effect.

7. This Amendment No. 4 to the Original Agreement as amended shall be effective upon date of execution.

8. This Amendment No. 4 to the Original Agreement as amended shall be governed by the laws of the State of Florida, and the parties stipulate venue shall be in Escambia County, Florida, for any matter which is the subject of this Amendment No. 4.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 4 to the Original Agreement as amended on the date first above written.

**OPERATOR**

**CITY OF PENSACOLA, FLORIDA**

ECKO Air LLC  
(Operator's Name)

Mayor, Ashton J. Hayward, III

By \_\_\_\_\_  
Member

\_\_\_\_\_  
City Clerk, Ericka L. Burnett

\_\_\_\_\_  
(Printed Member's Name)

Approved As To Substance:

By: \_\_\_\_\_  
Member

\_\_\_\_\_  
Department Director/Division Head

\_\_\_\_\_  
(Printed Member's Name)

Legal in form and valid as drawn:

(SEAL)

\_\_\_\_\_  
City Attorney

EXHIBIT A  
LEASED PREMISES  
AMENDMENT NO. 4



2



FABRE ENGINEERING INC.

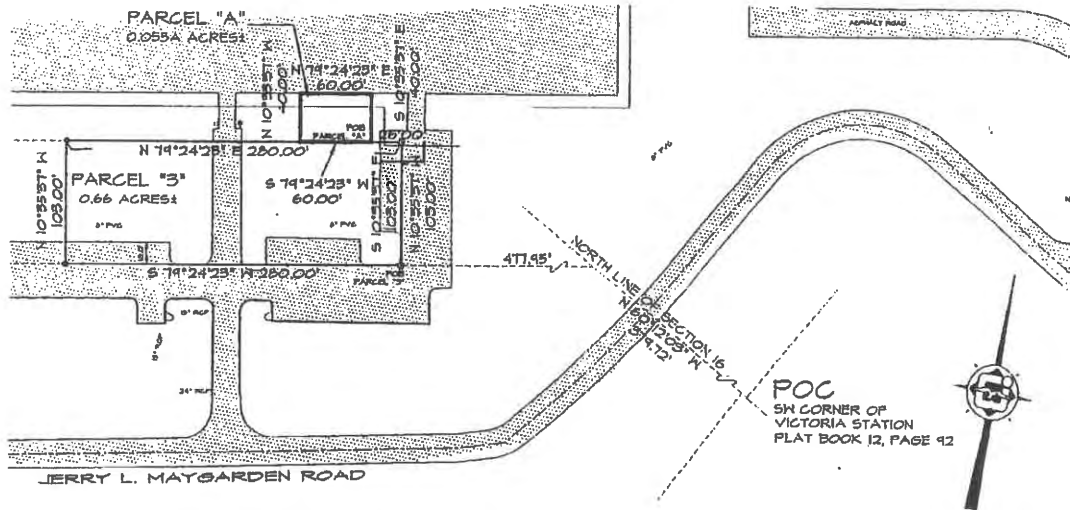
119 GREG SQUARE • PENSACOLA, FLORIDA 32501-4915 • TEL: (850) 433-4398 • FAX: (850) 434-7842

ENGR.

PLANNERS • SURVEYORS

LEGEND:

- - SET 1/2" CAPPED ROD # 6679
- ⊙ - SET NAIL AND DISK # 6679
- ⊙ - WATER VALVE
- ⊙ - FIRE HYDRANT
- ⊙ - WOODEN LIGHT POLE
- ⊙ - CONCRETE LIGHT POLE
- ⊙ - BOLLARDS AND KEY PAD
- ⊙ - ELECTRIC TRANSFORMER AND PAD
- ⊙ - ELECTRIC JUNCTION BOX
- ⊙ - BURIED ELECTRICAL LINE
- ⊙ - BURIED WATER LINE
- RCP - REINFORCED CONCRETE PIPE
- CMP - CORRUGATED METAL PIPE
- SIGN
- ⊞ - MITERED END SECTION
- ⊞ - ELECTRIC PANEL
- ⊞ - GATE CONTROL BOX
- - PVC STUB OUT
- - POINT OF BEGINNING
- - POINT OF COMMENCEMENT



**PARCEL A**  
 COMMENCE AT THE SOUTHWEST CORNER OF VICTORIA STATION, A SUBDIVISION RECORDED IN PLAT BOOK 12, PAGE 42 OF THE PUBLIC RECORDS OF ESCAMBIA COUNTY, FLORIDA; SAID POINT BEING ON THE NORTH LINE OF SECTION 16, TOWNSHIP 1 SOUTH, RANGE 29 WEST; THENCE GO N 60°12'03" W ALONG SAID NORTH LINE 379.72 FEET; THENCE DEPARTING SAID NORTH LINE, GO S 79°24'23" W ALONG SAID NORTH LINE 477.95 FEET; THENCE GO N 10°35'37" W 103.00 FEET; THENCE S 79°24'23" W 26.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE S 79°24'23" W 60.00 FEET; THENCE GO N 10°35'37" W 40.00 FEET; THENCE GO N 79°24'23" E 60.00 FEET; THENCE GO S 10°35'37" E 40.00 FEET TO THE POINT OF BEGINNING. THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS APPROXIMATELY 0.0554 ACRES.

**PARCEL 3**  
 COMMENCE AT THE SOUTHWEST CORNER OF VICTORIA STATION, A SUBDIVISION RECORDED IN PLAT BOOK 12, PAGE 42 OF THE PUBLIC RECORDS OF ESCAMBIA COUNTY, FLORIDA; SAID POINT BEING ON THE NORTH LINE OF SECTION 16, TOWNSHIP 1 SOUTH, RANGE 29 WEST; THENCE GO N 60°12'03" W ALONG SAID NORTH LINE 379.72 FEET; THENCE DEPARTING SAID NORTH LINE, GO S 79°24'23" W 477.95 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE S 79°24'23" W 280.00 FEET; THENCE GO N 10°35'37" W 103.00 FEET; THENCE GO N 79°24'23" E 280.00 FEET; THENCE GO S 10°35'37" E 103.00 FEET TO THE POINT OF BEGINNING. THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS APPROXIMATELY 0.66 ACRES.

**SURVEYORS' NOTES:**

1. THE BEARINGS SHOWN HEREON ARE BASED ON A GRID BEARING OF S 79°24'23" W ALONG THE SOUTH LINE OF THE SURVEYED PARCEL.
2. NO TITLE SEARCH, TITLE OPINION, OR ABSTRACT WAS PERFORMED BY OR PROVIDED TO FABRE ENGINEERING, INC. FOR THE SUBJECT PROPERTY. THERE MAY BE DEEDS OF RECORD, UNRECORDED DEEDS, EASEMENTS, RIGHTS OF WAY, BUILDING SETBACKS, RESTRICTIVE COVENANTS OR OTHER INSTRUMENTS WHICH COULD AFFECT THE SUBJECT PROPERTY.
3. THE LOCATION OF BURIED UTILITIES IS BASED ON FIELD MARKINGS BY THE UTILITY PROVIDER OR THEIR REPRESENTATIVE AND AIRPORT UTILITIES MAPS. NO CERTIFICATION IS GIVEN BY FABRE ENGINEERING, INC. TO THE ACCURACY OR COMPLETENESS OF THESE MARKINGS.

THIS DRAWING IS THE PROPERTY OF FABRE ENGINEERING, INC. AND IS NOT TO BE REPRODUCED IN WHOLE OR PART, IT IS NOT TO BE USED ON ANY OTHER PROJECT AND IS TO BE RETURNED UPON REQUEST.

**DESCRIPTION DRAWING**  
 A PORTION OF  
 SECTION 16, TOWNSHIP 1 SOUTH, RANGE 29 WEST,  
 ESCAMBIA COUNTY, FLORIDA

**PREPARED FOR**  
 MR. STEVE WALKER

NO.	DATE	REVISIONS
1	6/7/05	Added Parcel A

**SURVEYORS CERTIFICATE:**

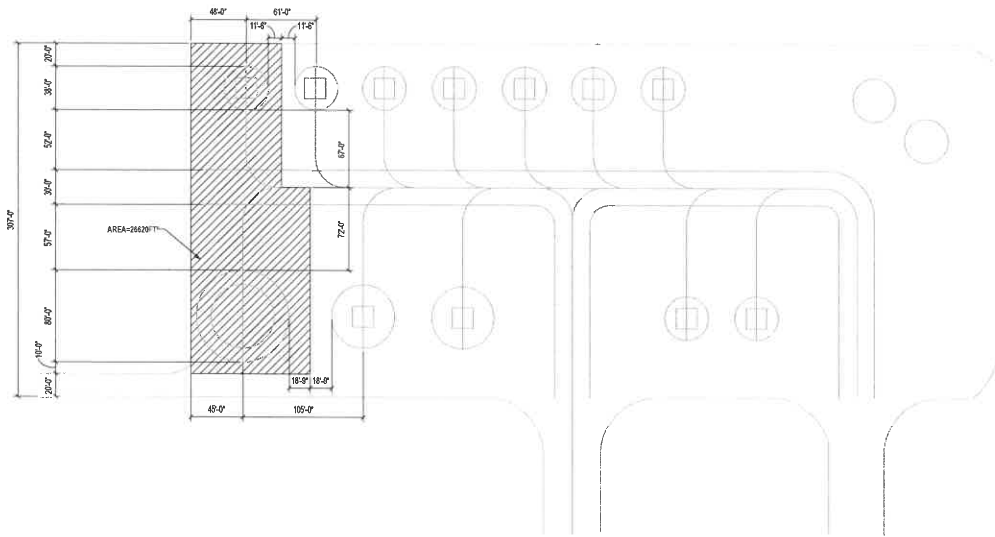
I CERTIFY THE INFORMATION SHOWN HEREON TO BE CORRECT, AND COMPLIES WITH THE MINIMUM TECHNICAL STANDARDS FOR SURVEYING PER CHAPTER 61G17-6, FLORIDA ADMINISTRATIVE CODE, SET FORTH BY THE FLORIDA BOARD OF PROFESSIONAL SURVEYORS AND MAPPERS PURSUANT TO SECTION 472021 FLORIDA STATUTES. SUBJECT TO NOTES AND NOTATIONS SHOWN HEREON.

*Frank J. Fabre*  
 FRANK J. FABRE, P.S.M.  
 PROFESSIONAL FLORIDA SURVEYOR, LICENSE NO. 3132, F.E.I. LB NO. 6679  
 DATE: JUNE 6, 2005

SCALE: 1"=100'	FILE: 040001-09-5016	DRAWN BY: J.W.H.	FIELD DATE: 6-3-05	DATE: 6-6-05
JOB NUMBER: 040001-09-501	CHECKED BY: F.J.F.	FIELD BOOK: APAC	PAGE (S): 36	

UNLESS IT BEARS THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER THIS DRAWING, SKETCH, PLAT OR MAP IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT VALID.

*Exhibit A to Lease Amendment No. 2 (Ecko Air)*



1 SITE 1 PLAN  
0-100 1"=40'-0"

T.O.SLAB REF. ELEV: 6'-0" U.L.G., REF. EL: 6'-0" = ELEV: 20.45'

**DDA** DIEBORN ASSOCIATES, LLC  
 (MEMBER TECHNICAL)  
 P.O. BOX 10111 COVINGTON, LA 70428  
 301 West Commerce St. Tel: 800-391-1111  
 Metairie, LA 70002

DESIGNED: LJD  
 DRAWN: KCH

CHECKED: LJD  
 DATE: 01/28/2017

**HELICOPTER TIEDOWNS**  
 PENSACOLA INTERNATIONAL AIRPORT  
 PENSACOLA, FL

**S-100**  
 SHEET 10 OF 45

FOR AIRPORT APPROVAL



## **Attachment "A"**

**PUBLIC RECORDS:** Consultant/Contractor/Vendor shall comply with Chapter 119, Florida Statutes. Specifically, Consultant/ Contractor/Vendor shall:

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

Failure by Consultant/Contractor/Vendor to comply with Chapter 119, Florida Statutes, shall be grounds for immediate unilateral cancellation of this Agreement by City.

**IF CONSULTANT/CONTRACTOR/VENDOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT: THE OFFICE OF THE CITY ATTORNEY, (850) 435-1715, [PUBLICRECORDS@CITYOFPENSACOLA.COM](mailto:PUBLICRECORDS@CITYOFPENSACOLA.COM), 222 WEST MAIN STREET, PENSACOLA, FL 32502.**



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00070

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** Ashton J. Hayward, III, Mayor

**SUBJECT:**

TRANSFER OF SURPLUS VEHICLES - GEORGE STONE TECHNICAL CENTER

**RECOMMENDATION:**

That City Council declare four (4) City Police Vehicles (Unit Numbers SO9006, S31906, S35406, and S82906 2006 Ford Crown Victoria marked patrol vehicles) surplus and authorize the transfer of these vehicles to George Stone Technical Center.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

Pursuant to City Ordinance Title II, Sec 2-3-2, "Disposal of surplus tangible personal property", the Pensacola Police Department has determined that the following four police equipped vehicles (2006 Ford Crown Victoria marked unit patrol vehicles: SO9006, S31906, S35406 and S82906) have no substantial value to the Police Department or the City.

The above listed vehicles are unsuitable and no longer of use to the Police Department, due to their high mileage, age, condition and unreliability. Because these vehicles are equipped with standard police equipment, they are not suitable for use by another city department and have no substantial value to the Police Department or the City. To render the vehicles suitable for use, other than law enforcement related, the Police Department would have to expend money to remove the police markings and the aged police equipment located in and on the vehicles.

All future police officers, who will attend the police academy as recruits, as well as officers already serving the community, who attend law enforcement trainings at the George Stone Technical Center, will benefit from the use of these police vehicles in teaching scenarios. The George Stone Technical Center serves as the Region 1, State of Florida Criminal Justice Training Center, and is therefore the school that provides the training for most of the area local law enforcement agencies. As a result, the donation of the vehicles would also greatly benefit the Pensacola Police Department and the City of Pensacola community.

**PRIOR ACTION:**

None

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

None

**CITY ATTORNEY REVIEW:** Yes

2/7/2017

**STAFF CONTACT:**

Eric W. Olson, City Administrator  
David Alexander, III, Chief of Police

**ATTACHMENTS:**

None

**PRESENTATION:** No



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00163

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** City Council President Brian Spencer

**SUBJECT:**

APPOINTMENT - WEST FLORIDA PUBLIC LIBRARY BOARD OF GOVERNANCE

**RECOMMENDATION:**

That City Council appoint one individual, who is an elector of Escambia County, to the West Florida Public Library Board of Governance for a term of two years, expiring February 28, 2019.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

This Board is responsible for establishing policy, overseeing the library's finances and approving the library system's annual budget, and ensuring that adequate funds are available to finance the budget. The Board will also oversee the library director and is responsible for understanding the library's mission, programs, and services delivered to the community.

The following is an incumbent that wishes to be considered for reappointment:

**Nominee**

**Nominated By**

David J. Bryant

Incumbent

**PRIOR ACTION:**

City Council makes appointments to this board on a biannual basis.

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

N/A

---

**STAFF CONTACT:**

Ericka L. Burnett, City Clerk

**ATTACHMENTS:**

- 1) Application of Interest - David J. Bryant
- 2) Resume - David J. Bryant
- 3) Ballot

**PRESENTATION:** No

**Ericka Burnett**

---

**From:** noreply@civicplus.com  
**Sent:** Monday, February 20, 2017 3:56 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](http://cityofpensacola.com/council) for Council Member contact information. If you have any questions, contact the City Clerk's Office.*

---

(Section Break)

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Personal Information

---

Name David J Bryant

---

Home Address 916 Brookside Place Pensacola, Florida 32503

---

Business Address 75 N. Pace Blvd. Ste. 403 Pensacola, Florida 32505

---

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

---

Preferred Contact Phone Number(s) (850) 982-6067

---

Email Address [dbryant2@escambia.k12.fl.us](mailto:dbryant2@escambia.k12.fl.us)

---

Upload Resume (optional) [David J. Bryant - Resume 02-20-17.pdf](#)

---

(Section Break)

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Details

---

Are you a City resident?	Yes
If yes, which district?	2
If yes, how long have you been a City resident?	Pensacola native, Continuously live in the City for the last 15 years.
Do you own property within the City limits?	Yes
Are you a registered voter in the city?	Yes
Board(s) of interest:	West Florida Public Library Board of Governance
Please list the reasons for your interest in this position:	I have served on this board for the last two years. I have a passion for the library system and the role it plays in education and the lives of individuals, especially children. The BOG is charged with oversight of the library system's \$5 million budget. I believe my background in government finance is an asset to the board.
Do you currently serve on a board?	Yes
If yes, which board(s)?	West Florida Public Library Board of Governance
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)

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Acknowledgement of  
Terms

I accept these terms.

---

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



# David J. Bryant

75 N. Pace Blvd., Suite 403, Pensacola, Florida 32505

(850) 469-6215

[dbryant2@escambia.k12.fl.us](mailto:dbryant2@escambia.k12.fl.us)

---

## PROFESSIONAL EXPERIENCE

---

Escambia County School District, Pensacola, Florida 2004-Present  
Public school district with 8,500 employees that serve 40,000 students

### **Director of Internal Auditing**

#### *Office of Internal Auditing*

- Supervise auditing staff and complete annual performance evaluations
- Coordinate activities with Audit Committee, School Board and executive staff
- Develop annual risk assessment and engagement work plans
- Perform internal and external quality assurance reviews

### **Internal Auditor**

#### *Office of Internal Auditing*

- Schedule, supervise, review and perform various audits and reviews
- Conduct audit entrance and exit interviews with senior and executive staff
- Coordinate financial disaster response with FEMA and insurance agencies for Hurricanes Ivan, Dennis & Katrina

---

Bizzell, Neff & Galloway, P.A., CPAs, Pensacola, Florida 2000-2004  
Regional public accounting firm serving thousands of clients in Florida and Alabama

### **Senior Accountant/Auditor**

- Perform diverse financial and compliance audits on a variety of clients
- Complete a range of individual and corporate state and federal tax returns
- Participate in various client related services, including:
  - General ledger write-up & bank reconciliation
  - Accounts receivable/payable
  - Payroll
  - IRS/State correspondence and general business & tax advice
- Produce varying financial statements on multiple bases of accounting

---

Escambia County School District, Pensacola, Florida 1999-2000  
Public school district with 8,500 employees that serve 40,000 students

### **Internal Auditing Co-op Student**

#### *Office of Internal Auditing*

- Perform financial and compliance audits of school internal accounts
  - Determine institutional compliance with state and federal laws and regulations
  - Create various financial statements and bank reconciliations
- 
-

# David J. Bryant

75 N. Pace Blvd., Suite 403, Pensacola, Florida 32505

(850) 469-6272

[dbryant2@escambia.k12.fl.us](mailto:dbryant2@escambia.k12.fl.us)

---

## PROFESSIONAL EXPERIENCE (continued)

---

*Smokey's Restaurants*, Pensacola, Florida 1991-2000  
Local restaurant chain serving the greater Pensacola area

### Manager

- Oversee and assist employees to ensure quality performance
- Perform all aspects of customer relations, including problem resolution
- Handle funds throughout the collection process, including reconciliation

### Assistant Bookkeeper

- Execute all phases of payroll, including maintenance of employee records
- Perform reconciliation of vendor invoices and payment on vendor accounts
- Calculate and allocate costs for financial reports

---

## EDUCATION

---

*University of West Florida*, Pensacola, Florida 2000  
Masters of Accountancy

*University of West Florida*, Pensacola, Florida 1999  
Bachelor of Arts in Accountancy

*Pensacola State College*, Pensacola, Florida 1995  
Associates of Arts in Business

---

## CERTIFICATIONS

---

- Certified Public Accountant – Florida
- Certified Government Financial Manager – Assn. of Government Accountants
- Certified Government Auditing Professional – Institute of Internal Auditors
- Certified Fraud Examiner – Assn. of Certified Fraud Examiners
- Certified Internal Auditor – Institute of Internal Auditors
- Certification in Risk Management Assurance – Institute of Internal Auditors

---

## PROFESSIONAL/VOULNTEER AFFILIATIONS

---

- West Florida Public Library Board of Governance – City Council Appointee
  - Friends of West Florida Public Library – Board Member (Treasurer)
  - NWFL Association of Certified Fraud Examiners – Board Member (Treasurer)
  - NWFL Institute of Internal Auditors – Board Member, Former District Rep.
  - Brookside Townhomes HOA – Board Member (Treasurer)
-

Appointment – West Florida Public Library Board of Governance  
March 9, 2017

***Ballot***  
*(Term expiring February 28, 2019)*

\_\_\_\_\_ David J. Bryant

\_\_\_\_\_

**Vote for One**

Signed: \_\_\_\_\_  
Council Member



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00187

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** City Council Member Sherri F. Myers

**SUBJECT:**

ADDITIONAL APPOINTMENTS TO THE CLIMATE MITIGATION AND ADAPTATION TASK FORCE

**RECOMMENDATION:**

That City Council appoint Dr. Haris Alibasic and Ms. Carrie Stevenson to the Climate Mitigation and Adaptation Task Force.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

In August of 2014, City Council adopted Resolution No. 29-14 referring the matter of creating a Climate Change Task Force to the Environmental Advisory Board (EAB) for recommendation to the City Council. In June of 2015, City Council voted to hold a workshop to receive recommendations from the EAB to establish a Climate Mitigation and Adaptation Task Force. In December of 2015, City Council directed the Council Executive to work with the Chairperson of the EAB to organize the Climate Adaptation Task Force based on the recommendations sent to the City Council by the EAB. In September of 2016, the EAB held their monthly board meeting wherein individuals interested in participating on the Climate Mitigation and Adaptation Task Force took part in an informational meeting. The City Council made its initial appointments on October 13, 2016. The Climate Mitigation and Adaptation Task Force is sponsored by the City Council; therefore the members of the task force need to be appointed by the City Council.

After the initial meeting of the Task Force on January 26, 2017, two members indicated a desire to be non-voting members. In an effort to facilitate this request as well as adding to the expertise of the Task Force, the additional named individuals are brought for Council consideration.

**PRIOR ACTION:**

October 13, 2016 - Council makes initial appointments to the Task Force

September 1, 2016 - Informational meeting at EAB Board Meeting

December 9, 2015 - City Council directed the Council Executive to work with the Chairperson of the EAB to organize the Climate Mitigation and Adaptation Task Force based on the recommendations sent to the City

Council by the EAB.

June 18, 2015 - City Council voted to hold a workshop to receive recommendations from the EAB to establish a Climate Mitigation and Adaptation Task Force.

August 28, 2014 - City Council adopted Resolution No. 29-14 referring the matter of creating a Climate Change Task Force to the Environmental Advisory Board for recommendation to the City Council.

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

None

**STAFF CONTACT:**

Don Kraher, Council Executive

**ATTACHMENTS:**

- 1) 2017 Bio - Carrie Stevenson
- 2) Dr. Haris Alibasic -- Bio

**PRESENTATION:** No

Carrie Stevenson is the Coastal Sustainability Agent for the UF/IFAS Escambia County Extension Office and has been with the organization for 13 years. Her educational outreach programs focus on living sustainability within a vulnerable coastal ecosystem. She also works to help residents better understand how to protect and preserve local wildlife habitats and water resources, wisely use our abundant rainfall and sunlight, and to prepare and mitigate for flooding, coastal storms and climate impacts.

Educational efforts include continuing education classes, workshops, the Master Naturalist Program, field days, demonstrations, model landscapes, Gardening in the Panhandle and Panhandle Outdoors newsletters, and individual consultations.

Carrie holds a Master's degree in Biology/Coastal Zone Studies from the University of West Florida in Pensacola and received her undergraduate degree in Biology from Samford University in Birmingham, Alabama.



## Dr. Haris Alibašić

- **Position:** Assistant Professor
- **Department:** Legal Studies, Public Administration and Sports Management
- **Office Location:** Building 85, Room 159
- [halibasic@uwf.edu](mailto:halibasic@uwf.edu)
- **Campus:** [\(850\) 474-3344](tel:(850)474-3344)

### Biography:

**Dr. Haris Alibašić** is an Assistant Professor in the Legal Studies, Public Administration and Sport Management Program.

Alibašić brings 20 years of expertise and experience in the public sector, including working for the United Nations Mission and the Office of High Representative in Bosnia and Herzegovina, and directing energy, sustainability, and legislative affairs policies and programs for Grand Rapids, the second largest city in Michigan. In Grand Rapids, he promoted policies resulting in significantly reduced energy usage and cost and spurring significant renewable energy investments.

Alibašić has over 12 years of experience teaching graduate and undergraduate in public policy, public administration, economic development, and sustainability courses at Grand Valley State University and Davenport University, and more recently teaching courses at UWF in public service ethics, political economy of public administration, government contract law, and public administration in American society.

He holds a BBA in International Business and Marketing and MPA from Grand Valley State University and a Ph.D. in Public Policy and Administration from Walden University and is a recipient of the Doctoral Scholarship, Commitment to Social Change.

Alibašić is actively involved with the Bosnian American community and served as a past president of the Congress of North American Bosniaks (CNAB). He is a board member of the

Advisory Council for Bosnia and Herzegovina, an international expert team member of the Institute for Research of Genocide (Canada), and member of the Bosnian Herzegovinian American Academy of Arts and Science (BHAAAS). He received a North American Bosniaks' Special Recognition Award in 2013 for outstanding contributions to the advancement of Bosniaks and Bosnia and Herzegovina.

Alibašić has written and published extensively on the topics of administrative evil, sustainability, climate resilience, economic development, climate change and sustainable energy.

Alibašić won the 2012 West Michigan Environmental Action Council (WMEAC) – The C.R. Evenson Award, and the 2011 Grand Valley State University's Sustainability Champion Award. In 2013, he served on the Advisory Committee of the Resilient Communities for America. Alibašić went on to serve as co-chair for the energy sector of the White House Climate Preparedness and Resilience Task Force in 2014.

### **Degrees & Institutions:**

Alibašić received his bachelor's degree in Business Administration, International Business and Marketing and his master's degree in Public Administration from Grand Valley State University (GVSU). He went on to earn his doctoral degree in Public Policy and Administration from Walden University.

### **Research:**

- Resilience and Sustainability Planning
- Administrative Evil
- Moral Inversion
- Sustainable Energy
- Energy Efficiency

### **Current Courses:**

- Public Administration in American Society
- Government Contract Law
- Public Service Ethics
- Political Economy of Public Administration

### **Classes Taught:**

- Introduction to Sustainability (GVSU)
- Building Sustainable Communities (GVSU)
- Building Sustainable Public-serving Organizations (GVSU)
- Practicum in Decision Making for Sustainability (GVSU)
- Implementing Sustainability in Organizations (GVSU)
- Sustainability (GVSU)
- Metropolitan Politics and Administration (GVSU)



- Public Policy Analysis (GVSU)
- Sustainable Business Strategies (DU)
- Managing for Sustainability (DU)

## **Publications:**

- Balfour, D. and Alibašić, H. (2016). Administrative Evil. In Farazmand, A. (Editor) Global Encyclopedia of Public Administration, Public Policy, and Governance. Springer International.
- Alibašić, H. (2015). A Case Study on Implementing Sustainable and Resilient Energy Initiatives in Water and Sewer Systems. German American Water Technology Magazine.
- Alibašić, H. (2015). Reconciling the past in Bosnia and Herzegovina: Genocide Denial and the Role of Moral Inversion. PREGLED: Peer-reviewed journal for Social Issues - ISSN 1986-5244 of the University of Sarajevo. Vol. 3, 2015.
- Alibašić, H. (2014-05-03). Michigan Cities Building a Sustainable Energy Platform: Holland, Ann Arbor and Beyond. TriplePundit People, Planet, Profit. [www.triplepundit.com](http://www.triplepundit.com)
- Alibašić, H. (2014-05-02). Planning and Implementing Climate Resiliency in Grand Rapids. The Review Magazine. Michigan Municipal League. [www.mml.org/thereview/](http://www.mml.org/thereview/)
- Alibašić, H. (2014-05-01). Michigan Cities Building a Sustainable Energy Platform: Focus on Grand Rapids. TriplePundit People, Planet, Profit. [www.triplepundit.com](http://www.triplepundit.com)
- Alibašić, H. (2014-02). Dayton in Bosnia and Herzegovina: 18 Years of Experiment in Democratic Governance/ Dayton u Bosni i Hercegovini: 18 godina eksperimenta u demokratskom upravljanju. Institute for Research of Genocide, Canada and Congress of North American Bosniaks.
- Alibašić, H. (2013, December 4). Grand Rapids Publishes Climate Resiliency Report.
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- Alibašić, H. (2013, July 29). Local governments must take charge of building resilient communities. TriplePundit People, Planet, Profit. [www.triplepundit.com](http://www.triplepundit.com)
- Alibašić, H. (2013). Building sustainable and resilient Grand Rapids. German American Water Technology Magazine 2013/2014. 28-31.

- Alibašić, H. (2012, August 30). How energy efficiency strategy pays off in Grand Rapids. TriplePundit People, Planet, Profit. [www.triplepundit.com](http://www.triplepundit.com)
- Čekić, S., Lavić, S. Ramić, E. Alibašić, H. (2012, March) . The Republic of Bosnia and Herzegovina as a Historical Fact. Congress of North American Bosniaks (CNAB); Institute for Research of Genocide, Canada; Bosniak Cultural Community "Preporod"
- Alibašić, H. (2012). Warning shots over Bosnia/Pucnji upozorenja iznad Bosne.
- Yearbook of the Bosniak Cultural Community "Preporod" (1/2012)/Godišnjak Bošnjačke zajednice kulture - "Preporod"
- Alibašić, H. (2011). Sustainability and stewardship – An energy strategy for Grand Rapids. Mi-Biz.
- Ibraković, Dž. & Alibašić, H. (2010). Zaznamovana Bosna in Hercegovina (ali o zgodovinskem blatenju Bosne in Hercegovine (Slovenian language). Otočjeo. Letn. 2, št. 4 (2010), str. 82-108.
- Alibašić, H. (2009). The global economic crisis: Dangers and possibilities/Globalna Ekonomska Kriza: Opasnosti i mogućnosti. Academic Journal Pregled, Journal for Social Issues, 50, 2, 233-245
- Ibraković, Dž. & Alibašić, H. (2007). Marked Bosnia and Herzegovina/Obilježena Bosna i Hercegovina. Yearbook of the Bosnian Cultural Community "Preporod" (1/2007)/Godišnjak Bošnjačke zajednice kulture "Preporod" (Bosnian) (01/2007)



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00125

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** Ashton J. Hayward, III, Mayor

**SUBJECT:**

APPOINTMENT TO THE POLICE OFFICERS' RETIREMENT FUND BOARD OF TRUSTEES

**RECOMMENDATION:**

That City Council ratify the appointment of Rodney Randle as the fifth member trustee of the Police Officers' Retirement Fund.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

At the meeting on February 8, 2017, the Police Officers' Retirement Fund Board of Trustees elected Rodney Randle the fifth member of the Board. His term is for two years and will expire December 31, 2018.

**PRIOR ACTION:**

February 11, 2010 - City Council ratified Mr. Randle's original appointment.

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

None

**CITY ATTORNEY REVIEW:** Yes

2/9/2017

**STAFF CONTACT:**

Eric W. Olson, City Administrator  
Richard Barker, Jr., Chief Financial Officer

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**ATTACHMENTS:**

None

**PRESENTATION:** No



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00107

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** Ashton J. Hayward, III, Mayor

**SUBJECT:**

FY 2016 COMPREHENSIVE ANNUAL FINANCIAL (CAFR)

**RECOMMENDATION:**

That City Council accept the City of Pensacola Comprehensive Annual Financial Report for the year ended September 30, 2016 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: \$ 99,700

Actual: \$ 99,700

**FINANCIAL IMPACT:**

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

**CITY ATTORNEY REVIEW:** Yes

2/15/2017

**STAFF CONTACT:**

---

Eric W. Olson, City Administrator  
Richard Barker, Jr., Chief Financial Officer

**ATTACHMENTS:**

- 1) FY2016 CAFR
- 2) SAS 114 Auditor Letter
- 3) Financial Condition Assessment

**PRESENTATION:** Yes

AMERICA'S FIRST SETTLEMENT



THE CRADLE OF NAVAL AVIATION



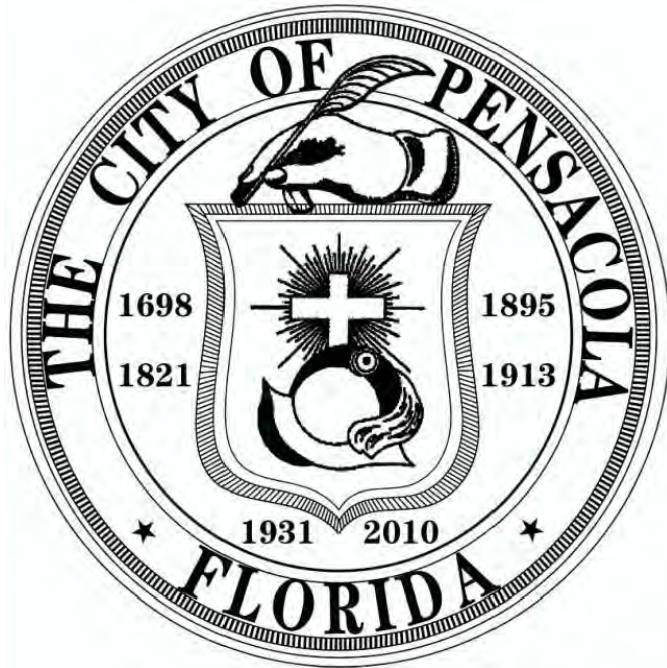
THE UPSIDE OF FLORIDA



Fiscal Year 2016 Comprehensive Annual Financial Report  
FOR THE YEAR ENDING SEPTEMBER 30, 2016

City of Pensacola, Florida • Ashton J. Hayward, Mayor





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**THE CITY OF PENSACOLA, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED SEPTEMBER 30, 2016**



**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, 2016**

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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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**ASHTON J. HAYWARD, III**

Mayor

February 07, 2017

The Honorable Brian Spencer, 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, 2016, 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.

Since taking office after the 2010 election, the Mayor's Office has focused on creating economic opportunity, improving neighborhoods, fostering a healthier environment, restoring citizen

confidence in government, and taking action for the future. Through internal staff reorganization, public outreach, and the introduction of new services like 311 Citizen Support Line, a more accountable, responsive, and efficient City government has been established. The purpose of the Mayor's Standing Goals and Strategic Direction is to articulate key policy and service priorities that will ensure that Pensacola remains an attractive, vibrant and inviting place to live, work and visit.

### **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*.

GASB Statement No. 61 was implemented during fiscal year 2013 and modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity and the display of component units (blending vs. discrete) presentation. Prior to fiscal year 2013, the Community Maritime Park Associates, Inc. (CMPA) was considered a discretely-presented component unit and has presented as a separate column in the government-wide statements. However, with the introduction of GASB Statement No. 61, the CMPA is now considered a blended component unit and is presented as separate funds in the City's fund-level statements.

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.

The Net Pension 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 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. With the new structure, there are nine members of council 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 with each member limited to three consecutive four year terms. On June 11, 2013, voters approved amendments to the City Charter that eliminated the two at-large City Council seats, upon the completion of their current terms, which reduced the number of City Council members from nine to seven. After the November 2014 and by November 2016 election, both of the at large seats were eliminated with the completion of those terms, reducing the total Council members elected to seven (7). 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 new 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 October 16, 2015, the City issued an Airport Refunding Revenue Note, Series 2015 ("Series 2015 Note") with Regions National Bank. The Series 2015 Note was issued to finance the cost of refunding all the remaining amount outstanding of the Airport Refunding Revenue Bonds, Series 2005A (Non-AMT) ("Series 2005A Bonds"), which bonds refinanced certain capital improvements to the Pensacola International Airport. The refunding of the Series 2005A Bonds was undertaken by the City in order to realize a significant present value interest cost savings. The Series 2015 Note has a fixed interest rate of 2.550% and matures on October 1, 2027. Pledged revenues for the repayment of the principal and interest will be derived from the net revenues of the Pensacola International Airport.

On July 25, 2016 the City issued \$14,314,000 of Local Option Gas Tax Revenue Bond, Series 2016 through a loan with Raymond James Capital Funding, Inc. The bond 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 matures on December 31, 2026 and has a fixed interest rate of 1.83%. Pledged revenues for the repayment of the principal and interest will be derived from the Local Option Gasoline Tax (LOGT) revenues. In the event that LOGT is insufficient to pay debt service, the loan is further secured by a covenant to budget and appropriate from the City's non-ad valorem revenues.

On September 23, 2016 the City issued \$6,299,600 of Taxable Airport Facilities Grant Anticipation Note, Series 2016 through a draw-down bank borrowing from Compass Bank. The 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 note matures on October 1, 2019 and has a floating rate equal to LIBOR plus 178 basis points. 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%. Pledged revenues for the repayment of the principal, interest and the payment of obligations under the associated interest rate swap will be derived from the grant proceeds. The City may make draws of principal through January 1, 2018. As of September 30, 2016, no funds have been drawn-down.

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 2016 business-type activities paid a total of \$4.8 million and \$3.0 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 \$3.7 million and \$5.6 million, respectively for principal and interest, for governmental activities debt during fiscal year 2016. CMPA debt accounts for \$2.0 million of the \$5.6 million in interest payments. The City typically issues debt with a levelized structure thereby eliminating large increases and decreases in principal payments from year to year. 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 180<sup>th</sup> 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 57,000 service connections and is the largest municipal gas distribution system in Florida as it relates to customer base.

Pensacola Energy had operating income before depreciation of \$13,192,343; a decrease of \$2,643,687 over last year. Operating revenue decreased by \$2,140,667 (4.7%) during fiscal year 2016 and operating expenses increased by \$503,020 (1.7%). The primary reason for the decrease in operating revenue is a result of decreases 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

2016, the cost of natural gas decreased by \$2,208,069. Excluding the cost of gas, operating expenses increased by \$2,711,089, the majority of which was related to a multi-year project to cut and cap dormant gas lines older than five years. The revenue classification for billed gas service is 49.2% residential, 32.0% commercial and 18.8% 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 1.5% CPI increase was approved in fiscal year 2015; a 0.1% CPI decrease was approved in fiscal year 2016; with an effective date of October 1, 2015.

Fiscal year 2017 operating revenues are budgeted at \$51.0 million, \$945,800 (1.8%) higher than the prior year budget. Anticipated state rebates related to compressed natural gas operations account for the majority of the increase. Fiscal year 2017 appropriations increased \$1.9 million (3.6%) over fiscal year 2016. 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 \$58,363; a decrease of \$764,139 over the prior fiscal year. Operating revenue increased by \$29,706 (1.4%) during fiscal year 2016 and expenses increased by \$793,845 (12.6%). The increase in expense can be linked to increased personal costs, repairs and maintenance of vehicles and landfill fees. Residential sanitation fees are set at \$22.80 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 \$1.50 per month and ended the year at \$1.10 per month for fiscal year 2016. 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.

Fiscal year 2017 revenues are budgeted at \$7.3 million, \$167,400 (2.3%) higher than the prior year budget. Anticipated increases in franchise fee revenue and landfill fee revenue account for the majority of the increase. Fiscal year 2017 appropriations increased by \$313,800 (4.3%) over fiscal year 2016 budget.

## **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 had operating loss before depreciation of \$43,028; a decrease of \$273,898 from the prior fiscal year. Operating revenue decreased by \$289,376 (15.2%) and expenses decreased by \$15,478 (0.9%). The majority of the decrease in revenues can be linked to an increase in allowance for doubtful accounts.

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 2016, the Port was awarded \$24,848 (\$18,636 in FSTED funds requiring \$6,212 in local match) for supplemental funding for rehabilitation/repair of Berth 6. This supplemental funding brings total funding for the project to \$3.075 million funded with 75% FSTED funds and a 25% local match.

Fiscal year 2017 operating revenues are budgeted at \$2.1 million, \$169,700 (8.9%) higher than the prior year budget. Anticipated increases in property rental revenue and leases account for the majority of the increase. Fiscal year 2017 appropriations increased by \$326,900 over fiscal year 2016 budgeted totals primarily due to an increase in capital purchases and operating cost.

## **Pensacola International Airport**

The City of Pensacola owns the Pensacola International Airport and operates the same 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 southern Alabama with a principal service area encompassing Escambia, Santa Rosa, Walton, and Okaloosa Counties in Florida and Baldwin, Escambia and Mobile counties in Alabama. During fiscal year 2016, 1.6 million passengers utilized the scheduled service of five airlines to twelve non-stop destinations making Pensacola the 98th largest airport out of 408 airports in the United States in terms of the total number of domestic passengers served.

The Airport had operating income before depreciation of \$8,494,539; a \$915,648 decrease over last fiscal year. The Airport Fund's operating revenues increased by \$673,533 (3.2%) in fiscal year 2016. Airline revenues account for \$479,886 of the increase while the remaining increase comes from non-airline revenues including parking, restaurant and lounge and rental car revenues. The Airport Fund's operating expenses increased by \$1,589,181 (13.5%). The increase in expense can be linked to an increase in personal services costs and contractual services.

Fiscal year 2017 operating revenues are budgeted at \$20.1 million, \$111,800 (0.6%) higher than the prior fiscal year budget. Anticipated increases in non-airline revenues account for the increase. Fiscal year 2017 appropriations decreased by approximately \$2.0 million over fiscal year 2016 budgeted totals primarily due to a \$1.9 million decrease in debt service principal

payments related to a one-time payment on the Airport Taxable Customer Facility Charge Revenue Note, Series 2008 budgeted in fiscal year 2016.

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 2016 budget of \$211,658,200, an increase of \$13,067,800 from the 2015 budget. The General Fund anticipated an increase in revenues of \$1,063,900 million (2.2%) due to a \$456,800 increase in property taxes as a result of a 3.8% increase in property valuation, a \$249,900 increase in Sales and Use Taxes due to an improving economy, a \$167,500 decrease in Communication Service Taxes due to a shift in the bundling packages being offered by the telecommunications providers, a \$247,400 increase in franchise fees and \$361,200 million increase in Public Services taxes. The Special Revenue Funds anticipated an increase in revenues of \$781,500 (2.4%) mainly due to increased intergovernmental revenues. The Capital Projects Funds anticipated an increase in revenues of \$761,900 (7.9%) primarily related to increases in Local Option Sales Tax (LOST) revenues. The current LOST expires on December 31, 2017. On November 4, 2014, the citizens of Escambia County voted to extend the LOST through December 31, 2028. The Enterprise Funds anticipated an increase in revenues of \$7,323,600. Natural gas sales were projected at \$50,534,900, an increase of \$6,414,600 or 14.5% from the fiscal year 2015 budget. The increase is attributed in part to higher gas costs as well as a \$3.5 million pipeline rate increase from Gulf South Pipeline Company. Fiscal year 2016 Sanitation and Port revenues remained fairly consistent with fiscal year 2015 budget. Pensacola International Airport revenues were projected at \$19,983,000, an increase of \$541,000 or 2.8% from the fiscal year 2015 budget. Charges to the Airlines such a Loading Bridge fees, Landing Fees, Apron Area Rentals and Airline Rentals are projected to increase a total of \$400,000. Non-Airline Revenues such as Rental Cars, Parking Lots, Gift Shop, etc. are projected to decrease a total of \$49,000 and the Rental Car Customer Facility Charge for the Service Facility is projected to decrease by \$190,000.

#### 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. Planning Services also maintains the current Land Development Code (LDC) and continues to work towards implementing form-based, sustainable development guidelines to create a more walkable-built environment. Planning Services staff recently completed revisions to permitted use regulations in the City's commercial and industrial land use districts, and will be continuing updates to modernize and streamline the City's Land Development Code.

**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 2016. 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 \$145,070 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 bulletproof vests and for providing overtime specifically designated for addressing gun crimes and enforcing DUI laws. In addition, the department received \$66,974 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.

In fiscal year 2017, 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 Service Organization (ISO) Public Protection Classification (PPC™) rating of a very high "2" during fiscal year 2016. Before a community can receive a PPC classification the community must meet minimum facilities, staffing, and practices requirements. The rating is then based on the departments' ranking on the Fire Suppression Rating Schedule (FSRS) which assesses the departments' ability to fight fires effectively. The class rating is assigned utilizing a scale of 1 to 10 and is 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 2016 the department enhanced the station alerting and communication capabilities through the implementation of an improved station alerting system and acquisition of advanced radio equipment. Also, improvements to department member training were implemented through the initiation of a comprehensive Leadership Program. Refinements to structural and aircraft fire fighting, medical emergency, vehicle accident and extrication, and marine emergency training and response continues. Fire incident reporting and record management capabilities were also improved through the implementation of a web based package that allows staff to track, manage, and analyze what is occurring within the department.

In fiscal year 2017 the department will continue to develop the enhanced station alerting and communication equipment to improve incident response times. In addition the Fire Cadet Program will be reinstated which is geared towards increasing diversity, improving recruiting, and retaining employees.

***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 & open spaces, along with resource centers which are maintained by the Parks & Building Maintenance Divisions, programmed by the Recreation Division, and utilized by Pensacola residents and City organizations.

Numerous park improvements occurred in fiscal year 2016, including a shade structure at Bayview Park tennis courts, a rolling shade canopy for the driving range at Osceola Golf Course, and a replacement playground at Camelot following a fire in February, among many others. For fiscal year 2017, two stormwater projects at Corrine Jones park and Bill Gregory park will enhance these two venues. The department will continue to develop the park master plan based on a parks needs assessment report from University of West Florida (UWF). Sanders Beach-Corrine Jones Center, Fricker Center, Bayview Senior Center, and Gull Point Center are all receiving some much needed improvements this coming year.

Events at the Community Maritime Park experienced the biggest increase in participation in fiscal year 2016 with UWF Football in September with an attendance of over 6,000. Seasonal events such as Blues on the Bay Concert series and the Hill-Kelly-Drive-In Movie series stayed constant with participation numbers varying from 700 to 2,500 in attendance. We ended the year with 59 events with a total attendance of 58,191 which is 4 more events over 2015 and 17,146 increase in attendance than in 2015.

Parks and Recreation actively partners with local corporate, non-profit, and community groups to provide service benefits to the entire community. Pensacola News Journal, Sam's Club, CAT County, Hill Kelly Dodge, Cox Communications, Blue Angel Music, Pensacola Credit Union, Delux Printing, and Ballinger Publishing continued their support of the Parks and Recreation Department through the sponsorship of the City's annual Easter Egg Hunt, Blues on the Bay Music Series, Drive-in Movie, and Halloween Egg Haunt. The Naval Air Station Pensacola, Gulf Breeze Lodge #347, Latino Media Gulf Coast, Inc., Special Olympics, UWF, Pensacola State College, ARC and Milk and Honey Ministries are strong partners of recreational, social and educational programs within the City's Resource Centers and parks. Innisfree Hotels has provided much needed guidance and dedication to the Hollice T. Williams Community Garden for continued growth and production of fruits and vegetables for local gardeners.

Organizations are not the only partners the department has developed and grown over the past years. Over 800 volunteers assisted in special events, park and facility maintenance and clean-up projects. In fiscal year 2016, The Day of Caring project had 137 volunteers that helped beautify Wayside Park. There are many small but essential volunteer projects around the City of Pensacola parks.

Parks and Recreation has been active in Americans with Disabilities Act (ADA) improvements to the City's parks in the past fiscal year 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 2017.

***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. Service levels remained satisfactory despite the previous year's staff reductions. The department maintains 332 miles of roadway, 49 stormwater ponds, 79 various underground stormwater treatment units, 18 ditches, 2,182 drainage inlets and 15 major stormwater outfalls. Approximately 23,400 miles of roadway were swept and approximately 3,750 tons of road debris were removed.

During fiscal year 2016, the department upgraded the street markers within numerous neighborhoods and intersections. The department completed the city-wide speed limit reduction program by installing 25mph speed limit signs in the remaining ten (10) neighborhoods, along with the replacement of over 1,100 street signs. A new policy was implemented that will facilitate a request process for installation of new street lighting and upgrade of existing street lighting.

The department resurfaced 147 city blocks of asphalt roadway, reconstructed 5 (5) city blocks of roadway, constructed 6,315 linear feet of new sidewalk, repaired/replaced approximately 2,600 feet of existing sidewalk, installed 65 handicap ramps, repaired over 1100 potholes, addressed 440 traffic signal issues, and repaired over 200 city owned streetlights. 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 on Bayou Blvd at Carpenter Creek, rehabbing the Coyle Street storm sewer system, revamping a 3 acre stormwater pond on Scenic Hwy at Langley Ave and constructing two slope stabilization projects in Baywoods Gully.

Through coordinated efforts with the Florida Department of Transportation, the department facilitated the resurfacing of Bayou Blvd and West Cervantes Street, and continued assistance with the 12<sup>th</sup> Avenue bridge replacement over Bayou Texar.

In fiscal year 2017 the department hopes to complete several large grant-funded stormwater projects including Government Street at Corrine Jones Park, 'R' Street at Maggie's Ditch, Bay Woods Gully and Spanish Trail Pond at Gaberrone Swamp. In addition, the completion of the Phase I City-wide Street Resurfacing project (approximately 600 blocks) and the CSX Pedestrian Crossing at 17th Avenue and Bayou Texar Trestle is planned to occur in fiscal year 2017.

***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 3 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 CRA 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.

The Eastside Community Redevelopment Area was established in 2005. In 2016, tax increment revenues funded construction on the redevelopment of the historic birth site of General Daniel “Chappie” James, Jr., America’s first African American four star general, to accommodate a museum and youth flight academy began in the Eastside Community Redevelopment Area as a public/private partnership with two local non-profits. This project is expected to be completed in fiscal year 2017 and should be a catalyst for further revitalization in the area.

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 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 2016, Westside tax increment revenues were allocated to a Reconnaissance and Strategic Assessment of the West Moreno neighborhood surrounding Baptist Hospital. The cost of implementation of the Westside Redevelopment Plan to address the needs of this area will be significant over the coming years and will warrant accumulation of the tax increment revenues to provide sufficient funds to carry out the Plan’s projects.

The CRA continues to work with private sector concerns to support a revitalized and blight free community.

***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, 25 families had their homes rehabilitated through the City’s Community Development Block Grant (CDBG) Housing Rehabilitation Program during fiscal year 2016. 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 3 families with newly reconstructed homes on their own lots after demolition of their existing substandard homes.

Additionally, CDBG funds supported code enforcement inspections at 331 individual addresses within the CDBG target area; 16,867 meals for elderly and/or disabled City residents through the Council on Aging Meals on Wheels and Senior Dining Site Programs; and counseling, guidance, and educational information for 115 families through Homebuyers Club and Foreclosure Prevention Program. This counseling resulted in 35 families purchasing homes within the community.

Funds received through the State Housing Initiatives Partnership (SHIP) program assisted 72 families in the community reach the goal of homeownership, with 13 of these families becoming homeowners within the City. Program funds supported 3 families with repairs to their homes, 2 of which were recovering from the February 2016 tornado event.

The Section 8 Housing Choice Voucher (HCV) Program provided rental assistance for approximately 2,377 extremely and very low income families each month during fiscal year 2016. This reflects approximately \$1.2 million in monthly rental housing assistance in our community, paid out to an estimated 680 local landlords. Housing completed 4,103 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 133 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 2016, the City made application for and received 25 additional HUD-VASH vouchers bringing the City's total allocation of HUD-VASH vouchers to 182.

In partnership with EscaRosa Coalition on the Homeless, utilizing a fiscal year 2016 allocation of funds from the Florida Housing Finance Corporation's state administered federal HOME Investment Partnerships Act allocation, the City will be able to provide rental assistance to 20 formerly homeless families offering them the opportunity to stabilize their living conditions and employment opportunities.

***Pensacola Energy*** service territory expansions will occur in the Beulah area where several new subdivisions, commercial developments, and a proposed industrial park are planned. New residential and commercial developments in downtown Pensacola are expected to contribute to Pensacola Energy's growth. Pensacola Energy is aggressively replacing cast iron main infrastructure in the downtown area. Pensacola Energy has completed a successful expansion across the Perdido Key Intracoastal Waterway to supply natural gas to restaurants, residential homes, and an upscale 64-unit condominium now under construction.

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 expenditures.

***The Sanitation Services and Fleet Management Department*** is comprised of three separate activities, including Sanitation Services, Code Enforcement and Fleet Management. In fiscal year 2016, Sanitation Services collected 32,366 tons of solid waste and 4,745 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 2016 resulted in the removal of 438 tons of bulk waste, 1,155 old tires and 4,496 cans of old paint.

Sanitation Services has initiated several significant changes to its collection system over the past few years. In 2007, the City contracted with the Allied Waste transfer station, now owned by Escambia County, to provide transfer station services for household garbage. In 2009, Sanitation completed a two-year conversion of its yard trash collection system from three-person shuttle/collection crews to a system utilizing one-man collection trucks. Also in 2009, the City began a citywide recycling program in conjunction with a change to once-a-week garbage collection. These changes have resulted in the elimination of 15 positions that were previously dedicated to the collection of solid waste.

The City's curbside recycling program achieved a 23.6% diversion rate in fiscal year 2016 by recycling 4,745 tons of materials that would have previously been disposed of in the county landfill. The City's total recycling rate was 52.6%. That rate combines materials recovered from the curbside recycling program with the 14,769 tons of yard trash collected. In November 2014 the City contracted with Tarpon Paper of Loxley, Alabama to provide recyclable processing. The City continues to use Tarpon Paper for recyclable processing on a month to month basis.

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.

In February 2016 a tornado hit several neighborhoods in the northeast part of the city causing structural damage to many homes. In addition, a large number of trees were uprooted and/or limbs from trees fell in yards, right-of-ways and homes. Sanitation yard trash crews worked overtime for nearly a month cleaning the area of debris that resulted in approximately 15,000 cubic yards of debris being removed during the course of the cleanup.

***The Port of Pensacola's*** fiscal year 2016 cargo and vessel activity and tonnage activity were down 8% and 6%, respectively, compared to 2015. The decline in vessel traffic was largely due to the collapse of the oil market which resulted in fewer offshore construction and supply vessels requiring the mobilization, demobilization and maintenance services performed at the port. The decline in cargo volumes was primarily due to the strength of the US dollar against foreign currencies resulting in General Electric (GE) not competing as successfully as in prior years for contracts for sale of its locally-made wind turbine components. For fiscal year 2017, the Port anticipates continuation of monthly shipment of paper, lumber and other forest products to the Mediterranean region and monthly shipments of new US-made railcars to South America. Additionally, the Port expects shipments of imported components for GE that previously imported through the Ports of Mobile and Houston to begin importing monthly directly into Pensacola. These shipments should serve to somewhat stabilize Port activity in the coming year however, it remains to be seen how markets, particularly export markets and the oil sector, will react to the new Presidential administration and its trade and energy policies.

***The Pensacola International Airport*** serves more passengers than any other airport between New Orleans and Tampa.

Construction was completed in Fiscal Year 2016 on the rehabilitation and expansion of a 32 acre stormwater detention area located in the southwest quadrant of the airport campus, serving as a formally permitted regional stormwater facility. The Airport also completed the installation of an automated system to monitor the exit from the passenger concourse to provide enhanced deterrence for individuals who attempt to enter the concourse without going through passenger screening, in addition to reducing personnel costs.

The Airport started the commerce park land acquisition project in the northwest quadrant in 2004. Since this time, the City Council has approved the purchase of 80 residential and 24 commercial parcels. The acquisitions are funded through grants from the Florida Department of Transportation and the Department of Economic Opportunity. Large scale demolition of the structures took place in Fiscal Year 2016 and will continue annually until the site is clear.

The site design for the Airport's first large scale Maintenance Repair Overhaul (MRO) facility, located in the northeast quadrant off of Runway 17/35, was substantially complete at fiscal year-end. Construction began in late Calendar Year 2016. The facility is expected to be operational in 2018. Pooled funding for the project has been provided by Florida Department of Transportation, Escambia County, City of Pensacola, Department of Economic Opportunity, and the tenant.

The Airport began design services for the reconstruction and expansion of the cargo apron in fiscal year 2013. The design process to evaluate, design, reconstruct, and extend the area concluded in fiscal year 2015, and bids for the reconstruction and expansion were obtained in June 2015. Construction was underway in Fiscal Year 2016 and is anticipated to be complete in May 2017. This project is funded with Federal Airport Improvement Plan Funding, Florida Department of Transportation Strategic Intermodal System Funding, and an Airport Capital Match.

In fiscal year 2015, the Airport solicited qualifications from firms experienced in airport master planning services. During Fiscal Year 2016, the selected consultants have analyzed the existing conditions of the Airport and the future passenger, aircraft, and facility development demands. The selected consultants will continue to review how the demands can be met from both a financial and an operational standpoint, as well as address areas of concern over the course of Fiscal Year 2017. Pensacola International Airport's most current Master Plan was completed in 1999. The master planning services are funded through Passenger Facility Charges that have already been collected.

In fiscal year 2016, the Airport began negotiations with the airlines serving the facility to develop a long-term airline use and lease agreement to replace an agreement that was negotiated and entered into in the late 1990's. This agreement will outline the operational and financial framework under which airlines will provide service to the Airport.

For Fiscal Year 2017, the Airport will continue with the acquisition of property in the Commerce Park, construction of the MRO facility, reconstruction and expansion of the cargo apron, an update of the Master Plan, and the negotiations with the airlines of a new long-term use and lease agreement.

## Citywide topics

In fiscal year 2016, the City lost two (2) key staff employees: the Fire Chief and Chief Information Officer. David Allen was appointed to the vacant Fire Chief position on June 13, 2016. The Chief Information Officer position was not filled and Technology Resources was reorganized as a division of the Financial Services department under the supervision of the Chief Financial officer. The City experienced an 11.4% turnover rate in fiscal year 2016, a slight decrease over the fiscal year 2015 rate of 11.6%. Based on exit interviews, employees cited increased compensation from other job opportunities and retirement as the main reason for their separations.

With the completion of the Vince Whibbs, Sr. Community Maritime Park in June 2012, approximately 12.4 acres of land became available for private development. In August 2012, City Council approved the first land lease at the Community Maritime Park with Maritime Place, LLC, for the development of a 77,000 square foot commercial building constructed at a cost to the tenant of \$16 million. The lease generates approximately \$100,000 in rental fees to the City and an estimated \$230,000 in ad valorem property taxes of which \$128,000 will benefit the City's CRA. Construction of the private development, Maritime Place, was completed in 2014. In June, 2013, the second lease for private development was executed. Maritime One was completed in October 2015. Maritime One is a 27,000 square foot, \$4 million mixed use building. Maritime One is significant in that it includes a residential component. The lease will generate approximately \$46,000 in rental fees to the City and an estimated \$76,000 in ad valorem property taxes of which \$42,800 will benefit the City's CRA.

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.

In July 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 accordance with Florida Statutes (F.S.), the distribution of the funding may be approved through an Interlocal Agreement or determined by a default formula which uses the past five years' transportation expenditures for each entity. On July 14, 2016 Escambia County adopted Resolution 16-93 which set the City's LOGT distribution at 6.99 percent, down from 18.22 percent. As provided in Florida Statue 336.025(5)(b), the City exercised its right to file an appeal with the State of Florida Administration Commission. Until a resolution can be obtained, beginning with the September 1, 2016 distribution, all LOGT distributions for the parties involved will be held in trust with the Escambia County Clerk of the Circuit Court.

The American Federation of State County and Municipal Employees (AFSCME) union agreed to the change in the General Pension and Retirement Plan with a new three year union contract effective October 1, 2012. The changes consisted of increasing the average final compensation



calculation from 2 years to 5 years, reducing the benefit multiplier from 2.1% to 1.75%, reducing the Cost of Living Adjustment for new retirees from 1.5% per year to 1% per year with new participants in the Deferred Retirement Option Program (DROP) not receiving a Cost of Living Adjustment while participating in DROP. Based on current estimates, these changes will result in a reduction of \$680,000 per year in the City's required contributions and decrease the Unfunded Actuarial Accrued Liability by \$5.78 million. In exchange for the reduced benefits, the City agreed to a 5% pay increase effective October 1, 2012; a 3% pay increase effective October 1, 2013; and a 2% pay increase effective October 1, 2014. The AFSCME union negotiated a new contract effective October 1, 2015 with a 1% pay increase effective October 1, 2015, 1.25% pay increase effective October 1, 2016 and 2.25% pay increase effective October 1, 2017.

The City and the three police unions entered into agreements to close the Police Officers' Retirement Fund participants effective January 1, 2013. Police Officers hired on or after January 2, 2013 became participants in the Florida Retirement System (FRS). Current officers were given an opportunity to remain in the Police Officers' Retirement Fund or join the FRS. Also in the agreements were several reductions in benefits for officers with less than twenty (20) years of service. The vesting period, for those participating in the Police Officers' Retirement Fund, increased from ten (10) years to twelve (12) years, the average final compensation changed from two (2) years to five (5) years, the cost of living adjustment reduced from 3% to 2% after ten (10) years of retirement, and pensionable income is calculated on base pay with no overtime. The DROP interest rate reduced to 1.3% effective January 1, 2013 for new participants in DROP and they will not receive a cost of living adjustment while participating in DROP. These changes will result in a reduction in the Unfunded Actuarial Accrued Liability to the Police Officers' Retirement Fund of approximately \$5.6 million and reduce the City's required contribution by approximately \$743,000. In exchange for the reduced benefits, the City agreed to a 3% pay increase effective October 1, 2012; a 5% pay increase effective October 1, 2013; and a 5.5% pay increase effective October 1, 2014 for the Sergeants and Police Officers. Additionally, the Lieutenants pay will be 10% higher than the highest paid Sergeant base pay. The Lieutenants also received a bonus upon ratification of their contract and the pay ranges increased. The City is currently in negotiations for the next union agreement. Effective October 1, 2016, members of the Police Officers' bargaining unit received a 3% pay increase. Sergeants and Lieutenants received bonuses for fiscal years 2016 and 2017.

The City and International Firefighters' Association (IFFA) entered into an agreement to make the following changes to the Firefighter's Relief and Pension Plan Special Act which became effective June 10, 2015. The agreement reduced several benefits for firefighters with less than twenty (20) years of service. The average final compensation changed from two (2) years to last five (5) years, the cost of living adjustment was reduce from 3% to 2% for the employees hired before June 10, 2015 with less than twenty (20) years of service and 0% for those hired on or after June 10, 2015. Also, pensionable income is calculated on base pay with a maximum of 300 hours overtime per year for those employees vested, a maximum of 200 hours overtime per year for those employees not vested and no overtime for those employees hired on or after June 10, 2015. The DROP interest rate was reduce to 1.3% effective June 10, 2015 for new participants in DROP and they will not receive a cost of living adjustment while participating in DROP. The participant hired after June 10, 2015 has a spousal benefit in the same manner that spousal benefits are available to the Florida Retirement System (FRS) participants. These changes will

result in a reduction in the Unfunded Actuarial Accrued Liability to the Firefighters' Relief and Pension Plan of approximately \$3.69 million. In exchange for the reduced benefits, the City agreed to a pay increase for those not participating in DROP based on a schedule provided in the contract effective October 1, 2014; a 2% pay increase effective October 1, 2015 for those not participating in DROP; and a 3% pay increase effective October 1, 2016 for those not participating in DROP. All union members received a \$1,500.00 bonus upon ratification of the contract and those participating in DROP received a \$1,500.00 bonus effective October 1, 2015 and October 1, 2016.

### **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 2016 financial statements have been audited by the certified public accounting firm of Mauldin & Jenkins. 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, 2016. 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-five of its last thirty-six 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 assisted and contributed to its preparation and to City Council for the continued interest and support of a fiscally sound City government.

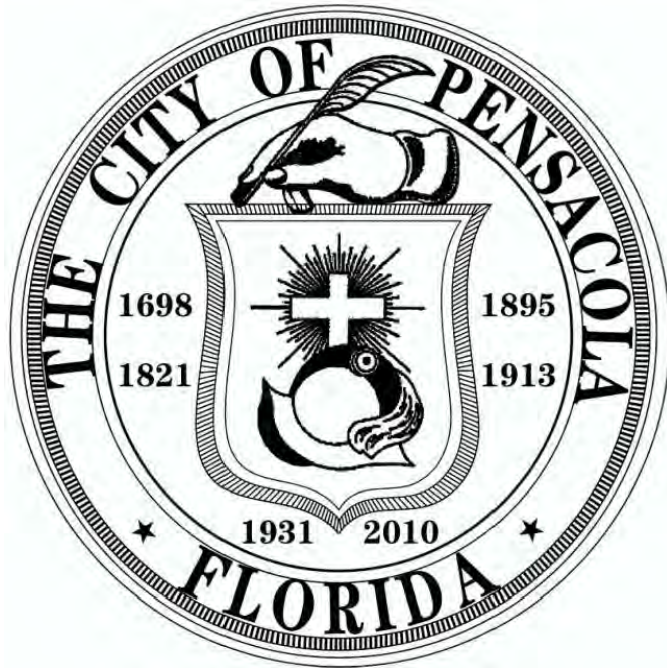
Respectfully submitted,



Ashton J. Hayward, III  
Mayor



Richard Barker, Jr.  
Chief Financial Officer



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Government Finance Officers Association

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

Presented to

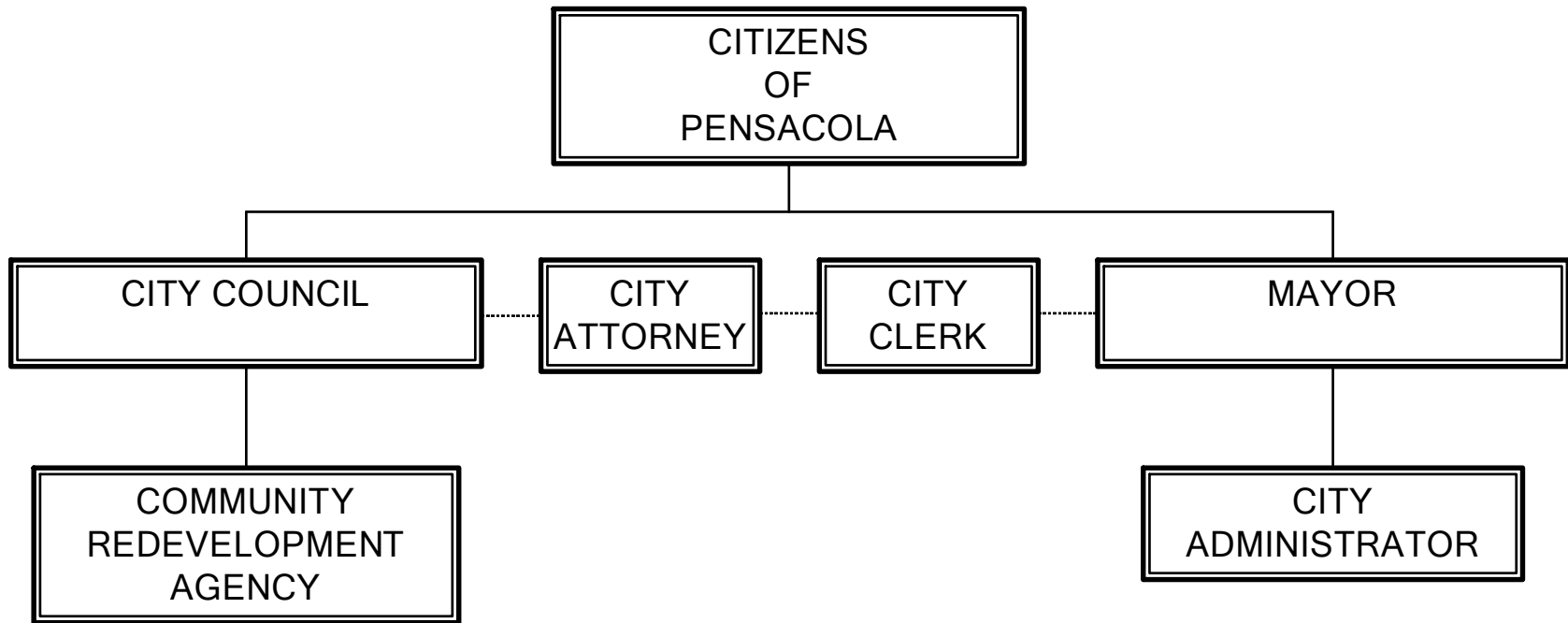
**City of Pensacola  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

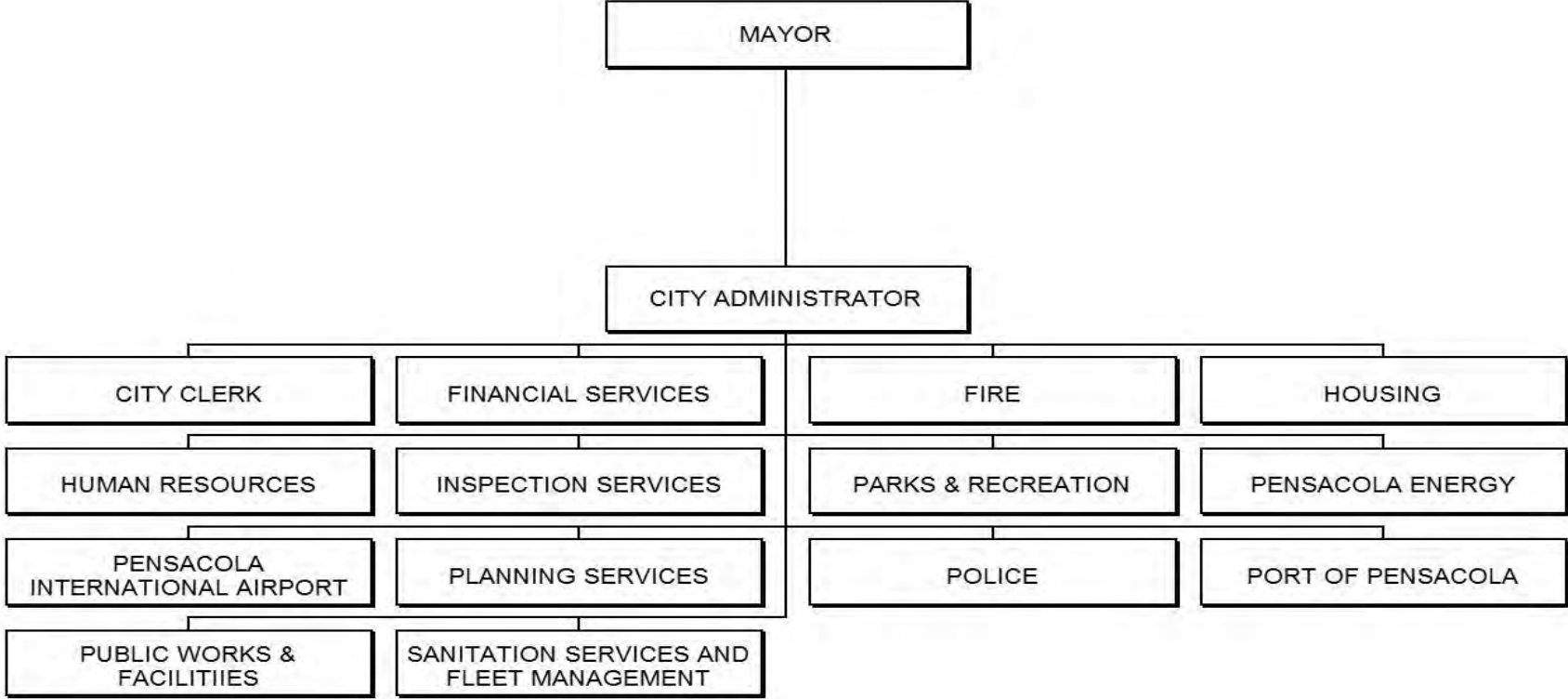
**September 30, 2015**

Executive Director/CEO

**CITY OF PENSACOLA  
FISCAL YEAR 2016  
ORGANIZATIONAL CHART**



**CITY OF PENSACOLA  
FISCAL YEAR 2016  
CITY FUNCTIONAL CHART**



**CITY OF PENSACOLA, FLORIDA**  
**LISTING OF ELECTED AND APPOINTED OFFICIALS**

**ELECTED OFFICIALS**  
**FY 2016 MAYOR & CITY COUNCIL**



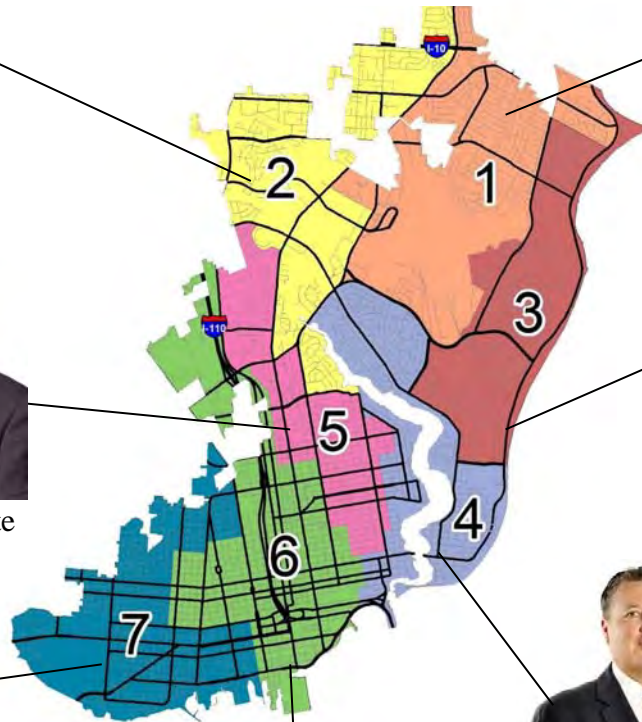
Ashton J. Hayward, III  
Mayor



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



Sherri F. Myers  
District 2



Gerald Wingate  
District 5



Andy Terhaar  
District 3



Jewel Cannada-Wynn  
District 7



Larry B. Johnson  
District 4



Charles Bare  
Council President  
At-Large



Brian Spencer  
Council Vice President  
District 6



**CITY OF PENSACOLA, FLORIDA**  
**LISTING OF ELECTED AND APPOINTED OFFICIALS**

**ELECTED OFFICIALS**  
**FY 2017 MAYOR & CITY COUNCIL**



Ashton J. Hayward, III  
Mayor



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



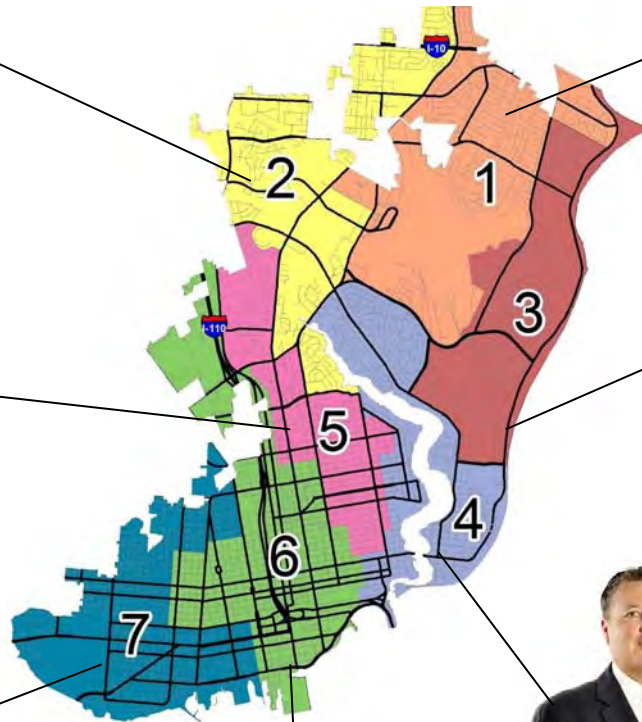
Sherri F. Myers  
District 2



Gerald Wingate  
Council Vice President  
District 5



Andy Terhaar  
District 3



Jewel Cannada-Wynn  
District 7



Larry B. Johnson  
District 4



Brian Spencer  
Council President  
District 6



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## **FINANCIAL SECTION**

This section contains the following subsections:

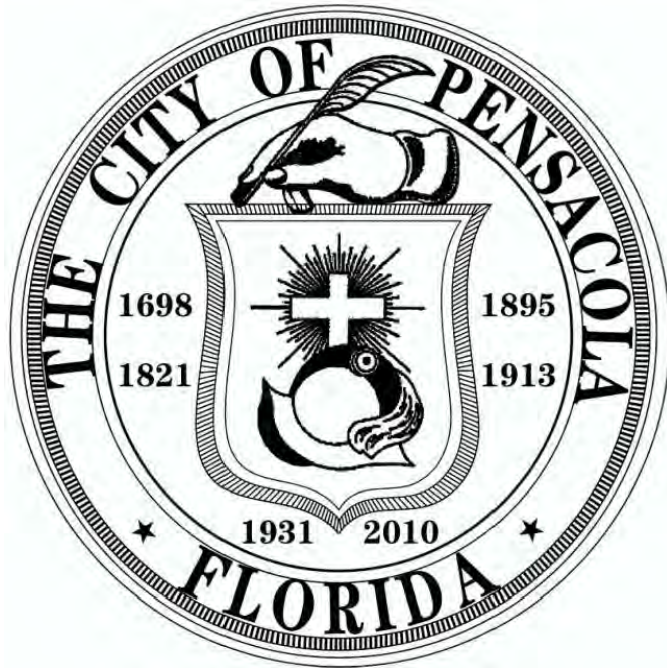
**INDEPENDENT AUDITORS' REPORT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**BASIC FINANCIAL STATEMENTS**

**REQUIRED SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**



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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the 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, 2016, and the related notes to the financial statements, which collectively comprise the City of Pensacola, Florida'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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Downtown Improvement Board which represents 100% of the assets, net position, and revenues of the City's discretely presented component unit. We also did not audit the financial statements of the Community Maritime Park Associates, Inc. which represents 6.8%, 0.1%, and 9.1% of the assets, fund balance, and revenues of the City's aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Downtown Improvement Board and the Community Maritime Park Associates, Inc. is based solely on the reports of the other auditors. 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 auditor's 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2016, 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, the CRA Debt Service 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.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 28 through 50) and the schedule of changes in net pension liability and related ratios, schedule of employer contributions, schedule of investment returns, and schedule of funding progress and employer contributions for other postemployment benefits (on pages 151 through 161) 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 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, and statistical section 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 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 nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards, passenger facility charges, and state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of federal awards, passenger facility charges, and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

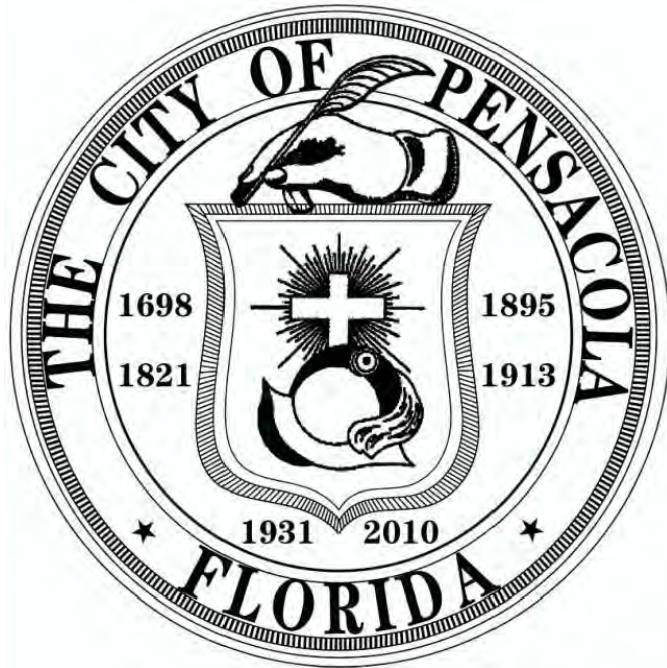
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2017, 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.

The image shows a handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Bradenton, Florida  
February 7, 2017



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## Management's Discussion and Analysis

This section will provide a comparative analysis between fiscal year 2016 and 2015. 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, 2016. 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, 2016 by \$322,526,560. Of this amount, the net investment in capital assets totaled \$306,190,338, which is unavailable, and restricted net position totaled \$45,308,471 resulting in a negative unrestricted net position of \$28,972,249. Unrestricted net position is negative primarily due to the implementation of GASB Statement No. 68, which reduced governmental activities unrestricted fund balance by \$55,143,354 and business-type activities by \$17,567,424 for a total reduction of \$72,710,778. 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 \$322,526,560 increased \$19,192,313 (6.3%) over the fiscal year 2015 net position of \$303,334,247. Governmental activities increased by \$7,912,317 (5.8%) and business-type activities increased by \$11,279,996 (6.8%). For a detailed explanation of these fluxes refer to the Government-Wide Financial Analysis section of Management's Discussion and Analysis.
- At September 30, 2016 the City's governmental funds reported combined ending fund balances of \$94,946,300, an increase of \$13,212,043 (16.16%) in comparison to the prior fiscal year. The increase can be attributed to unspent capital bond proceeds in the amount of \$13,852,179 recorded in the Local Option Gas Tax Project fund. 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 \$1,128,736. 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 \$1,343,866 (1.5%) over the prior fiscal year total of \$88,045,477. The major decrease in governmental funds' revenues stems from a \$5,447,651 decrease in reimbursements related to the Natural Disaster Fund. Offsetting the decreases were increases of \$468,800 in General Fund revenues, \$681,205 in Section 8 Housing Choice Vouchers program funding, \$296,160 in Local Option Sales Tax revenues, \$239,718 in tax increment revenues and \$1,991,534 in intergovernmental revenues and donations recorded in the Special Grants Fund.

Governmental funds' expenditures decreased by \$1,918,307 (2.0%) over the prior fiscal year total of \$97,897,354. The major decrease in governmental funds' expenditures stems from a \$4,507,503 decrease in expenditures related to the Natural Disaster Fund. Offsetting the decrease were increases of \$331,939 in Section 8 Housing Choice Vouchers program and \$2,192,872 in capital purchases.

- The City's General Fund fund balance, excluding restricted fund balance, increased by \$837,765 from \$13,074,435 to \$13,912,200 in fiscal year 2016. Included in the committed fund balance is Council Reserves of \$9,737,419. The Council Reserve balance represents 19.13% of fiscal year 2017 beginning budgeted General Fund appropriations which exceeds the 15% minimum reserve goal stated in the City Council's Fund Balance Policy. The General Fund had an increase in restricted fund balance of \$30,299 related to an increase in contractual obligations. Total fund balance increased by \$868,064 (6.3%) from fiscal year 2015.

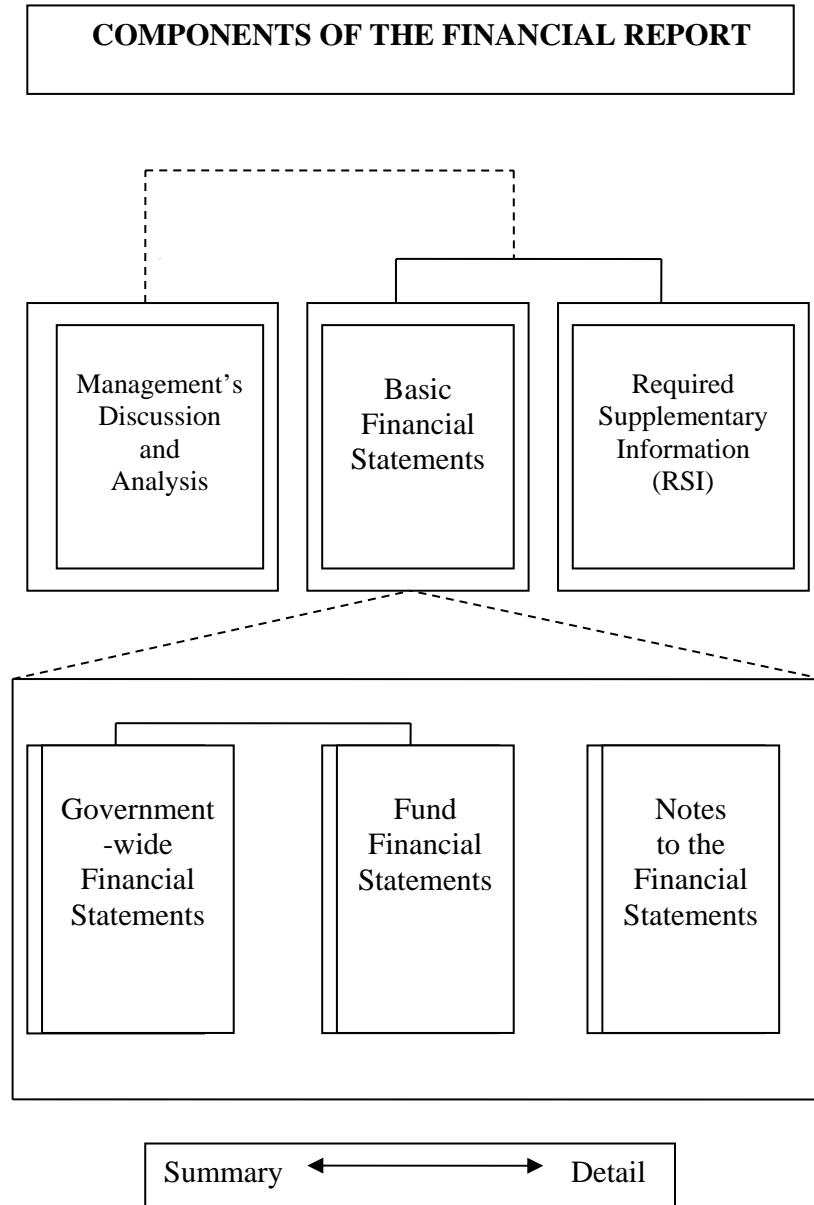
General Fund revenues increased over fiscal year 2015 by \$468,800 (1.1%) related to increased ad valorem tax revenues due to increases in property valuation while maintain the same millage rate. Expenditures decreased by \$471,037 (1.0%) mainly as a result of a one-time draw down of prepaid contributions from the Fire Pension Plan which was used to meet the City's required contribution in fiscal year 2016.

- The City's enterprise funds reported combined ending net position of \$177,103,562, an increase of \$11,279,996 (6.8%) in comparison to the prior fiscal year. Of the total net position amount, \$142,842,026 represents net investment in capital assets which increased \$6,963,419 (5.1%). Operating revenues decreased by \$1,726,804 (2.3%) from last fiscal year and operating expenses before depreciation increased by \$2,870,568 (5.8%). For a detailed explanation of these fluxes refer to the Government-Wide Financial Analysis section of Management's Discussion and Analysis.

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## 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, Local Option Sales Tax Fund and Local Option Gas Tax 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 Maritime Park Associates (CMPA) and the Community Redevelopment Agency (CRA) are both blended component units of the City. Prior to fiscal year 2013, the CMPA was considered a discretely-presented component unit and presented as a separate column in the government-wide statements

**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 pension contributions and an analysis of pension funding. 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, 2016 and 2015 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.

The Net Pension 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 recording of 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) negatively impacted 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, 2016**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 63,817,322	\$ 52,470,989	\$ 53,224,698	\$ 48,023,210	\$ 117,042,020	\$ 100,494,199
Internal balances	861,200	1,267,782	(861,200)	(1,267,782)	0	0
Noncurrent assets	50,150,090	48,730,564	11,916,385	12,132,198	62,066,475	60,862,762
Capital assets	<u>245,054,821</u>	<u>243,952,392</u>	<u>212,046,447</u>	<u>211,007,197</u>	<u>457,101,268</u>	<u>454,959,589</u>
<b>Total assets</b>	<u>359,883,433</u>	<u>346,421,727</u>	<u>276,326,330</u>	<u>269,894,823</u>	<u>636,209,763</u>	<u>616,316,550</u>
<b>Total deferred outflows of resources</b>	<u>48,319,962</u>	<u>18,860,317</u>	<u>9,730,201</u>	<u>4,918,822</u>	<u>58,050,163</u>	<u>23,779,139</u>
Current and other liabilities	12,789,021	13,918,524	12,470,943	10,759,578	25,259,964	24,678,102
Noncurrent liabilities	<u>247,853,864</u>	<u>205,444,142</u>	<u>95,867,678</u>	<u>95,534,038</u>	<u>343,721,542</u>	<u>300,978,180</u>
<b>Total liabilities</b>	<u>260,642,885</u>	<u>219,362,666</u>	<u>108,338,621</u>	<u>106,293,616</u>	<u>368,981,506</u>	<u>325,656,282</u>
<b>Total deferred inflows of resources</b>	<u>2,137,512</u>	<u>8,408,697</u>	<u>614,348</u>	<u>2,696,463</u>	<u>2,751,860</u>	<u>11,105,160</u>
Net position:						
Net investment in capital assets,	163,348,312	173,000,255	142,842,026	135,878,607	306,190,338	308,878,862
Restricted	35,352,306	27,838,599	9,956,165	9,904,200	45,308,471	37,742,799
Unrestricted	<u>(53,277,620)</u>	<u>(63,328,173)</u>	<u>24,305,371</u>	<u>20,040,759</u>	<u>(28,972,249)</u>	<u>(43,287,414)</u>
<b>Total net position</b>	<u>\$ 145,422,998</u>	<u>\$ 137,510,681</u>	<u>\$ 177,103,562</u>	<u>\$ 165,823,566</u>	<u>\$ 322,526,560</u>	<u>\$ 303,334,247</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 13.7% of total net position for business-type activities. Unrestricted net position for governmental activities is negative primarily due to the unfunded pension obligations totaling \$55,143,354. With the implementation of GASB Statement No. 68 in fiscal year 2015 the City is required 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. 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 \$13,325,000. 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, 2016 has \$14.3 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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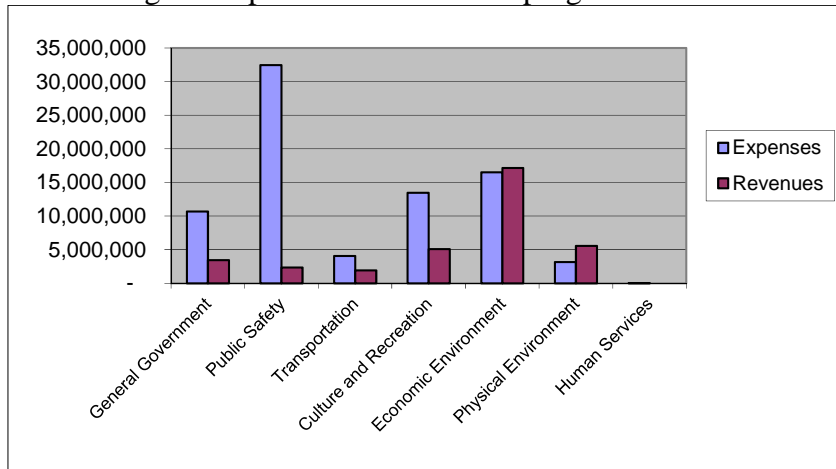


## Changes in Net Position Year Ended September 30, 2016

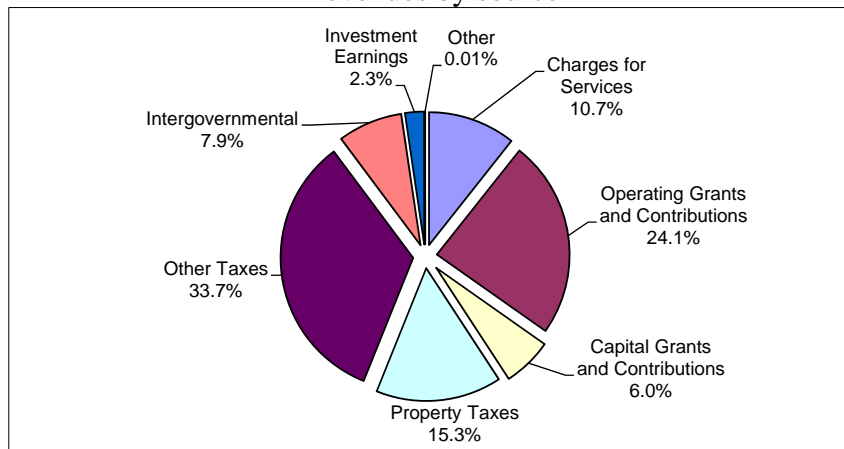
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 9,277,921	\$ 8,906,259	\$ 73,859,717	\$ 75,500,256	\$ 83,137,638	\$ 84,406,515
Operating grants and contributions	20,937,879	19,435,541			20,937,879	19,435,541
Capital grants and contributions	5,240,998	9,770,999	12,843,595	8,685,517	18,084,593	18,456,516
General revenues:						
Property taxes	13,312,773	12,728,973			13,312,773	12,728,973
Other taxes	29,290,543	29,153,545			29,290,543	29,153,545
Intergovernmental	6,846,265	6,719,109			6,846,265	6,719,109
Investment earnings	2,026,216	1,939,068	215,216	170,836	2,241,432	2,109,904
Gain on sale of capital asset		56,851		19,196	0	76,047
Other	14,316	4,872	424,772	511,037	439,088	515,909
<b>Total revenues</b>	<u>86,946,911</u>	<u>88,715,217</u>	<u>87,343,300</u>	<u>84,886,842</u>	<u>174,290,211</u>	<u>173,602,059</u>
<b>Expenses</b>						
General government	10,675,142	11,459,325			10,675,142	11,459,325
Public safety	32,478,560	31,187,510			32,478,560	31,187,510
Transportation	4,051,784	3,205,374			4,051,784	3,205,374
Culture and recreation	13,467,494	14,030,560			13,467,494	14,030,560
Economic environment	16,502,619	16,362,079			16,502,619	16,362,079
Physical environment	3,146,051	5,470,198			3,146,051	5,470,198
Human services	30,000	30,000			30,000	30,000
Unallocated depreciation	3,898,568	3,592,828			3,898,568	3,592,828
Interest on long-term debt	5,139,876	5,091,611			5,139,876	5,091,611
Utility			31,136,870	30,526,216	31,136,870	30,526,216
Sanitation			6,883,649	6,115,820	6,883,649	6,115,820
Port			2,601,580	2,609,159	2,601,580	2,609,159
Airport			25,085,705	23,833,660	25,085,705	23,833,660
<b>Total expenses</b>	<u>89,390,094</u>	<u>90,429,485</u>	<u>65,707,804</u>	<u>63,084,855</u>	<u>155,097,898</u>	<u>153,514,340</u>
Increase (decrease) in net position before transfers and other items	(2,443,183)	(1,714,268)	21,635,496	21,801,987	19,192,313	20,087,719
Transfers in (out)	10,355,500	10,447,059	(10,355,500)	(10,447,059)	0	0
Special items		5,351,922			0	5,351,922
<b>Increase (decrease) in net position</b>	<u>7,912,317</u>	<u>14,084,713</u>	<u>11,279,996</u>	<u>11,354,928</u>	<u>19,192,313</u>	<u>25,439,641</u>
Net position at beginning of year	137,510,681	184,465,278	165,823,566	174,097,778	303,334,247	358,563,056
Change in accounting principle - Implementation of GASB 68		(61,039,310)		(19,629,140)	0	(80,668,450)
Net position as restated	<u>137,510,681</u>	<u>123,425,968</u>	<u>165,823,566</u>	<u>154,468,638</u>	<u>303,334,247</u>	<u>277,894,606</u>
<b>Net position at end of year</b>	<u>\$ 145,422,998</u>	<u>\$ 137,510,681</u>	<u>\$ 177,103,562</u>	<u>\$ 165,823,566</u>	<u>\$ 322,526,560</u>	<u>\$ 303,334,247</u>

## Governmental Activities Fiscal Year 2016

Program expenses matched with program revenues



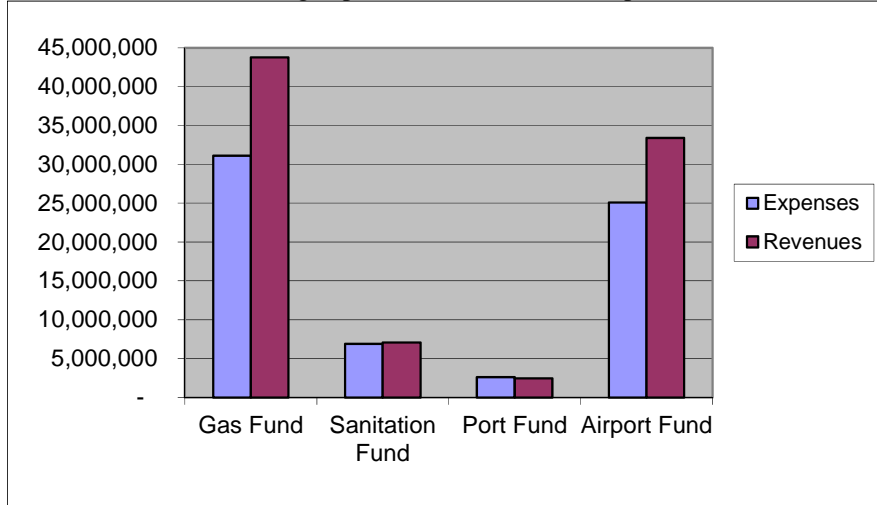
Revenues by source



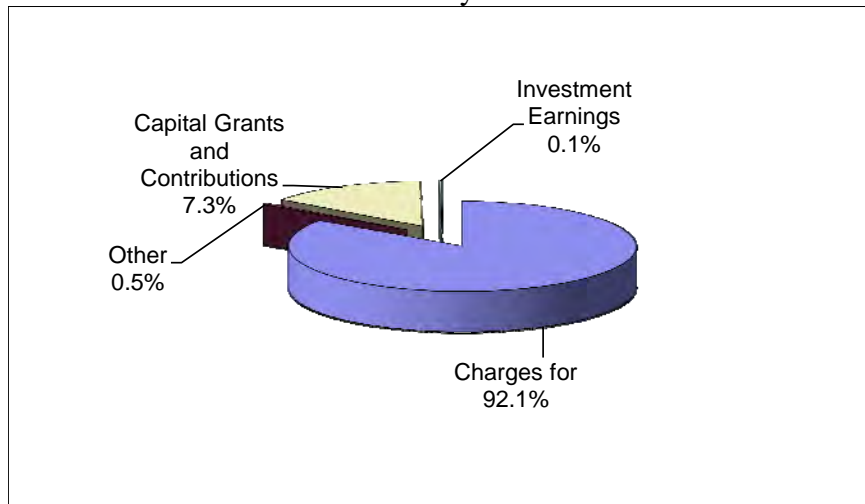
GASB Statement No. 34 reporting requires that functional expenses are matched with revenues that directly support the function. The increase in current year net position for Governmental Activities equaled \$7,912,317. The majority of this increase can be attributed to either revenues exceeding original budgeted estimates or expenditures coming in under original budgeted estimates. 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, consisting of police, fire and inspection services, has the largest differences as these functions are 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 2016

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 totaled \$11,279,996. The majority of the increase was in the in the Utility Fund, totaling \$3,900,506, and Airport Fund, totaling \$7,822,966. All funds charged fees sufficient to cover operations when excluding depreciation, bad debt expense and other post-employment benefits (OPEB).

## 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, 2016, the City's governmental funds reported combined fund balances of \$94,946,300, an increase of \$13,212,043 (16.16%) over the prior fiscal year. The increase can be attributed to unspent capital bond proceeds in the amount of \$13,852,179 recorded in the Local Option Gas Tax Project fund. On July 25, 2016, the City issued the Local Option Gas Tax Revenue Bond, Series 2016 in the principal amount of \$14,314,000 (the "Series 2016 Bond"). The Series 2016 Bond was issued to provide funds for the primary 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. As of September 30, 2016, \$13,852,179 had not been expended.

Non-spendable and restricted governmental funds balance of \$79,438,034 are available to meet current commitments in the next fiscal year; \$3,466,537 of non-spendable for prepaids and inventory; \$299,352 for Saenger capital reserve; \$3,913,223 for debt service requirements; \$39,813,626 for the maritime park; \$3,197,279 for community development projects and \$28,748,017 for other purposes leaving a remaining unrestricted fund balance of \$15,508,266.

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, Local Option Sales Tax Fund and Local Option Gas Tax Project Fund.

	<b>Major Fund Information</b>			
	<b>General Fund</b>	<b>Community Redevelopment Agency Fund</b>	<b>Urban Core Redevelopment Trust Fund</b>	<b>Eastside Tax Increment Financing District Fund</b>
<b>Fiscal Year 2016</b>				
Revenues and other sources	\$ 50,255,387	\$ 3,969,408	\$ 4,431,384	\$ 93,714
Expenditures and other outlays	(49,387,323)	(3,782,727)	(4,431,384)	(14,451)
Increase (decrease) in fund balance	<u>\$ 868,064</u>	<u>\$ 186,681</u>	<u>\$ 0</u>	<u>\$ 79,263</u>
<b>Fiscal Year 2015</b>				
Revenues and other sources	\$ 49,875,626	\$ 3,977,161	\$ 4,079,618	\$ 81,252
Expenditures and other outlays	(49,536,378)	(3,924,024)	(4,079,618)	(108,270)
Increase (decrease) in fund balance	<u>\$ 339,248</u>	<u>\$ 53,137</u>	<u>\$ 0</u>	<u>\$ (27,018)</u>

**Major Fund Information (continued)**

	<b>Westside Tax Increment Financing District Fund</b>	<b>CRA Debt Service Fund</b>	<b>Housing Assistance Payments Fund</b>	<b>Local Option Sales Tax Fund</b>	<b>Local Option Gas Tax Project Fund</b>
<b>Fiscal Year 2016</b>					
Revenues and other sources	\$ 92,773	\$ 3,355,164	\$ 16,134,819	\$ 7,837,983	\$ 14,348,322
Expenditures and other outlays	<u>(25,731)</u>	<u>(3,601,481)</u>	<u>(15,824,380)</u>	<u>(10,623,356)</u>	<u>(496,143)</u>
Increase (decrease) in fund balance	<u>\$ 67,042</u>	<u>\$ (246,317)</u>	<u>\$ 310,439</u>	<u>\$ (2,785,373)</u>	<u>\$ 13,852,179</u>
<b>Fiscal Year 2015</b>					
Revenues and other sources	\$ 67,632	\$ 2,979,941	\$ 15,456,193	\$ 13,827,298	\$ 0
Expenditures and other outlays	<u>(1,889)</u>	<u>(3,599,681)</u>	<u>(15,492,441)</u>	<u>(8,526,043)</u>	<u>0</u>
Increase (decrease) in fund balance	<u>\$ 65,743</u>	<u>\$ (619,740)</u>	<u>\$ (36,248)</u>	<u>\$ 5,301,255</u>	<u>\$ 0</u>

*The General Fund* is the main operating fund of the City. At September 30, 2016, total fund balance in the General Fund was \$14,606,212, an increase of \$868,064 (6.3%) from beginning fund balance. The unrestricted portion of fund balance was \$13,912,200, however \$9,737,419 is committed for the Council Reserve, \$405,756 is committed for the tree planting trust fund, \$1,760,325 is assigned for general government, \$853,600 is assigned for economic development incentives, \$25,193 is assigned for assessments and \$1,171 is assigned for other projects leaving an unassigned fund balance of \$1,128,736.

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 32.79% and 31.23%, 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 31.23% of unrestricted fund balance, this provides more than three months of coverage.

*The Community Redevelopment Agency Fund* had a total fund balance at fiscal year-end of \$41,849,308, an increase of \$186,681 (0.45%). All funds are restricted to be spent on CRA operations, community development projects in the Urban Core CRA district and repayment of debt. The primary portion of the restricted fund balance is set aside to pay project support payments to the CMAA in the amount of \$39,813,626. Of the remaining restricted fund balance \$743 is non-spendable for prepaids and \$2,034,939 is restricted for community development projects.

*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 Trust 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. The Eastside Tax Increment Financing District Fund had a total fund balance at fiscal year-end of

\$638,532, an increase of \$79,263. All funds are restricted to be spent on community development projects 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. The Westside Tax Increment Financing District Fund had a total fund balance at fiscal year-end of \$132,785, an increase of \$67,042. All funds are restricted to be spent on community development projects in the Westside CRA district. In August 2014, Ordinance 31-14 rescinded the 2007 base year for the Westside CRA taxable property values and established a new base year of 2013. The Westside Tax Increment Financing District Fund received its first inflow of tax incremental revenues in fiscal year 2015 due to the change in the taxable property values base year.

***The CRA Debt Service Fund*** had a total fund balance at fiscal year-end of \$3,913,223 which is restricted for debt service payments on the Redevelopment Revenue Bonds, Series 2009. The fund balance decrease of \$246,317 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 \$3,450,497, an increase of \$310,439 (9.89%). Fund balance of \$658 is nonspendable and \$3,449,839 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 Local Option Sales Tax (LOST) Fund*** had a negative fund balance at year-end of \$83,815, a decrease of \$2,785,373. Non-spendable fund balance of \$3,415,663 resulted from the prepayment of the Capital Funding Revenue Bonds, Series 2010 principal in the amount of \$3,245,000 and interest expense in the amount of \$170,663. Restricted fund balance of \$774,381 represents restrictions placed on fund balance by third party executed contracts, primarily for the construction of Fire Station #3. The monthly local option sales tax revenues are accumulated in this fund for purposes of repayment of the related debt issue; therefore, fund balance should be positive. However, with the completion of capital projects which were to be funded with future local option sales tax revenues, unassigned fund balance will remain negative until those revenues are collected. Sufficient funds are projected for currently identified LOST projects and debt service obligations through the end of the existing agreement which expires December 31, 2017. LOST was extended for the fourth time by referendum on November 4, 2014, commencing January 1, 2018 and concluding December 31, 2028. However, unassigned fund balance is anticipated to be negative for the next few years based upon current project completion dates.

***The Local Option Gas Tax Project Fund*** had a total fund balance at fiscal year-end of \$13,852,179. The fund was created to account for the cost of the acquisition and construction of capital improvements to the road system of the City of Pensacola which were funded with the Local Option Gas Tax Revenue Bond, Series 2016 (the "Series 2016 Bond"). The City issued the Series 2016 Bond on July 25, 2016, in the principal amount of \$14,314,000.

**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 post-employment benefits. However, personal cost, operating expenses, capital outlay, and principal and interest payments are budgeted.

***The Utility Fund*** had total net position of \$41,497,857 at fiscal year-end, an increase of \$3,900,506 (10.4%) over the prior fiscal year. Pensacola Energy operated at a profit of \$13,192,343 before depreciation expense of \$1,723,799 and an \$8,000,000 transfer to the General Fund; a decrease from last fiscal year by \$2,643,687. Operating revenue decreased by \$2,140,667 (4.7%) during fiscal year 2016 and operating expenses increased by \$503,020 (1.7%). The primary reason for the decrease in operating revenue is a result of decreases 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 2016, the cost of natural gas decreased by \$2,208,069. Excluding the cost of gas, operating expenses increased by \$2,711,089, the majority of which was related to a multi-year project to cut and cap dormant gas lines older than five years.

***The Sanitation Fund*** had total negative net position of \$1,847,652 at fiscal year-end, an increase of \$210,889 (12.9%) over the prior fiscal year. Sanitation Services operated at a profit of \$58,363 before depreciation expense of \$257,426; a decrease from last fiscal year by \$764,139. Revenue increased by \$29,706 (1.4%) during fiscal year 2016 and expenses increased by \$793,845 (12.6%). The increase in expense can be linked to increased personal costs, repairs and maintenance of vehicles and land fill fees.

***The Port Fund*** had total net position of \$11,362,013 at fiscal year-end, a decrease of \$232,587 (2.0%) from the prior fiscal year. The Port operated at a loss of \$43,028 before depreciation expense of \$1,038,743; a decrease from last fiscal year by \$273,898. Operating revenues decreased \$289,376 (15.2%) and expenses decreased by \$15,478 (0.9%). The majority of the decrease in revenues can be linked to an increase in allowance for doubtful accounts.

***The Airport Fund*** had total net position of \$126,091,344 at fiscal year-end, an increase of \$7,822,966 (6.6%) over the prior fiscal year. The Airport operated at a profit of \$8,494,539 before depreciation expense of \$9,651,376; a decrease from last fiscal year of \$915,648. 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.

	<b>Operating Income (Loss)</b>	
	<u>2016</u>	<u>2015</u>
Utility Fund	\$ 11,468,544	\$ 14,203,687
Sanitation Fund	(199,063)	551,616
Port Fund	(1,081,771)	(794,720)
Airport Fund	<u>(1,156,837)</u>	<u>(90,515)</u>
Total	<u>\$ 9,030,873</u>	<u>\$ 13,870,068</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 \$1,407,220. The City's Insurance Retention Fund accounted for \$261,665 of that increase. The Central Services Fund accounted for the remaining \$1,145,555 increase which occurred in order to offset the prior year's deficit brought on by the implantation of GASB Statement No. 68 in fiscal year 2015.

### **General Fund Budgetary Highlights**

In accordance with Chapter 166.241, Florida Statutes, the Mayor or his designee may authorize budget amendments if the total appropriations of the fund are not changed. The Mayor has established budgetary control within each fund at the line item. Amounts may be transferred between departmental line items or between departments within a fund provided no transfer shall be made contrary to Florida Statute. Amounts to be transferred require the approval of the Mayor or his designee; however, amounts appropriated for capital outlay can only be transferred from the capital outlay category with City Council approval. The budgetary changes 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 \$1,083,225 (2.63%) during fiscal year 2016. The primary reason for the increase was related to taxes and other revenues. Tax revenues increased by \$662,921, of which \$300,605 was related to non-ad valorem taxes, \$252,600 was related to public service taxes and \$89,500 was related to communication service taxes. Other revenues increased by \$318,161, of which \$81,675 was related to tree planting trust fund, \$75,762 was related to Saenger Theatre incentive fees and the remaining \$160,724 was related to miscellaneous revenues.



The final appropriations in the General Fund as compared with the original budget increased by \$187,807 (0.40%) in fiscal year 2016. The primary reason for the increase relates to:

- An increase in appropriations for general government of \$313,232 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 \$111,727 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 \$350,823 is related to the carryforward from the prior fiscal year budget to cover open encumbrances and projects as well as additional capital budget for the Saenger Theatre.
- An increase in appropriations for transportation in the amount of \$82,555 is primarily related to the carryforward from the prior fiscal year budget to cover open encumbrances and projects.
- An increase in appropriations for physical environment in the amount of \$33,789 is primarily related to increased costs related to special assessments.
- An increase in capital outlay in the amount of \$47,381 is primarily related to increased capital purchases of irrigation equipment for the Tree Planting Trust Fund program.
- Offsetting the increase is a decrease in appropriations for economic environment in the amount of \$751,700. This decrease is related to the economic development incentives program which had no expenditures fiscal year 2016.

The final budget as compared with the original budget for the General Fund other financing sources (uses) decreased by \$250,447 during fiscal year 2016. The primary reason for the decrease was an increase in operating transfer to the Golf Course Fund and the Stormwater Capital Fund. The increase in transfers out totaled \$120,000 and \$86,750, respectively.

### **Capital Asset and Debt Administration**

**Capital Assets.** As of year-end, the City had \$306,190,338 net investment in capital assets. Governmental activities accounted for \$163,348,312 and business-type activities accounted for \$142,842,026. This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure.

Major capital asset additions during the current fiscal year include the following:

Governmental Activities

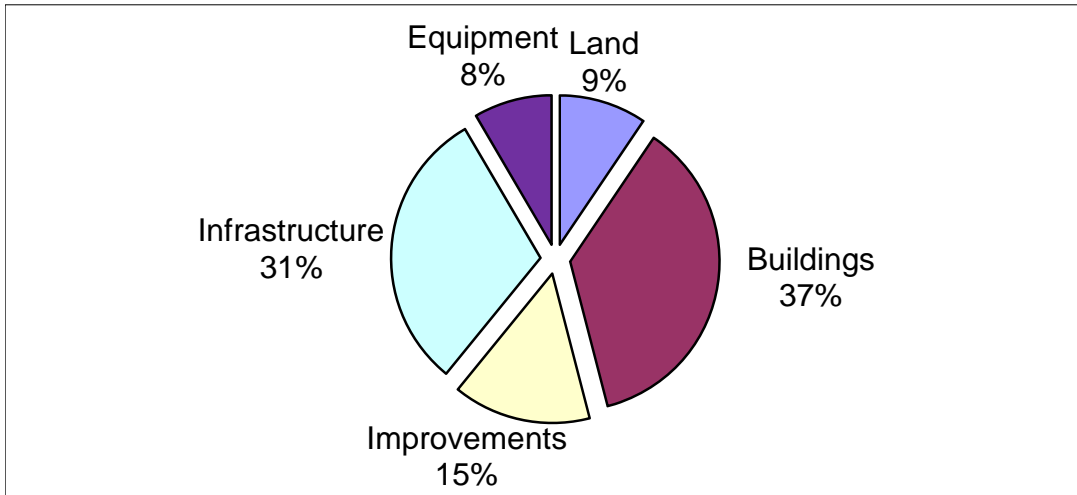
- Public safety radio system \$6,423,369
- Stormwater, street and sidewalk capital projects \$5,289,312
- Athletic facility, resource center and park improvements \$404,092
- Police vehicles \$518,886
- Public Works vehicles \$458,429

Business-type Activities

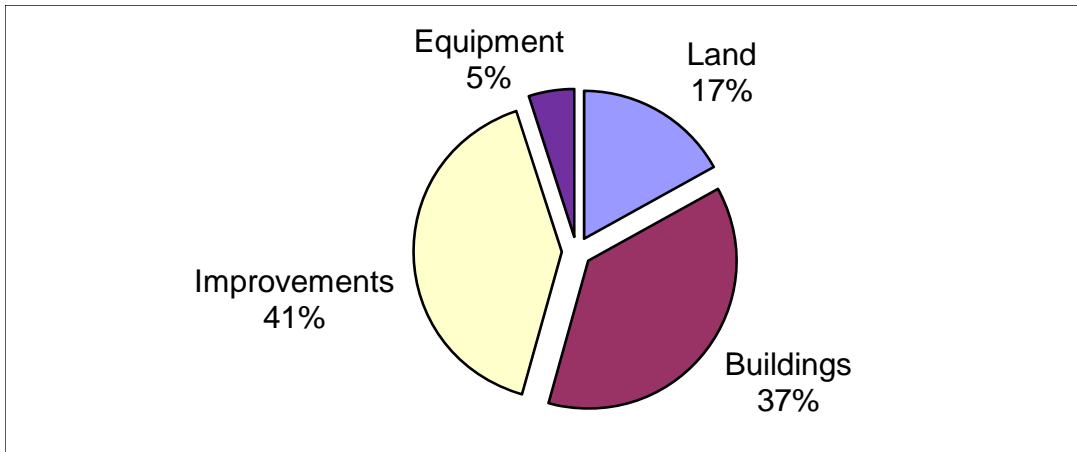
- Pensacola Energy natural gas utility improvements \$3,858,118
- Pensacola Energy vehicles \$392,260
- Sanitation's code enforcement building renovations \$46,804
- Port security upgrade \$416,702
- Port lighting upgrade \$180,840
- Airport land and building acquisitions for Airport expansion \$1,448,840
- Airport stormwater pond enhancements \$537,539
- Airport loop road lighting \$97,148
- Airport terminal exit lane \$48,003
- Technology Resources network equipment \$124,913

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**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 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 2016, the City had total non-self-supporting bonded debt of \$118,243,674 which includes CMPA debt of \$54,079,902. Governmental activities have notes payable in the amount of \$54,079,902 and bonds payable in the amount of \$64,163,772 which includes the unamortized discount of \$170,228. The City also has self-supporting bonded debt of \$69,579,353. Business-type activities have notes payable in the amount of \$30,695,000 and bonds payable in the amount of \$38,884,353 which includes the unamortized discount of \$425,647. 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 54,594) as of September 30, 2016 is as follows:

Local Option Sales Tax Debt	\$ 6,660,000	Per capita \$	122
Maritime Community Park Debt	43,360,000	Per capita	794
Local Option Gas Tax Debt	14,314,000	Per capita	262
<b>Total</b>	<u>\$ 64,334,000</u>		<u>\$ 1,178</u>

The Local Option Sales Tax Debt is supported by local option sales tax collections. The fund's current unrestricted cash balance has been eliminated; however, projected future revenue collections are sufficient to complete projects underway and those scheduled for future fiscal years, including principal and interest obligations for the Capital Funding Revenue Bonds, Series 2010A-1 and 2010A-2 which mature October 1, 2017.

The Maritime Community Park Debt is supported with a covenant to budget and appropriate from non-ad valorem revenues of the City, TIF revenues, and a Credit Agreement (Loan) between the City and CMPA arising from a New Market Tax Credit transaction. Please refer to the Notes to the Financial Statements (Note IV. G.) for a thorough explanation of the transaction.

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 further secured by a covenant to budget and appropriate from the City's non-ad valorem revenues.

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 October 16, 2009 Standard & Poor's Ratings Services ("Standard & Poor's") affirmed its "AA" on the City's Issuer Credit Rating and on September 23, 2015 Fitch Ratings ("Fitch") affirmed an implied general obligation rating for the City of "AA+".

Also, on October 16, 2009 Standard & Poor's assigned a long-term rating of "AA-" and on September 23, 2015 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").

On July 27, 2016 Standard & Poor's affirmed a long-term rating of "BBB", on September 22, 2016 Fitch affirmed a rating of "BBB-" and on December 23, 2015 Moody's Investors Service, Inc. ("Moody's") affirmed a long-term rating of "Baa1" on the City's Airport Revenue Bonds. Outlook is positive with respect to the Standard & Poor's rating and stable with respect to the Moody's and Fitch ratings.

The City was a participant and the only borrower pursuant to Participant Loan Agreements with the City of Gulf Breeze, Florida ("Gulf Breeze"), executed and delivered in connection with the City's Capital Improvement Revenue Bonds, Series 2010A-1 and Series 2010A-2 (collectively, the "2010A Loan Agreements") and the City's Gas System Revenue Bonds, Series 2010B-1 and Series 2010B-2 (collectively, the "2010B Loan Agreements"). Gulf Breeze issued its Capital Funding Revenue Bonds, Series 2010A and Series 2010B (the "Gulf Breeze Bonds") to fund the 2010A Loan Program ("2010A Program") and the 2010B Loan Program ("2010B Program" and together with the 2010A Program, the "Gulf Breeze 2010 Loan Program"), respectively. As the City is the only borrower from the Gulf Breeze 2010 Loan Program, Moody's assigned an underlying rating of "Aa3" to both series of the Gulf Breeze Bonds based upon the City's pledge of the Local Option Sales Tax (also referred to in this report as the "Infrastructure Sales Tax" all as more fully described herein) to repayment of the obligations under the 2010A Loan Agreements and based on the City's pledge of net revenues of the Gas System to repayment of its obligations under the 2010B Loan Agreements.

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, E. Long-term debt.

### **Economic Factors and Next Year's Budgets and Rates**

The City's fiscal year 2017 budget totals \$217,992,000. Of this \$51 million is for the General Fund, \$92 million for enterprise funds, and the remaining \$75 million to various special revenue, debt service, capital projects, and internal services funds. The fiscal year 2017 \$50,901,200 proposed General Fund budget is \$799,800, or 1.6% greater than last year's beginning budget. The estimated 4.19% growth in property valuations will amount to an additional \$776,200 in Property Tax revenue and the growing economic activity will provide an additional \$65,400 in Half-Cent Sales Tax revenue and \$135,800 in the State Municipal Revenue Sharing Revenue. The Communication Services Tax is anticipated to increase \$109,300 or 3.75% which is based on amounts collected during fiscal year 2016. Franchise Fees and Public Service Tax Revenues are projected to increase 4.12% or \$649,500 based on a normal winter as well as increased cost

of energy. Offsetting these increases is a decrease in fund balance drawdown of \$1,041,300 which was a planned drawdown in fiscal year 2016 with the knowledge that in fiscal year 2017 Fire Pension costs would decrease. Therefore, no fund balance drawdown is necessary in fiscal year 2017. The General Fund consists of governmental services such as general administration, public safety, parks and recreation, and public works. Enterprise Funds are expected to be self-supporting, on a cash-flow basis, from user fees for services.

Personnel costs account for \$63,148,900 of the City's fiscal year 2016 budget (28.97%). Since taking office in January 2011, the Mayor has reduced a total of 90 positions through the fiscal year 2016 budget. The fiscal year 2017 budget maintains the same overall level of executive branch positions as in the fiscal year 2016 budget. With the passage of a referendum to allow staff for City Council, there are four additional legislative branch positions for City Council which provides a total of five positions for legislative functions.

Beginning in fiscal year 2007, General Fund capital items were programmed for funding through fiscal year 2017 from the Penny for Progress (PFP) Local Option Sales Tax Fund. The fiscal year 2017 budget provides funding of \$1,299,400 in capital equipment for general fund departments, including police, public works and parks and recreation. Fiscal year 2017 revenues project a 3.0% growth from the fiscal year 2016 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 Penny for Progress plan.

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 2017 approved budget maintained the same millage rate as fiscal year 2016 and estimating a 4.19% 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 \$13,888,400, an additional \$776,200 in Property Tax Revenue for fiscal year 2017. While this increase is a positive indication that the property valuations in the City of Pensacola are rebounding, they have not reached the fiscal year 2008 Property Tax collections of \$14,963,000. 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 4.6214 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 6.7052 which equates to an additional \$6.9 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 2017 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 6.7052 mills.

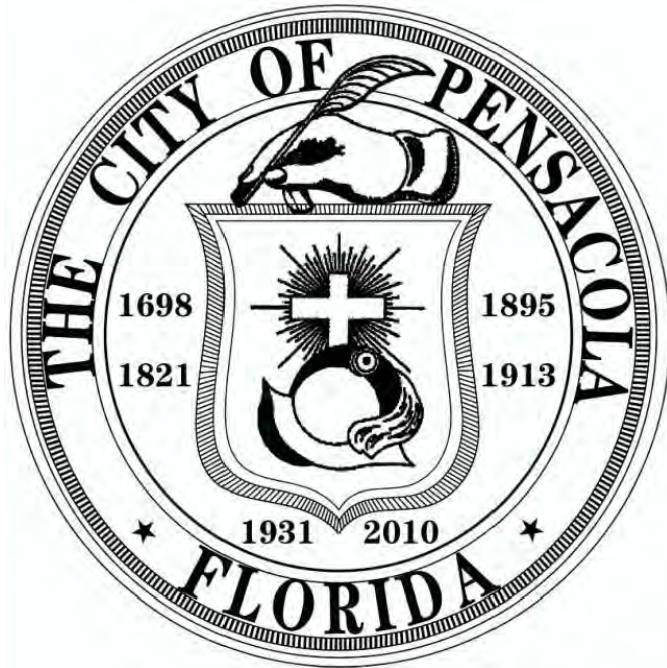
On June 09, 2010, the City Council approved Resolution No. 31-10 which established the Fund Balance Policy of Governmental Funds as well as committed the Council Reserves Fund Balance in the General Fund. On September 25, 2014, the City Council approved the same Council

Reserve Policy by Ordinance, amending chapter 3-1 of the Code of the City of Pensacola, Florida; creating section 3-1-13. The Fund Balance Policy states that a minimum reserve of 15 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 \$8.70 million to \$9.70 million in fiscal year 2016. The \$9.70 million balance represents 19.13% of fiscal year 2017 budgeted General Fund appropriations. This marks the ninth 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. If actual revenues collected are insufficient to cover expenditures, a drawdown of fund balance can be made at fiscal year-end. Fiscal year 2015 is the first time in the past six consecutive years that the City’s beginning General Fund budget did not balanced ongoing revenues with ongoing expenditures (no drawdown of fund balance). Starting in fiscal year 2015, City-wide total pension costs were anticipated to increase \$1.1 million with the majority of the increase due to the Fire Pension plan. Therefore, a proposed fund balance drawdown in the General Fund was appropriated in fiscal year 2015 and fiscal year 2016 with the anticipation that the Fire Pension costs will decrease approximately \$2.0 million in fiscal year 2017. While a proposed fund balance drawdown was appropriated in fiscal year 2015 and fiscal year 2016, actual revenues were sufficient to cover expenditures without the use of fund balance during those years.

### **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](http://www.cityofpensacola.com).



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## **BASIC FINANCIAL STATEMENTS**

**CITY OF PENSACOLA, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Improvement Board
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 13,423,149	\$ 9,528,273	\$ 22,951,422	\$ 383,712
Other cash	643		643	
Investments	31,175,445	22,148,610	53,324,055	
Accrued interest	133,826		133,826	
Receivables (net of allowances)				
Accounts	3,965,650	9,164,586	13,130,236	39,438
Special assessments	140,557		140,557	
Internal balances	441,556	(441,556)	0	
Due from other governments	1,686,187	3,902,306	5,588,493	
Inventory	658,766	21,591	680,357	
Capital lease receivable		290,262	290,262	
Prepays and deposits	3,711,579	1,790,102	5,501,681	81,003
Restricted assets				
Restricted cash and cash equivalents	2,458,967	1,918,767	4,377,734	
Other cash	11,363		11,363	
Investments	4,295,907	4,460,201	8,756,108	
Due from other governments	2,155,283		2,155,283	
Total current assets	64,258,878	52,783,142	117,042,020	504,153
<b>Noncurrent assets</b>				
Internal balances	419,644	(419,644)	0	
Prepaid expenses		0	0	
Intangible asset		53,482	53,482	
Capital lease receivable		1,756,829	1,756,829	
Restricted assets				
Cash and cash equivalents	2,518,215	3,039,864	5,558,079	
Investments	5,853,628	7,066,210	12,919,838	
Notes receivable	41,778,247		41,778,247	
Capital assets				
Non-depreciable	26,493,390	43,557,446	70,050,836	
Depreciable (net)	218,561,431	168,489,001	387,050,432	426,301
Total noncurrent assets	295,624,555	223,543,188	519,167,743	426,301
Total assets	\$ 359,883,433	\$ 276,326,330	\$ 636,209,763	\$ 930,454
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on early retirement	305,006	461,564	766,570	
Deferred pension	48,014,956	9,268,637	57,283,593	
Total deferred outflows of resources	48,319,962	9,730,201	58,050,163	0

(continued)

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

**CITY OF PENSACOLA, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Improvement Board
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 891,267	\$ 2,049,539	\$ 2,940,806	\$ 31,209
Contracts payable	542,834	3,067,910	3,610,744	
Contracts payable - retainage	117,392	397,295	514,687	
Due to other governments	98,641		98,641	
Wages and benefits payable	1,003,556		1,003,556	
Compensated absences payable	215,926	95,742	311,668	4,364
Deposits	284,725	391,176	675,901	
Notes payable			0	31,212
Unearned revenue	1,488,905	172,307	1,661,212	35,500
Capital lease payable	39,999		39,999	
Revenue bonds payable	4,561,000		4,561,000	
Payable from restricted assets				
Due to other governments	1,300,000		1,300,000	
Notes payable	359,199	1,410,000	1,769,199	
Revenue bonds payable		3,580,000	3,580,000	
Accrued interest payable	1,885,577	1,306,974	3,192,551	
Total current liabilities	12,789,021	12,470,943	25,259,964	102,285
<b>Noncurrent liabilities</b>				
Due to other governments	13,000,000		13,000,000	
Compensated absences payable	2,606,320	1,380,071	3,986,391	
Claims and judgments payable	1,911,481		1,911,481	
Notes payable	53,720,703	29,285,000	83,005,703	35,045
Revenue bonds payable	59,602,772	35,304,353	94,907,125	
Capital lease payable	6,460,954		6,460,954	
Interest rate swap liability		56,739	56,739	
Net OPEB liability	9,074,176	3,536,427	12,610,603	
Net Pension liability	101,477,458	26,305,088	127,782,546	
Other liabilities			0	1,270
Total noncurrent liabilities	247,853,864	95,867,678	343,721,542	36,315
Total liabilities	260,642,885	108,338,621	368,981,506	138,600
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred gain on early retirement	456,660	83,375	540,035	
Deferred pension	1,680,852	530,973	2,211,825	
Total deferred outflows of resources	2,137,512	614,348	2,751,860	0
<b>NET POSITION</b>				
Net investment in capital assets	163,348,312	142,842,026	306,190,338	360,044
Restricted for				
Capital projects	16,652,812		16,652,812	
Debt service	6,043,187	4,713,498	10,756,685	
Community redevelopment	1,964,621		1,964,621	
Federal housing program	3,450,497		3,450,497	
Other purposes	4,118,525		4,118,525	
Hurricane damage	3,122,664		3,122,664	
Renewal and replacement		2,850,000	2,850,000	
Operations and maintenance		2,392,667	2,392,667	
Unrestricted	(53,277,620)	24,305,371	(28,972,249)	431,810
<b>Total net position</b>	\$ 145,422,998	\$ 177,103,562	\$ 322,526,560	\$ 791,854

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

**CITY OF PENSACOLA, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<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>
<b>Primary government</b>				
<b>Governmental activities:</b>				
General government	\$ 10,675,142	\$ 540,401	\$ 2,886,706	\$
Public safety	32,478,560	2,165,304	166,685	17,500
Transportation	4,051,784	722,452		1,188,564
Culture and recreation	13,467,494	3,064,679	960,015	1,052,269
Economic environment	16,502,619		16,924,473	223,291
Physical environment	3,146,051	2,785,085		2,759,374
Human services	30,000			
Unallocated depreciation	3,898,568			
Interest on long-term debt	5,139,876			
Total governmental activities	<u>89,390,094</u>	<u>9,277,921</u>	<u>20,937,879</u>	<u>5,240,998</u>
<b>Business-type activities:</b>				
Utility	31,136,870	43,278,297		483,643
Sanitation	6,883,649	7,084,148		
Port	2,601,580	1,609,280		848,096
Airport	25,085,705	21,887,992		11,511,856
Total business-type activities	<u>65,707,804</u>	<u>73,859,717</u>	<u>0</u>	<u>12,843,595</u>
<b>Total primary government</b>	<u>\$ 155,097,898</u>	<u>\$ 83,137,638</u>	<u>\$ 20,937,879</u>	<u>\$ 18,084,593</u>
<b>Component unit:</b>				
Downtown Improvement Board	\$ 1,387,073	\$ 1,031,185	\$ 199,794	\$
Total component units	<u>\$ 1,387,073</u>	<u>\$ 1,031,185</u>	<u>\$ 199,794</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, 2016**

<b>Function/Programs</b>	<b>Net (Expenses) Revenue and Changes in Net Position</b>			<b>Component Unit</b>
	<b>Primary Government</b>			<b>Downtown Improvement Board</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Board</b>
<b>Primary government</b>				
<b>Governmental activities:</b>				
General government	\$ (7,248,035)		\$ (7,248,035)	
Public safety	(30,129,071)		(30,129,071)	
Transportation	(2,140,768)		(2,140,768)	
Culture and recreation	(8,390,531)		(8,390,531)	
Economic environment	645,145		645,145	
Physical environment	2,398,408		2,398,408	
Human services	(30,000)		(30,000)	
Unallocated depreciation	(3,898,568)		(3,898,568)	
Interest on long-term debt	(5,139,876)		(5,139,876)	
Total governmental activities	(53,933,296)		(53,933,296)	
<b>Business-type activities:</b>				
Utility		\$ 12,625,070	12,625,070	
Sanitation		200,499	200,499	
Port		(144,204)	(144,204)	
Airport		8,314,143	8,314,143	
Total business-type activities		20,995,508	20,995,508	
<b>Total primary government</b>	(53,933,296)	20,995,508	(32,937,788)	
<b>Component unit:</b>				
Downtown Improvement Board				\$ (156,094)
Total component units				
<b>General revenues:</b>				
Property taxes	13,312,773		13,312,773	383,441
Public service taxes	7,710,980		7,710,980	
Franchise fees	8,289,710		8,289,710	
Communication service tax	3,127,266		3,127,266	
Local business tax	914,773		914,773	
Local option gasoline tax	1,585,310		1,585,310	
Local option sales tax	7,662,504		7,662,504	
Unrestricted intergovernmental revenues	6,846,265		6,846,265	
Unrestricted investment earnings	2,026,216	215,216	2,241,432	
Miscellaneous	14,316	424,772	439,088	
<b>Transfers</b>	8,000,000	(8,000,000)	0	
<b>Overhead transfers</b>	2,355,500	(2,355,500)	0	
Total general revenues and transfers	61,845,613	(9,715,512)	52,130,101	383,441
<b>Change in net position</b>	7,912,317	11,279,996	19,192,313	227,347
<b>Net position at beginning of year</b>	137,510,681	165,823,566	303,334,247	564,507
<b>Net position September 30, 2016</b>	\$ 145,422,998	\$ 177,103,562	\$ 322,526,560	\$ 791,854

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

**CITY OF PENSACOLA, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016**

	<b>General Fund</b>	<b>Community Redevelopment Agency</b>	<b>Urban Core Redevelopment Trust</b>	<b>Eastside Tax Increment Financing District</b>	<b>Westside Tax Increment Financing District</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,958,796	\$ 123,378	\$	\$	\$
Other cash					
Investments	9,202,278	286,793			
Accrued interest	133,826				
Accounts receivable	1,376,522	10,129			
Special assessments receivable	140,557				
Due from other funds	336,724				
Due from other governments	982,915				
Prepays and deposits	28,729	743			
Inventories					
Restricted assets					
Cash and cash equivalents	476,783	298,004		342,466	41,195
Other cash					
Investments	1,108,289	692,716		796,066	95,757
Due from other funds					
Due from other governments					
Advances to other funds		648,704			
Notes receivable		39,813,626			
<b>Total assets</b>	<b>\$ 17,745,419</b>	<b>\$ 41,874,093</b>	<b>\$ 0</b>	<b>\$ 1,138,532</b>	<b>\$ 136,952</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 468,596	\$ 14,446	\$	\$	\$
Contracts payable	239,584				4,167
Contracts payable - retainage					
Due to other funds					
Due to other governments					
Advances from other funds				500,000	
Compensated absences payable	203,872				
Wages and benefits payable	1,003,556				
Unearned revenue	907,595				
Deposits	71,818	1,000			
<b>Total liabilities</b>	<b>2,895,021</b>	<b>15,446</b>	<b>0</b>	<b>500,000</b>	<b>4,167</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	244,186	9,339			
<b>Total deferred inflows of resources</b>	<b>244,186</b>	<b>9,339</b>	<b>0</b>	<b>0</b>	<b>0</b>

(continued)

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

**CITY OF PENSACOLA, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016**

	<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>
<b>FUND BALANCE (DEFICITS)</b>					
Non-spendable	28,729	743			
Restricted					
Saenger capital	299,352				
Maritime Park		39,813,626			
Community Development Projects		2,034,939		1,029,555	132,785
Debt Service Payments					
Other restricted	365,931				
Committed					
Tree landscape	405,756				
Council Reserve	9,737,419				
Other committed					
Assigned	2,640,289				
Unassigned	1,128,736			(391,023)	
Total fund balances	<u>14,606,212</u>	<u>41,849,308</u>	<u>0</u>	<u>638,532</u>	<u>132,785</u>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ <u>17,745,419</u></b>	<b>\$ <u>41,874,093</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>1,138,532</u></b>	<b>\$ <u>136,952</u></b>

(continued)

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

**CITY OF PENSACOLA, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016**

	CRA Debt Service	Housing Assistance Payments	Local Option Sales Tax	Local Option Gas Tax Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$	\$ 957,551	\$	\$ 4,177,105	\$ 2,215,639	\$ 11,432,469
Other cash		643				643
Investments		2,225,843		9,709,743	5,123,426	26,548,083
Accrued interest						133,826
Accounts receivable		447,123			930,090	2,763,864
Special assessments receivable						140,557
Due from other funds					349,666	686,390
Due from other governments			567,613		21,452	1,571,980
Prepays and deposits		658	3,415,663		14,398	3,460,191
Inventories					6,346	6,346
Restricted assets						
Cash and cash equivalents	1,314,201	85,085	26,323		1,555,223	4,139,280
Other cash					11,363	11,363
Investments	3,054,881	197,782	61,187		2,195,140	8,201,818
Due from other funds					985,219	985,219
Due from other governments					2,155,283	2,155,283
Advances to other funds					4,117,972	4,766,676
Notes receivable					1,964,621	41,778,247
<b>Total assets</b>	<b>\$ 4,369,082</b>	<b>\$ 3,914,685</b>	<b>\$ 4,070,786</b>	<b>\$ 13,886,848</b>	<b>\$ 21,645,838</b>	<b>\$ 108,782,235</b>
<b>LIABILITIES</b>						
Accounts payable	\$	\$ 1,864	\$	\$ 508	\$ 225,345	\$ 710,759
Contracts payable			7,502	34,161	190,967	476,381
Contracts payable - retainage			29,127		88,265	117,392
Due to other funds		15,201			1,382,461	1,397,662
Due to other governments					98,641	98,641
Advances from other funds			4,117,972		648,704	5,266,676
Compensated absences payable						203,872
Wages and benefits payable						1,003,556
Unearned revenue	455,859				125,451	1,488,905
Deposits					209,459	282,277
<b>Total liabilities</b>	<b>455,859</b>	<b>17,065</b>	<b>4,154,601</b>	<b>34,669</b>	<b>2,969,293</b>	<b>11,046,121</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue		447,123			2,089,166	2,789,814
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>447,123</b>	<b>0</b>	<b>0</b>	<b>2,089,166</b>	<b>2,789,814</b>

(continued)

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



**CITY OF PENSACOLA, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016**

	<b>CRA Debt Service</b>	<b>Housing Assistance Payments</b>	<b>Local Option Sales Tax</b>	<b>Local Option Gas Tax Project Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>FUND BALANCE (DEFICITS)</b>						
Non-spendable		658	3,415,663		20,744	3,466,537
Restricted						
Saenger capital						299,352
Maritime Park						39,813,626
Community Development Projects						3,197,279
Debt Service Payments	3,913,223					3,913,223
Other restricted		3,449,839	774,381	13,852,179	10,305,687	28,748,017
Committed						
Tree landscape						405,756
Council Reserve						9,737,419
Other committed					6,525,521	6,525,521
Assigned					1,712,813	4,353,102
Unassigned			(4,273,859)		(1,977,386)	(5,513,532)
Total fund balances	3,913,223	3,450,497	(83,815)	13,852,179	16,587,379	94,946,300
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 4,369,082</b>	<b>\$ 3,914,685</b>	<b>\$ 4,070,786</b>	<b>\$ 13,886,848</b>	<b>\$ 21,645,838</b>	

Capital assets used in governmental activities are not financial resources to the governmental funds. The cost of the assets is \$352,309,847 and the accumulated depreciation is \$109,450,495. 242,859,352

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. 2,904,021

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 8,026,256

Net other post employment benefits (OPEB) liability, as required by Governmental Accounting Standards Statement No. 45, are not due and payable in the current period and therefore are not reported in the governmental funds. (8,315,323)

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. (51,562,734)

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

Notes payable	(54,079,902)
Bonds payable	(64,334,000)
Unamortized bond premium	(99,190)
Unamortized bond discount	269,418
Deferred gain on refunding	(456,660)
Deferred loss on early retirement	305,006
Due to other governments	(14,300,000)
Compensated absences	(2,393,015)
Capital lease	(6,460,954)
Accrued interest payable	(1,885,577)
	(143,434,874)

**Net position of governmental activities** **\$ 145,422,998**

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, 2016**

	<b>General Fund</b>	<b>Community Redevelopment Agency</b>	<b>Urban Core Redevelopment Trust</b>	<b>Eastside Tax Increment Financing District</b>	<b>Westside Tax Increment Financing District</b>
<b>Revenues:</b>					
Taxes	\$ 24,951,585	\$	\$	\$	\$
Licenses and permits	78,515				
Franchise fees	8,289,710				
Intergovernmental	6,846,265		2,764,842	54,718	55,981
Charges for services	1,019,988	103,872			
Fines and forfeits	119,037				
Assessments	27,187				
Interest income	54,454	3,532	3,613	3,522	499
Donations	200				
Other	868,446				
<b>Total revenues</b>	<u>42,255,387</u>	<u>107,404</u>	<u>2,768,455</u>	<u>58,240</u>	<u>56,480</u>
<b>Expenditures:</b>					
<b>Current -</b>					
General government	5,240,737	1,887,982		772	25,731
Public safety	30,483,140				
Transportation	2,280,078				
Culture and recreation	6,011,002				
Economic environment	324,916				
Physical environment	36,524				
Human services	30,000				
Capital outlay	143,980			13,679	
<b>Debt service -</b>					
Principal retirement					
Interest					
Issuance Cost					
<b>Total expenditures</b>	<u>44,550,377</u>	<u>1,887,982</u>	<u>0</u>	<u>14,451</u>	<u>25,731</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,294,990)</u>	<u>(1,780,578)</u>	<u>2,768,455</u>	<u>43,789</u>	<u>30,749</u>
<b>Other financing sources (uses):</b>					
Transfers in	8,000,000	3,862,004	1,662,929	35,474	36,293
Transfers (out)	(4,836,946)	(1,894,745)	(4,431,384)		
Bonds issued					
<b>Total other financing sources (uses)</b>	<u>3,163,054</u>	<u>1,967,259</u>	<u>(2,768,455)</u>	<u>35,474</u>	<u>36,293</u>
<b>Net Change in fund balances</b>	<u>868,064</u>	<u>186,681</u>	<u>0</u>	<u>79,263</u>	<u>67,042</u>
<b>Fund balances at beginning of year</b>	<u>13,738,148</u>	<u>41,662,627</u>	<u>0</u>	<u>559,269</u>	<u>65,743</u>
<b>Fund balances (deficit) at end of year</b>	<u>\$ 14,606,212</u>	<u>\$ 41,849,308</u>	<u>\$ 0</u>	<u>\$ 638,532</u>	<u>\$ 132,785</u>

(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, 2016**

	CRA Debt Service	Housing Assistance Payments	Local Option Sales Tax	Local Option Gas Tax Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$	\$	\$ 7,662,504	\$	\$ 1,462,265	\$ 34,076,354
Licenses and permits					1,337,065	1,415,580
Franchise fees						8,289,710
Intergovernmental	909,273	16,112,167			4,484,426	31,227,672
Charges for services					5,871,322	6,995,182
Fines and forfeits					167,745	286,782
Assessments						27,187
Interest income	1,862,763	16,550		34,322	65,783	2,045,038
Donations					1,017,468	1,017,668
Other		6,102			445,890	1,320,438
<b>Total revenues</b>	<u>2,772,036</u>	<u>16,134,819</u>	<u>7,662,504</u>	<u>34,322</u>	<u>14,851,964</u>	<u>86,701,611</u>
<b>Expenditures:</b>						
<b>Current -</b>						
General government					1,575,923	8,731,145
Public safety			335,940		1,525,909	32,344,989
Transportation					1,423,635	3,703,713
Culture and recreation			34,764		2,915,275	8,961,041
Economic environment		15,824,380			362,777	16,512,073
Physical environment					3,308,533	3,345,057
Human services						30,000
Capital outlay			6,566,666	404,034	5,835,045	12,963,404
<b>Debt service -</b>						
Principal retirement	605,000		3,090,000			3,695,000
Interest	2,996,481		595,986		2,008,049	5,600,516
Issuance Cost				92,109		92,109
<b>Total expenditures</b>	<u>3,601,481</u>	<u>15,824,380</u>	<u>10,623,356</u>	<u>496,143</u>	<u>18,955,146</u>	<u>95,979,047</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(829,445)</u>	<u>310,439</u>	<u>(2,960,852)</u>	<u>(461,821)</u>	<u>(4,103,182)</u>	<u>(9,277,436)</u>
<b>Other financing sources (uses):</b>						
Transfers in	583,128		175,479		7,345,253	21,700,560
Transfers (out)					(2,362,006)	(13,525,081)
Bonds issued				14,314,000		14,314,000
<b>Total other financing sources (uses)</b>	<u>583,128</u>	<u>0</u>	<u>175,479</u>	<u>14,314,000</u>	<u>4,983,247</u>	<u>22,489,479</u>
<b>Net Change in fund balances</b>	<u>(246,317)</u>	<u>310,439</u>	<u>(2,785,373)</u>	<u>13,852,179</u>	<u>880,065</u>	<u>13,212,043</u>
<b>Fund balances at beginning of year</b>	<u>4,159,540</u>	<u>3,140,058</u>	<u>2,701,558</u>	<u>0</u>	<u>15,707,314</u>	<u>81,734,257</u>
<b>Fund balances (deficit) at end of year</b>	<u>\$ 3,913,223</u>	<u>\$ 3,450,497</u>	<u>\$ (83,815)</u>	<u>\$ 13,852,179</u>	<u>\$ 16,587,379</u>	<u>\$ 94,946,300</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, 2016**

<b>Net change in fund balances - total governmental funds</b>		\$ 13,212,043
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	12,963,404
	Less current year depreciation	<u>(11,374,333)</u>
		1,589,071
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.		(14,314,000)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		3,695,000
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.		54,165
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.		167,491
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 \$368,609.		460,638
The change in annual other post employment benefits (OPEB) cost, as required by Governmental Accounting Standards Statement No. 45, does not require the use of current financial resources, therefore; the change is not reported as an expenditure in governmental funds.		(619,248)
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.		1,205,859
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.		1,407,220
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	160,496
	Net book value of capital assets disposed	<u>(406,418)</u>
		<u>(245,922)</u>
<b>Change in net position of governmental activities</b>		<b>\$ 7,912,317</b>

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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 24,290,200	\$ 24,953,121	\$ 24,951,585	\$ (1,536)
Licenses and permits	72,000	77,605	78,515	910
Franchise fees	8,324,500	8,334,400	8,289,710	(44,690)
Intergovernmental	6,850,100	6,823,679	6,846,265	22,586
Charges for services	929,300	1,020,027	1,019,988	(39)
Fines and forfeits	144,000	99,692	119,037	19,345
Assessments	0	33,789	27,187	(6,602)
Interest income	15,000	47,851	54,454	6,603
Donations	0	0	200	200
Other	541,400	859,561	868,446	8,885
<b>Total revenues</b>	<u>41,166,500</u>	<u>42,249,725</u>	<u>42,255,387</u>	<u>5,662</u>
<b>Expenditures:</b>				
Current -				
General government	5,773,200	6,086,432	5,240,737	845,695
Public safety	30,946,400	31,058,127	30,483,140	574,987
Transportation	2,269,500	2,352,055	2,280,078	71,977
Culture and recreation	6,303,000	6,653,823	6,011,002	642,821
Economic environment	1,076,700	325,000	324,916	84
Physical environment	3,000	36,789	36,524	265
Human services	30,000	30,000	30,000	0
Capital outlay	146,000	193,381	143,980	49,401
<b>Total expenditures</b>	<u>46,547,800</u>	<u>46,735,607</u>	<u>44,550,377</u>	<u>2,185,230</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,381,300)</u>	<u>(4,485,882)</u>	<u>(2,294,990)</u>	<u>2,190,892</u>
<b>Other financing sources (uses):</b>				
Transfers in	8,000,000	8,000,000	8,000,000	0
Transfers (out)	(4,636,500)	(4,836,947)	(4,836,946)	1
Sale of capital assets	50,000	0	0	0
<b>Total other financing sources (uses)</b>	<u>3,413,500</u>	<u>3,163,053</u>	<u>3,163,054</u>	<u>1</u>
<b>Net change in fund balances</b>	<u>\$ (1,967,800)</u>	<u>\$ (1,322,829)</u>	<u>868,064</u>	<u>\$ 2,190,893</u>
<b>Fund balances at beginning of year</b>			<u>13,738,148</u>	
<b>Fund balances at end of year</b>			<u>\$ 14,606,212</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 87,200	\$ 103,138	\$ 103,872	\$ 734
Interest income	5,000	17,230	3,532	(13,698)
Other	5,100	0	0	0
Total revenues	<u>97,300</u>	<u>120,368</u>	<u>107,404</u>	<u>(12,964)</u>
<b>Expenditures:</b>				
Current -				
General government	2,182,100	2,272,993	1,887,982	385,011
Public safety				
Transportation				
Culture and recreation				
Economic environment				
Physical environment				
Human services				
Capital outlay	0	0		0
Total expenditures	<u>2,182,100</u>	<u>2,272,993</u>	<u>1,887,982</u>	<u>385,011</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,084,800)</u>	<u>(2,152,625)</u>	<u>(1,780,578)</u>	<u>372,047</u>
<b>Other financing sources (uses):</b>				
Transfers in	3,932,600	3,848,256	3,862,004	13,748
Transfers (out)	(1,847,800)	(2,057,800)	(1,894,745)	163,055
Total other financing sources (uses)	<u>2,084,800</u>	<u>1,790,456</u>	<u>1,967,259</u>	<u>176,803</u>
<b>Net change in fund balances</b>	<u>\$ 0</u>	<u>\$ (362,169)</u>	<u>186,681</u>	<u>\$ 548,850</u>
<b>Fund balances at beginning of year</b>			<u>41,662,627</u>	
<b>Fund balances at end of year</b>			<u>\$ 41,849,308</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 2,773,700	\$ 2,764,842	\$ 2,764,842	0
Interest income	0	3,613	3,613	0
Total revenues	<u>2,773,700</u>	<u>2,768,455</u>	<u>2,768,455</u>	<u>0</u>
<b>Expenditures:</b>				
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>2,773,700</u>	<u>2,768,455</u>	<u>2,768,455</u>	<u>0</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,667,600	1,662,929	1,662,929	0
Transfers (out)	<u>(4,441,300)</u>	<u>(4,431,384)</u>	<u>(4,431,384)</u>	<u>0</u>
Total other financing sources (uses)	<u>(2,773,700)</u>	<u>(2,768,455)</u>	<u>(2,768,455)</u>	<u>0</u>
<b>Net change in fund balances</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
<b>Fund balances at beginning of year</b>			<u>0</u>	
<b>Fund balances at end of year</b>			<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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 55,300	\$ 54,718	\$ 54,718	\$ 0
Interest income	<u>0</u>	<u>0</u>	<u>3,522</u>	<u>3,522</u>
Total revenues	<u>55,300</u>	<u>54,718</u>	<u>58,240</u>	<u>3,522</u>
<b>Expenditures:</b>				
Current -				
General government	91,200	28,494	772	27,722
Public safety				
Transportation				
Culture and recreation				
Economic environment				
Physical environment				
Human services				
Capital outlay	<u>0</u>	<u>1,120,967</u>	<u>13,679</u>	<u>1,107,288</u>
Total expenditures	<u>91,200</u>	<u>1,149,461</u>	<u>14,451</u>	<u>1,135,010</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,900)</u>	<u>(1,094,743)</u>	<u>43,789</u>	<u>1,138,532</u>
<b>Other financing sources (uses):</b>				
Transfers in	35,900	35,474	35,474	0
Loan proceeds	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>(500,000)</u>
Total other financing sources (uses)	<u>35,900</u>	<u>535,474</u>	<u>35,474</u>	<u>(500,000)</u>
<b>Net change in fund balances</b>	<u>\$ 0</u>	<u>\$ (559,269)</u>	<u>79,263</u>	<u>\$ 638,532</u>
<b>Fund balances at beginning of year</b>			<u>559,269</u>	
<b>Fund balances at end of year</b>			<u>\$ 638,532</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**  
**WESTSIDE TAX INCREMENT FINANCING DISTRICT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 57,900	\$ 55,981	\$ 55,981	\$ 0
Interest income	0	0	499	499
Total revenues	<u>57,900</u>	<u>55,981</u>	<u>56,480</u>	<u>499</u>
<b>Expenditures:</b>				
Current -				
General government	95,400	158,016	25,731	132,285
Public safety				
Transportation				
Culture and recreation				
Economic environment				
Physical environment				
Human services				
Capital outlay				0
Total expenditures	<u>95,400</u>	<u>158,016</u>	<u>25,731</u>	<u>132,285</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(37,500)</u>	<u>(102,035)</u>	<u>30,749</u>	<u>132,784</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>37,500</u>	<u>36,293</u>	<u>36,293</u>	<u>0</u>
Total other financing sources (uses)	<u>37,500</u>	<u>36,293</u>	<u>36,293</u>	<u>0</u>
<b>Net change in fund balances</b>	<u>\$ 0</u>	<u>\$ (65,742)</u>	<u>67,042</u>	<u>\$ 132,784</u>
<b>Fund balances at beginning of year</b>			<u>65,743</u>	
<b>Fund balances at end of year</b>			<u>\$ 132,785</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues :</b>				
Intergovernmental	\$ 15,237,400	\$ 16,112,167	\$ 16,112,167	\$ 0
Interest income	8,500	8,501	16,550	8,049
Other	70,000	6,102	6,102	0
Total revenues	<u>15,315,900</u>	<u>16,126,770</u>	<u>16,134,819</u>	<u>8,049</u>
<b>Expenditures :</b>				
Current -				
Economic environment	15,315,900	16,129,041	15,824,380	304,661
Total expenditures	<u>15,315,900</u>	<u>16,129,041</u>	<u>15,824,380</u>	<u>304,661</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>0</u>	<u>(2,271)</u>	<u>310,439</u>	<u>312,710</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets				0
Total other financing sources (uses):	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net change in fund balances</b>	<u>\$ 0</u>	<u>\$ (2,271)</u>	<u>310,439</u>	<u>\$ 312,710</u>
<b>Fund balances at beginning of year</b>			<u>3,140,058</u>	
<b>Fund balances at end of year</b>			<u>\$ 3,450,497</u>	

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

**CITY OF PENSACOLA, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2016**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities- Internal Service Funds</b>
	<b>Utility Fund</b>	<b>Sanitation Fund</b>	<b>Port Fund</b>	<b>Airport Fund</b>	<b>Total Enterprise Funds</b>	
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	\$ 3,352,203	\$ 602,451	\$ 65,306	\$ 5,508,313	\$ 9,528,273	\$ 1,990,680
Investments	7,792,246	1,400,407	151,803	12,804,154	22,148,610	4,627,362
Accounts receivable (net)	3,969,775	650,376	745,887	3,798,548	9,164,586	1,201,786
Due from other funds	128,700				128,700	230,598
Due from other governments			426,599	3,475,707	3,902,306	
Prepaid expenses	1,708,391	990	13,829	66,892	1,790,102	51,388
Inventory	21,591				21,591	652,420
Capital lease receivable	290,262				290,262	
<b>Restricted assets</b>						
Cash and cash equivalents	113,641		110,270	1,694,856	1,918,767	
Investments	264,159		256,325	3,939,717	4,460,201	
Total current assets	<u>17,640,968</u>	<u>2,654,224</u>	<u>1,770,019</u>	<u>31,288,187</u>	<u>53,353,398</u>	<u>8,754,234</u>
<b>Noncurrent assets</b>						
Intangible asset	53,482				53,482	
Prepaid expenses					0	200,000
Advances to other funds	685,100				685,100	931,308
Capital lease receivable	1,756,829				1,756,829	
<b>Restricted assets</b>						
Cash and cash equivalents	158,732			2,881,132	3,039,864	837,902
Investments	368,976			6,697,234	7,066,210	1,947,717
<b>Capital assets</b>						
Non-depreciable	342,406	41,093	2,636,591	40,537,356	43,557,446	
Depreciable (net)	40,569,817	1,972,780	8,344,552	117,601,852	168,489,001	2,195,469
Total noncurrent assets	<u>43,935,342</u>	<u>2,013,873</u>	<u>10,981,143</u>	<u>167,717,574</u>	<u>224,647,932</u>	<u>6,112,396</u>
Total assets	<u>61,576,310</u>	<u>4,668,097</u>	<u>12,751,162</u>	<u>199,005,761</u>	<u>278,001,330</u>	<u>14,866,630</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred loss on early retirement	7,516			454,048	461,564	
Deferred pension	4,137,760	2,319,097	364,234	2,447,546	9,268,637	1,900,479
Total deferred outflows of resources	<u>4,145,276</u>	<u>2,319,097</u>	<u>364,234</u>	<u>2,901,594</u>	<u>9,730,201</u>	<u>1,900,479</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, 2016**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities- Internal Service Funds</b>
	<b>Utility Fund</b>	<b>Sanitation Fund</b>	<b>Port Fund</b>	<b>Airport Fund</b>	<b>Total Enterprise Funds</b>	
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Accounts payable	1,483,424	117,268	32,046	416,801	2,049,539	180,508
Contracts payable	495,842	1,400	87,778	2,482,890	3,067,910	66,453
Contracts payable - retainage				397,295	397,295	
Due to other funds	210,676	283,825	9,622	66,133	570,256	62,989
Deposits		105	369,225	21,846	391,176	2,448
Compensated absences payable	62,105	22,919		10,718	95,742	12,054
Unearned revenue	129,609			42,698	172,307	
Capital lease payable						39,999
Payable from restricted assets						
Notes payable	495,000			915,000	1,410,000	
Revenue bonds payable	1,660,000			1,920,000	3,580,000	
Accrued interest payable	32,709			1,274,265	1,306,974	
Total current liabilities	<u>4,569,365</u>	<u>425,517</u>	<u>498,671</u>	<u>7,547,646</u>	<u>13,041,199</u>	<u>364,451</u>
<b>Noncurrent liabilities</b>						
Compensated absences payable	633,138	290,295	70,296	386,342	1,380,071	213,305
Advances from other funds	299,056	785,141		20,547	1,104,744	11,664
Claims and judgments payable						1,911,481
Notes payable	2,635,000			26,650,000	29,285,000	
Revenue bonds payable	1,720,000			33,584,353	35,304,353	
Interest rate swap liability				56,739	56,739	
Net OPEB liability	1,816,662	681,223	145,458	893,084	3,536,427	758,853
Net pension liability	12,260,979	6,541,567	1,012,231	6,490,311	26,305,088	5,350,457
Total noncurrent liabilities	<u>19,364,835</u>	<u>8,298,226</u>	<u>1,227,985</u>	<u>68,081,376</u>	<u>96,972,422</u>	<u>8,245,760</u>
Total liabilities	<u>23,934,200</u>	<u>8,723,743</u>	<u>1,726,656</u>	<u>75,629,022</u>	<u>110,013,621</u>	<u>8,610,211</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred gain on early retirement	83,375				83,375	
Deferred pension	206,154	111,103	26,727	186,989	530,973	130,642
Total deferred outflows of resources	<u>289,529</u>	<u>111,103</u>	<u>26,727</u>	<u>186,989</u>	<u>614,348</u>	<u>130,642</u>
<b>NET POSITION</b>						
Net investment in capital assets	34,379,846	2,013,873	10,981,143	95,467,164	142,842,026	2,155,470
Restricted						
Debt service	377,800			4,335,698	4,713,498	
Renewal and replacement				2,850,000	2,850,000	
Operations and maintenance				2,392,667	2,392,667	
Unrestricted	6,740,211	(3,861,525)	380,870	21,045,815	24,305,371	5,870,786
<b>Total net (deficit) position</b>	<u>\$ 41,497,857</u>	<u>\$ (1,847,652)</u>	<u>\$ 11,362,013</u>	<u>\$ 126,091,344</u>	<u>\$ 177,103,562</u>	<u>\$ 8,026,256</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, 2016**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities- Internal Service Funds</b>
	<b>Utility Fund</b>	<b>Sanitation Fund</b>	<b>Port Fund</b>	<b>Airport Fund</b>	<b>Total</b>	
<b>Operating revenues:</b>						
Charges for services	\$ 43,278,297	\$ 7,084,148	\$ 1,609,280	\$ 21,887,992	\$ 73,859,717	\$ 5,466,240
Insurance					-	14,092,085
Other	364,345	49,138	5,729	5,560	424,772	324,358
Total operating revenues	<u>43,642,642</u>	<u>7,133,286</u>	<u>1,615,009</u>	<u>21,893,552</u>	<u>74,284,489</u>	<u>19,882,683</u>
<b>Operating expenses:</b>						
Gas purchases	14,745,011				14,745,011	
Salaries and employee benefits	6,678,956	3,307,137	779,889	4,348,004	15,113,986	3,031,667
Materials and supplies	922,224	345,400	34,814	172,372	1,474,810	82,680
Repairs and maintenance	435,155	1,012,418	121,587	1,190,467	2,759,627	51,584
Contractual services	4,762,761	241,105	94,938	4,670,021	9,768,825	930,499
Office and utilities	1,709,592	581,143	531,609	2,422,449	5,244,793	345,151
Land fill fees		1,119,720			1,119,720	
Overhead allocation	1,196,600	468,000	95,200	595,700	2,355,500	
Premiums and claims expense						13,435,977
Total operating expenses before depreciation	<u>30,450,299</u>	<u>7,074,923</u>	<u>1,658,037</u>	<u>13,399,013</u>	<u>52,582,272</u>	<u>17,877,558</u>
Operating income (loss) before depreciation	13,192,343	58,363	(43,028)	8,494,539	21,702,217	2,005,125
Depreciation	1,723,799	257,426	1,038,743	9,651,376	12,671,344	366,765
<b>Operating income (loss)</b>	<u>11,468,544</u>	<u>(199,063)</u>	<u>(1,081,771)</u>	<u>(1,156,837)</u>	<u>9,030,873</u>	<u>1,638,360</u>
<b>Nonoperating revenues (expenses):</b>						
Investment interest	107,691	7,474	1,088	98,963	215,216	30,640
Interest expense	(209,983)	(19,300)		(2,611,668)	(2,840,951)	(3,295)
Amortization of bond expense	80,083			(19,348)	60,735	
Gain (loss) on disposal of capital assets	(29,472)				(29,472)	(932)
Total nonoperating revenues (expenses)	<u>(51,681)</u>	<u>(11,826)</u>	<u>1,088</u>	<u>(2,532,053)</u>	<u>(2,594,472)</u>	<u>26,413</u>
Income (loss) before contributions and transfers	<u>11,416,863</u>	<u>(210,889)</u>	<u>(1,080,683)</u>	<u>(3,688,890)</u>	<u>6,436,401</u>	<u>1,664,773</u>
<b>Contributions and transfers:</b>						
Contributions						
Federal and state grants	483,643		766,022	5,188,589	6,438,254	
Passenger facility charge				3,110,772	3,110,772	
Passenger facility charge - Interest				16,000	16,000	
Contributed capital from other funds				396,495	396,495	
Donations				2,800,000	2,800,000	
Transfers in (out)	(8,000,000)		82,074		(7,917,926)	(257,553)
Total contributions and transfers	<u>(7,516,357)</u>	<u>-</u>	<u>848,096</u>	<u>11,511,856</u>	<u>4,843,595</u>	<u>(257,553)</u>
<b>Change in net position</b>	<u>3,900,506</u>	<u>(210,889)</u>	<u>(232,587)</u>	<u>7,822,966</u>	<u>11,279,996</u>	<u>1,407,220</u>
<b>Net position at beginning of year</b>	<u>37,597,351</u>	<u>(1,636,763)</u>	<u>11,594,600</u>	<u>118,268,378</u>	<u>165,823,566</u>	<u>6,619,036</u>
<b>Net position at end of year</b>	<u>\$ 41,497,857</u>	<u>\$ (1,847,652)</u>	<u>\$ 11,362,013</u>	<u>\$ 126,091,344</u>	<u>\$ 177,103,562</u>	<u>\$ 8,026,256</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, 2016**

	<u>Business-type Activities - Enterprise Funds</u>					<b>Governmental Activities- Internal Service Funds</b>
	<u>Utility Fund</u>	<u>Sanitation Fund</u>	<u>Port Fund</u>	<u>Airport Fund</u>	<u>Total</u>	
<b>Cash flows from operating activities:</b>						
Cash received from customers	\$ 44,163,747	\$ 7,007,842	\$ 1,301,792	\$ 20,284,363	\$ 72,757,744	\$ 19,536,234
Cash payments to suppliers for goods and services	(23,653,548)	(3,640,581)	(712,413)	(8,938,972)	(36,945,514)	(14,778,636)
Cash payments to employees for services	(7,029,061)	(3,361,929)	(869,957)	(4,230,441)	(15,491,388)	(3,089,484)
Net cash provided by (used for) operating activities	<u>13,481,138</u>	<u>5,332</u>	<u>(280,578)</u>	<u>7,114,950</u>	<u>20,320,842</u>	<u>1,668,114</u>
<b>Cash flows from noncapital financing activities:</b>						
Advance from (to) other funds	166,940	(217,241)		20,145	(30,156)	(469,844)
Net transfers	(8,000,000)				(8,000,000)	(175,479)
Net cash provided by (used for) noncapital financing activities	<u>(7,833,060)</u>	<u>(217,241)</u>	<u>0</u>	<u>20,145</u>	<u>(8,030,156)</u>	<u>(645,323)</u>
<b>Cash flows from capital and related financing activities:</b>						
Acquisition of capital assets	(4,477,511)	(71,196)	(196,776)	(1,253,869)	(5,999,352)	(245,542)
Acquisition of capital assets with grant monies			(725,544)	(4,933,142)	(5,658,686)	
Rebate on prior year capital asset acquisition	483,643				483,643	
Principal paid on capital lease obligation					0	(38,386)
Interest paid on capital lease obligation					0	(3,295)
Contributions from other governments			630,738	4,030,804	4,661,542	
Donations from other entities				2,000,000		
Contributions from customers				3,126,772	3,126,772	
Principal paid on capital debt	(2,075,000)			(2,715,000)	(4,790,000)	
Interest paid on capital debt	(207,535)	(19,300)		(2,776,898)	(3,003,733)	
Proceeds from capital lease	284,263				284,263	
Other debt service				(949,816)	(949,816)	
Net cash used for capital and related financing activities	<u>(5,992,140)</u>	<u>(90,496)</u>	<u>(291,582)</u>	<u>(3,471,149)</u>	<u>(11,845,367)</u>	<u>(287,223)</u>
<b>Cash flows from investing activities:</b>						
Purchase of investments	(7,623,079)	(1,187,047)	(194,581)	(22,592,428)	(31,597,135)	(6,246,501)
Sale of investments	2,022,657	314,963	51,629	5,994,524	8,383,773	1,657,405
Interest on investments	107,691	7,474	2,559	98,963	216,687	30,640
Net cash used by investing activities	<u>(5,492,731)</u>	<u>(864,610)</u>	<u>(140,393)</u>	<u>(16,498,941)</u>	<u>(22,996,675)</u>	<u>(4,558,456)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(5,836,793)</u>	<u>(1,167,015)</u>	<u>(712,553)</u>	<u>(12,834,995)</u>	<u>(22,551,356)</u>	<u>(3,822,888)</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>9,461,369</u>	<u>1,769,466</u>	<u>888,129</u>	<u>22,919,296</u>	<u>35,038,260</u>	<u>6,651,470</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 3,624,576</u>	<u>\$ 602,451</u>	<u>\$ 175,576</u>	<u>\$ 10,084,301</u>	<u>\$ 12,486,904</u>	<u>\$ 2,828,582</u>

(continued)

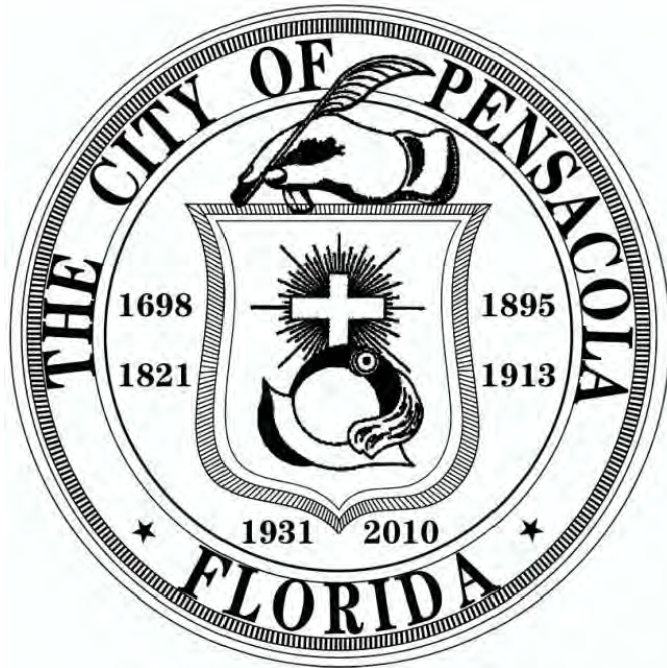
The accompanying notes are an integral part of these financial statements.

**CITY OF PENSACOLA, FLORIDA**  
**RECONCILIATION OF OPERATING INCOME (LOSS)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Business-type Activities - Enterprise Funds</u>					<u>Governmental Activities- Internal Service Funds</u>
	<u>Utility Fund</u>	<u>Sanitation Fund</u>	<u>Port Fund</u>	<u>Airport Fund</u>	<u>Total</u>	
<b>Operating income (loss)</b>	\$ 11,468,544	\$ (199,063)	\$ (1,081,771)	\$ (1,156,837)	\$ 9,030,873	\$ 1,638,360
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>						
Depreciation	1,723,799	257,426	1,038,743	9,651,376	12,671,344	366,765
<b>Change in assets and liabilities:</b>						
(Increase) decrease in accounts receivable	1,158,835	(5,603)	(102,656)	(1,615,973)	(565,397)	(396,431)
(Increase) decrease in inventory	3,564				3,564	(15,642)
(Increase) decrease in due from other funds	(2,600)				(2,600)	53,703
(Increase) decrease in prepaid expense	(49,333)	(105)	(2,308)	13,650	(38,096)	210,590
Increase (decrease) in accounts payable	(121,245)	7,469	(43,605)	41,991	(115,390)	109,533
Increase (decrease) in contracts payable	206,574		(2,543)	216,627	420,658	55,020
Increase (decrease) in due to other funds	(158,036)	(80,015)	(12,902)	(122,873)	(373,826)	(116,582)
Increase (decrease) in deposits			3,630	6,784	10,414	(3,721)
Increase (decrease) in claims and judgments					0	(247,959)
Increase (decrease) in deferred revenue	(350,321)				(350,321)	
Increase (decrease) in compensated absences	30,911	5,717	3,981	37,064	77,673	(8,526)
Increase (decrease) in net OPEB obligation	143,725	52,857	11,063	62,691	270,336	55,977
Increase (decrease) in net pension liability	(573,279)	(33,351)	(92,210)	(19,550)	(718,390)	(32,973)
<b>Net cash provided by (used for) operating activities:</b>	<u>\$ 13,481,138</u>	<u>\$ 5,332</u>	<u>\$ (280,578)</u>	<u>\$ 7,114,950</u>	<u>\$ 20,320,842</u>	<u>\$ 1,668,114</u>
<b>Noncash investing, capital, and financing activities:</b>						
	<u>Utility Fund</u>	<u>Sanitation Fund</u>	<u>Port Fund</u>	<u>Airport Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
Amortization of bond expense	\$ 72,567			\$ (26,010)	\$ 46,557	
Contribution of capital assets from other funds			82,074	396,495	478,569	
Transfer of capital assets to other funds					-	82,074
Gain (loss) on disposal of capital assets	(29,472)				(29,472)	(932)

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





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**CITY OF PENSACOLA, FLORIDA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2016**

		<b>Total Pension Trust Funds</b>
<b>ASSETS</b>		
Other cash	\$	339,268
<b>Receivables:</b>		
Employer		163
Employee		19,150
Total receivables		<u>19,313</u>
<b>Investments:</b>		
Short term investments		6,093,348
Debt Securities & Bond Mutual Funds		67,998,273
Convertible Corporate Bonds		16,972,334
Stock Mutual Funds		33,238,158
Mortgage Backed Securities		51,395,898
Commingled Trust Fund		12,650,697
Domestic Stocks		128,484,008
Preferred Stocks		4,593,739
Foreign Stocks		13,330,657
Total investments		<u>334,757,112</u>
<b>Total assets</b>	<b>\$</b>	<b><u>335,115,693</u></b>
 <b>LIABILITIES</b>		
Accounts payable	\$	648,254
Total liabilities		<u>648,254</u>
 <b>NET POSITION</b>		
Restricted for pensions	\$	<u>334,467,439</u>

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

**CITY OF PENSACOLA, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

		<b>Total Pension Trust Funds</b>
<b>Additions:</b>		
Contributions - city	\$	13,128,152
Contributions - employee		1,009,824
Contributions - employee buy back		44,064
Commission recapture		9,873
Insurance proceeds - State of Florida		1,161,554
Total contributions		15,353,467
Investment income		
Net appreciation		
in fair value of investments		23,295,652
Interest and dividends		8,346,955
		31,642,607
Less investment expense		1,692,587
Net investment income		29,950,020
Total additions		45,303,487
<b>Deductions:</b>		
Pensions paid - employees		20,702,269
Pensions paid - widows		3,495,863
Pensions paid - children		6,370
Refunds to employees		133,701
Deferred retirement option plan		5,975,978
Health insurance assistance		133,280
Administrative expenses		353,055
Total deductions		30,800,516
<b>Change in net position</b>		14,502,971
<b>Net position held in trust for pension benefits:</b>		
<b>Beginning of year</b>		319,964,468
<b>End of year</b>	\$	334,467,439

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, 2016

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**CITY OF PENSACOLA, FLORIDA  
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CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**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, 2016

**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 CRA selects a chair and a vice-chair from the seven-member agency 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.

**Community Maritime Park Associates, Inc. (CMPA)** - The CMPA, a non-profit corporation under the provisions of Chapter 617, Florida Statutes, was created in 2005 for the sole purpose of developing the public and private aspects of the Vince J. Whibbs, Sr. Community Maritime Park. With the implementation of GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus*" in fiscal year 2013, the CMPA changed from a discretely-presented to a blended component unit. The CMPA is considered a blended component unit since the CRA, which is a component unit of the City, provides funding through the project supports payments which are used to repay CMPA's outstanding debt resulting in a financial benefit or burden relationship between CMPA and the City. The CMPA is separated and reported as special revenue fund and capital project fund of the City.

Complete financial statements of the CMPA can be obtained from their administrative office as follows: Community Maritime Park Associates, Inc., 222 West Main St., Pensacola, Florida 32502.

**Discretely Presented Component Unit**

The component unit columns 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 units is the same as those detailed for the City. The City's discretely presented component units is as follows:

**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.

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

**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.

Complete 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.

**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:

<b>Statement of Net Position</b>		
<b>September 30, 2016</b>		
	<b>HRC</b>	<b>PEDC</b>
Assets	\$ <u>18,469</u>	\$ <u>6,598,393</u>
Liabilities	<u>3,969</u>	<u>2,169,480</u>
Net Position:		
Restricted		61,198
Unrestricted	<u>14,500</u>	<u>4,367,715</u>
Total Net Position	<u>14,500</u>	<u>4,428,913</u>
Total Liabilities and Net Position	\$ <u>18,469</u>	\$ <u>6,598,393</u>

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

<b>Statement of Revenues, Expenses and Changes in Net Position for the Fiscal Year Ended September 30, 2016</b>		
	<b>HRC</b>	<b>PEDC</b>
Revenue	\$ 184,553	\$ 700,000
Expenses	<u>181,944</u>	<u>631,005</u>
Excess of revenue over (under) expenses	<u>2,609</u>	<u>68,995</u>
Net position Beginning of Year	<u>11,891</u>	<u>4,359,918</u>
Net position at End of Year	<u>\$ 14,500</u>	<u>\$ 4,428,913</u>

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) 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 units 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.

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

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 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.

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.

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

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.

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 Bonds, Series 2016.

CRA Debt Service Fund - to provide monies for payment of the 2009 Redevelopment Revenue Bonds. Financing is provided from tax increment financing revenues of CRA, Federal Subsidy Payments and a covenant to budget and appropriate non-ad valorem revenues of the City.

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.

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.

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:

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

*Internal Service Funds* (ISF) account for services provided to various City departments on a cost reimbursement basis. The services provided include a central warehouse inventory, fleet maintenance, engineering, management information services and a risk management (insurance) program. ISFs are reported as a governmental activity within the government-wide financial statements. Individual fund statements are provided in the Combining Financial Statements section.

*Fiduciary Funds* are trust funds that account for assets held by the City in a trustee capacity for individuals, other governmental units and/or other funds and include the City's General, Firemen's and Police Officers' pension funds. Fiduciary funds are not included in government-wide financial statements, however, a statement of net position and a statement of changes in net position are included as part of the basic financial statements with individual fund statements presented in the Combining Financial Statements section.

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, and fines and forfeitures, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Those revenues not clearly defined as program revenues are categorized as general revenue. General revenues include resources such as taxes, franchise fees, interest and sale of assets. As a general rule, the effect of interfund activity is eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**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.

**CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

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

**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”.

**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 1<sup>st</sup> 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, or other agreements with outside parties. Assets such as these are restricted since their use is limited.

**CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

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

**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 are valued at fair 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. 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.

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 requisition 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 contribution made by the employer after measurement date and changes in benefits, assumptions, and differences between actual and expected returns.



CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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 requisition 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 pension expense as a result in changes benefits, assumptions, and differences between actual and expected returns.

**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.

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

**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 noncurrent liabilities while losses are presented as noncurrent assets.

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.

**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 asset 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 liquid assets.

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

**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. 72*

In February 2015, the GASB issued Statement No. 72, "Fair Value Measurement and Application." This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. As such, implementation of the Statement occurred in the City's fiscal year ending September 30, 2016.

**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.

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

A legally adopted budget is employed as a control device for the General Fund, Special Revenue Funds, and Debt Service Funds with the exception of the City’s blended component unit, CMPA. CMPA is a 501(c)(3) and as such is not required by Florida Statute to adopt a legal budget. The CMPA Board does adopt a budget as required by the Master Lease agreement between CMPA and the City which is used for internal monitoring purposes. Enterprise, Capital Projects and Internal Service Funds are budgeted on a limited non-GAAP basis for management control purposes.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue and Capital Projects Funds. The budget for the subsequent year provides a re-appropriation of funds to complete transactions for outstanding encumbrances.

**NOTE III. - DETAIL NOTES ON ALL FUNDS**

**A. Deposits and Investments**

**1. Pension Funds**

The City’s pension funds contain 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.

**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, 2016

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

The pension plans' investment weighted average maturities, amounts and ratings are as follows:

General Pension Investment	Weighted Average Maturity	Amount	Rating
Short term investments	Current	\$ 2,316,589	N/A
Debt Securities & Bond Mutual Funds			
Corporate Bonds	5.81 years	7,541,399	A1 - A3
Corporate Bonds	2.84 years	3,697,310	Aaa
Corporate Bonds	4.36 years	2,277,306	Aa1 - Aa3
Corporate Bonds	10.9 years	187,967	B1 - B2
Corporate Bonds	11.02 years	50,050	Ba1 - Ba3
Corporate Bonds	5.18 years	8,346,068	Baa1 - Baa3
Corporate Bonds	6.75 Years	2,394,762	Rating Unavailable
Limited Partnerships	Current	2,049,736	N/A
Convertible Corporate Bonds			
Corporate Bonds	22.83 years	254,196	A1 - A3
Corporate Bonds	3.82 years	25,950	Aa1 - Aa3
Corporate Bonds	11.93 years	79,510	B1 - B2
Corporate Bonds	10.03 years	278,990	Ba1 - Ba3
Corporate Bonds	4.21 years	152,911	Baa1 - Baa3
Corporate Bonds	9.95 years	41,103	Caa3
Corporate Bonds	6.98 years	7,158,808	Rating Unavailable
Stock Mutual Funds	Current	22,024,528	N/A
Mortgage Backed Securities			
Mortgage Backed Securities	13.25 years	8,442,895	Aaa
Real Estate Investment Trust	Current	15,271,495	N/A
Domestic Stocks	Current	46,412,588	N/A
Commingled Trust Fund	Current	353,314	N/A
Preferred Stocks	Current	2,144,293	N/A
Foreign Stocks	Current	3,406,016	N/A
<b>Total General Pension Investments</b>		<b><u><u>\$ 134,907,784</u></u></b>	

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

Fire Pension	Weighted Average Maturity	Amount	Rating
Short term investments	Current	\$ 2,476,792	N/A
Debt Securities & Bond Mutual Funds			
Corporate Bonds	6.69 years	7,608,230	A1 - A3
Corporate Bonds	3.82 years	3,532,220	Aaa
Corporate Bonds	5.68 years	1,642,016	Aa1 - Aa3
Corporate Bonds	5.06 years	6,676,936	Baa1 - Baa3
Corporate Bonds	6.45 years	1,940,036	Rating Unavailable
Limited Partnerships	Current	1,855,319	N/A
Convertible Corporate Bonds			
Corporate Bonds	22.84 years	276,141	A1 - A3
Corporate Bonds	3.83 years	32,438	Aa1 - Aa3
Corporate Bonds	11.93 years	88,156	B1-B2
Corporate Bonds	10.04 years	308,314	Ba1-Ba3
Corporate Bonds	4.22 years	185,096	Baa1 - Baa3
Corporate Bonds	9.96 years	44,110	Caa3
Corporate Bonds	7.96 years	8,046,611	Rating Unavailable
Stock Mutual Funds	Current	11,213,630	N/A
Mortgage Backed Securities			
Mortgage Backed Securities	14.52 years	7,486,537	Rating Unavailable
Real Estate Investment Trust	Current	7,179,922	N/A
Commingled Trust Fund	Current	6,156,675	N/A
Domestic Stocks	Current	42,241,468	N/A
Preferred Stocks	Current	2,449,446	N/A
Foreign Stocks	Current	2,449,409	N/A
<b>Total Fire Pension Investments</b>		<b><u>\$ 113,889,502</u></b>	

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

Police Pension	Weighted Average Maturity	Amount	Rating
Short term investments	Current	\$ 1,299,967	N/A
Debt Securities & Bond Mutual Funds			
Corporate Bonds	6.39 years	2,964,790	A1 - A3
Corporate Bonds	10.51 years	3,440,481	Aaa
Corporate Bonds	5.11 years	2,081,012	Aa1 -Aa3
Corporate Bonds	5.12 years	4,912,589	Baa1-Baa3
Corporate Bonds	5.40 years	246,683	WR
Bond Mutual Funds		4,553,363	Rating Unavailable
Mortgage Backed Securities			
Mortgage Backed Securities	13.25 years	4,308,834	Rating Unavailable
Real Estate Investment Trust	Current	8,706,215	N/A
Commingled Trust Fund	Current	6,140,708	N/A
Domestic Stocks	Current	39,829,952	N/A
Foreign Stocks	Current	7,475,232	N/A
<b>Total Police Pension Investments</b>		<b><u>\$ 85,959,826</u></b>	

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	\$ 20,007,582	\$ 17,191,488	\$ 14,616,413	\$ 51,815,483
Unrealized Losses	<u>(11,368,389)</u>	<u>(9,753,141)</u>	<u>(8,551,016)</u>	<u>(29,672,546)</u>
Net Unrealized Gains	<u>\$ 8,639,193</u>	<u>\$ 7,438,347</u>	<u>\$ 6,065,397</u>	<u>\$ 22,142,937</u>

The average cost method is used in computing realized gains and losses on the sale of marketable equity securities.

**CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**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 recurring fair value measurements as of September 30, 2016.

<u>General Pension Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
<b>Investments by Fair Value Level</b>				
Short Term Investments	\$	\$ 2,316,589	\$	\$ 2,316,589
Debt Securities & Bond Mutual Funds:				
Corporate Bonds		24,494,862		24,494,862
Limited Partnerships	1,616,563	433,173		2,049,736
Total Debt Securities & Bond Mutual Funds	<u>1,616,563</u>	<u>24,928,035</u>	<u>-</u>	<u>26,544,598</u>
Convertible Corporate Bonds		7,991,468		7,991,468
Stock Mutual Funds	19,654,198	2,370,330		22,024,528
Mortgage Backed Securities:				
Mortgage Backed Securities		8,442,895		8,442,895
Real Estate Investment Trust			15,271,495	15,271,495
Total Mortgage Baked Securities	<u>-</u>	<u>8,442,895</u>	<u>15,271,495</u>	<u>23,714,390</u>
Domestic Stocks	45,851,633	560,955		46,412,588
Commingled Trust Fund		353,314		353,314
Preferred Stocks	1,892,400	251,893		2,144,293
Foreign Stocks	3,368,543	37,473		3,406,016
Total Investments by Fair Value	<u>\$ 72,383,337</u>	<u>\$ 47,252,952</u>	<u>\$ 15,271,495</u>	<u>\$ 134,907,784</u>

Debt 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, bond mutual funds, mortgage backed securities, commingled trust funds 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.

Real Estate Investment Trusts 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, 2016**

**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>Fair Value</u>
<b>Investments by Fair Value Level</b>				
Short Term Investments	\$	\$ 2,476,792	\$	\$ 2,476,792
Debt Securities & Bond Mutual Funds:				
Corporate Bonds		21,399,438		21,399,438
Limited Partnerships	1,476,871	378,448		1,855,319
Total Debt Securities & Bond Mutual Funds	<u>1,476,871</u>	<u>21,777,886</u>	<u>-</u>	<u>23,254,757</u>
Convertible Corporate Bonds		8,980,866		8,980,866
Stock Mutual Funds		11,213,630		11,213,630
Mortgage Backed Securities:				
Mortgage Backed Securities		7,486,537		7,486,537
Real Estate Investment Trust			7,179,922	7,179,922
Total Mortgage Baked Securities	<u>-</u>	<u>7,486,537</u>	<u>7,179,922</u>	<u>14,666,459</u>
Domestic Stocks	42,241,468			42,241,468
Commingled Trust Fund		6,156,675		6,156,675
Preferred Stocks	2,136,140	313,306		2,449,446
Foreign Stocks	2,404,567	44,842		2,449,409
Total Investments by Fair Value	<u>\$ 48,259,046</u>	<u>\$ 58,450,534</u>	<u>\$ 7,179,922</u>	<u>\$ 113,889,502</u>

Debt 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, bond mutual funds, mortgage backed securities, commingled trust funds 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.

Real Estate Investment Trusts 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, 2016

**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>Fair Value</u>
<b>Investments by Fair Value Level</b>				
Short Term Investments	\$	\$ 1,299,967	\$	\$ 1,299,967
Debt Securities & Bond Mutual Funds:				
Corporate Bonds		9,405,264		9,405,264
Government Obligations		4,240,291		4,240,291
Bond Mutual Funds		4,553,363		4,553,363
Total Debt Securities & Bond Mutual Funds	-	18,198,918	-	18,198,918
Mortgage Backed Securities:				
Mortgage Backed Securities		4,308,834		4,308,834
Real Estate Investment Trust			8,706,215	8,706,215
Total Mortgage Baked Securities	-	4,308,834	8,706,215	13,015,049
Domestic Stocks	34,822,760	5,007,192		39,829,952
Commingled Trust Fund		6,140,708		6,140,708
Preferred Stocks				-
Foreign Stocks	1,532,352	5,942,880		7,475,232
Total Investments by Fair Value	\$ 36,355,112	\$ 40,898,499	\$ 8,706,215	\$ 85,959,826

Debt 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, bond mutual funds, mortgage backed securities, commingled trust funds 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.

Real Estate Investments Trusts 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 \$53,324,055 are certificates of deposits with maturities that range from October 2016 to September 2017 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, 2016**

**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>
<b>Governmental activities:</b>			
General Fund	\$ 1,376,522	\$	\$ 1,376,522
Housing Assistance Payments Fund	1,368,392	921,269	447,123
Community Redevelopment Agency	10,129		10,129
Nonmajor Governmental Funds	930,090		930,090
Internal Service Fund	1,201,786		1,201,786
Total governmental activities	<u>\$ 4,886,919</u>	<u>\$ 921,269</u>	<u>\$ 3,965,650</u>
<b>Business-type activities:</b>			
Utility Fund	\$ 4,258,148	\$ 288,373	\$ 3,969,775
Sanitation Fund	770,217	119,841	650,376
Port Fund	960,078	214,191	745,887
Airport Fund	3,798,548		3,798,548
Total business-type activities	<u>\$ 9,786,991</u>	<u>\$ 622,405</u>	<u>\$ 9,164,586</u>

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**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	\$ 185,304	\$
Leases – Land/ROW receivables	44,635	
Prepaid lease payments	14,247	253,524
Occupational license fees and fines received for subsequent year		654,071
Special Revenue Funds		
Local Option Gas Tax- Escrow	123,045	
HUD – Fraud Recovery	447,123	
CDBG Housing Rehab Project notes receivable	1,126,535	
CRA - Lease receivables	9,339	
Golf Course- Lease receivables	1,500	
CMPA - Build America Bonds subsidy		455,859
CMPA - O&M		95,922
Grant request and draws prior to meeting all requirements	838,086	29,529
	<u>\$ 2,789,814</u>	<u>\$ 1,488,905</u>

In Proprietary funds, the Utility Fund has unearned revenue of \$129,609 which is related to the Purchase Gas Adjustment and the Airport Fund has unearned revenue of \$42,698 which is related to federal and state grants.

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CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

**C. Capital Assets**

Capital asset activity for governmental activities for the fiscal year ended September 30, 2016 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Non-depreciable assets:				
Land	\$ 22,801,838	\$ 0	\$ 0	\$ 22,801,838
Works of Art	0	77,500		77,500
Construction in progress	5,078,347	11,223,608	(12,687,903)	3,614,052
Total Non-depreciable assets	<u>27,880,185</u>	<u>11,301,108</u>	<u>(12,687,903)</u>	<u>26,493,390</u>
Depreciable assets:				
Buildings	117,131,584	243,009	0	117,374,593
Improvements	58,327,247	317,621	(1,013,959)	57,630,909
Infrastructure	103,229,470	5,411,119	0	108,640,589
Equipment	44,894,503	8,319,497	(3,210,549)	50,003,451
Total Depreciable assets	<u>323,582,804</u>	<u>14,291,246</u>	<u>(4,224,508)</u>	<u>333,649,542</u>
Less accumulated depreciation for:				
Buildings	26,655,875	2,566,292	0	29,222,167
Improvements	20,358,149	2,300,865	(1,013,959)	21,645,055
Infrastructure	30,669,077	3,898,568	0	34,567,645
Equipment	29,827,496	2,970,273	(3,144,525)	29,653,244
Total accumulated depreciation	<u>107,510,597</u>	<u>11,735,998</u>	<u>(4,158,484)</u>	<u>115,088,111</u>
Total depreciable assets net of depreciation	<u>216,072,207</u>	<u>2,555,248</u>	<u>(66,024)</u>	<u>218,561,431</u>
<b>Governmental activities net capital assets</b>	<u>\$ 243,952,392</u>	<u>\$ 13,856,356</u>	<u>\$ (12,753,927)</u>	<u>\$ 245,054,821</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 2016, the net book value of assets held by Internal Service Funds is \$2,195,469. Per GASB 61 requirements, CMPA O&M is reported on the entity-wide statement as a governmental activity. Details for CMPA capital asset activity is located in the next schedule. Total depreciation expense for governmental activities for fiscal year 2016 is \$11,741,100. The difference between depreciation expense of \$11,741,100 and the \$11,735,998 increase in accumulated depreciation is \$5,102, which is a 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, 2016

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

Capital asset activity for the City's blended component unit, CMPA, for the fiscal year ended September 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>CMPA :</b>				
Non-Depreciable Assets:				
Construction in Progress	\$ 3,010	\$	\$ (3,010)	\$ 0
Works of Art	0	77,500	0	77,500
Total Non-depreciable assets	<u>3,010</u>	<u>0</u>	<u>(3,010)</u>	<u>77,500</u>
Depreciable Assets:				
Buildings	26,500,299	0	0	26,500,299
Improvements	26,346,820	138,217	3,010	26,488,047
Equipment	3,558,958	19,648	0	3,578,606
Total Depreciable assets	<u>56,406,077</u>	<u>157,865</u>	<u>3,010</u>	<u>56,566,952</u>
Less accumulated depreciation for:				
Building	1,841,338	530,006	0	2,371,344
Improvements	3,985,479	1,226,021	0	5,211,500
Equipment	1,705,892	491,342	0	2,197,234
Total accumulated depreciation	<u>7,532,709</u>	<u>2,247,369</u>	<u>0</u>	<u>9,780,078</u>
Total depreciable assets net of depreciation	<u>48,873,368</u>	<u>(2,089,504)</u>	<u>3,010</u>	<u>46,786,874</u>
<b>CMPA net capital assets</b>	<b>\$ <u>48,876,378</u></b>	<b>\$ <u>(2,089,504)</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>46,864,374</u></b>

The preceding schedule includes capital assets and accumulated depreciation for governmental funds. Total depreciation expense for CMPA for fiscal year 2016 is \$2,247,369.

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

Capital asset activity for business-type activities for the fiscal year ended September 30, 2016 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b><u>Business-type activities:</u></b>				
Non-Depreciable Assets:				
Land	\$ 32,895,353	\$ 1,448,840	\$ 0	\$ 34,344,193
Construction in Progress	2,982,117	9,200,492	(2,969,356)	9,213,253
Total Non-depreciable assets	<u>35,877,470</u>	<u>10,649,332</u>	<u>(2,969,356)</u>	<u>43,557,446</u>
Depreciable Assets:				
Buildings	146,783,667	47,000	0	146,830,667
Improvements	171,573,875	4,729,589	(545,186)	175,758,278
Equipment	30,511,797	1,318,401	(57,384)	31,772,814
Total Depreciable assets	<u>348,869,339</u>	<u>6,094,990</u>	<u>(602,570)</u>	<u>354,361,759</u>
Less accumulated depreciation for:				
Building	65,826,119	5,169,292	0	70,995,411
Improvements	87,750,194	5,932,162	(515,714)	93,166,642
Equipment	20,163,299	1,574,992	(27,586)	21,710,705
Total accumulated depreciation	<u>173,739,612</u>	<u>12,676,446</u>	<u>(543,300)</u>	<u>185,872,758</u>
Total depreciable assets net of depreciation	<u>175,129,727</u>	<u>(6,581,456)</u>	<u>(59,270)</u>	<u>168,489,001</u>
<b>Business-type activities net capital assets</b>	<u>\$ 211,007,197</u>	<u>\$ 4,067,876</u>	<u>\$ (3,028,626)</u>	<u>\$ 212,046,447</u>

Total depreciation expense for business-type activities for fiscal year 2016 is \$12,671,344. The difference between depreciation expense and the increase in accumulated depreciation is \$5,102, 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, 2016

**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	\$	749,173
Public Safety		1,596,428
Physical Environment		72,505
Transportation		276,882
Economic Environment		2,287,857
Culture and Recreation		2,492,921
Unallocated Infrastructure		3,898,568
Capital assets held by governmental type internal service funds are charged to the various functions based on their usage		366,766
<b>Total depreciation expense- governmental activities</b>	<b>\$</b>	<b><u><u>11,741,100</u></u></b>

Infrastructure reported per requirement of GASB 34 is presented as a separate line item instead of a specific function/program. Culture and Recreation includes accumulated depreciation in the amount of \$2,247,369 for CMPA.

**Business-type activities:**

Gas	\$	1,723,799
Sanitation		257,426
Port		1,038,743
Airport		9,651,376
<b>Total depreciation expense- business-type activities</b>	<b>\$</b>	<b><u><u>12,671,344</u></u></b>

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 \$ 586,343 as reported in the governmental activities.



CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

**D. Interfund Receivables, Payables, and Transfers**

Interfund receivables/payables balances as of September 30, 2016, are as follows:

	<u>Due To</u>	<u>Due From</u>	<u>Advance To</u>	<u>Advance From</u>
<b>Governmental activities:</b>				
General Fund	\$	\$ 336,724	\$	\$
Local Option Sales Tax Fund				4,117,972
Housing Assistance Fund	15,201			
Community Redevelopment Agency			648,704	
Eastside Tax Increment Financing District				500,000
Nonmajor Governmental Funds	1,382,461	1,334,885	4,117,972	648,704
Internal Service Funds	62,989	230,598	931,308	11,664
Total Governmental activities	<u>1,460,651</u>	<u>1,902,207</u>	<u>5,697,984</u>	<u>5,278,340</u>
<b>Business-type activities:</b>				
Utility Fund	210,676	128,700	685,100	299,056
Sanitation Fund	283,825			785,141
Port Fund	9,622			
Airport Fund	66,133			20,547
Total Business-type activities	<u>570,256</u>	<u>128,700</u>	<u>685,100</u>	<u>1,104,744</u>
Total governmental and business-type activities	<u>\$ 2,030,907</u>	<u>\$ 2,030,907</u>	<u>\$ 6,383,084</u>	<u>\$ 6,383,084</u>

*Internal balances-current* reported in the government-wide statement of net position in the amount of \$441,556 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 \$419,644 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, 2016

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

For the year ended September 30, 2016, interfund transfers are as follows:

<b>Governmental activities:</b>			
<u>Major Governmental Funds</u>	<b>Transfer In</b>	<b>Transfer Out</b>	<b>Purpose</b>
General Fund	\$ 8,000,000	\$ 4,836,946	Transfer from Utility Fund UCRT, Golf, CMPA O&M, Eastside TIF, Westside TIF, Stormwater Capital
Community Redevelopment Agency (CRA)	3,862,004	1,894,745	Transfer from UCRT and CMPA O&M Transfer to CMPA O&M Fund and project support payments to CMPA Construction Fund
Urban Core Redevelopment Trust (UCRT)	1,662,929	4,431,384	City's required contribution Transfer to CRA and CRA Debt Service
Eastside Tax Increment Financing District	35,474		City's required contribution
Westside Tax Increment Financing District	36,293		City's required contribution
CRA Debt Service	583,128		Transfer from UCRT
Local Option Sales Tax	175,479		Transfer from Internal Service Fund
<u>Nonmajor Governmental Funds</u>			
Local Option Gasoline Tax (LOGT)		2,124,700	Transfer to Local Option Gas Tax Debt Service
Golf Course Fund	220,000		Transfer from General Fund
Recreation Fund		13,558	Transfer to CMPA O&M and CMPA Construction Fund
CMPA O&M Fund	117,058	223,748	Transfer from General Fund and Recreation Fund Transfer to CRA and CMPA Construction Fund
Local Option Gasoline Tax Debt Service Fund	2,124,700		Transfer from LOGT Fund
Stormwater Capital Fund	2,772,250		Transfer from General Fund
CMPA Construction	2,111,245		Transfer from CRA for project support payments, CMPA O&M Fund and Recreation Fund
Internal Service Fund (ISF)		175,479	Transfer to Local Option Sales Tax
		82,074	Capital asset transfer to Port Fund
<b>Business-type activities:</b>			
Utility Fund		8,000,000	Transfer to General Fund
Port Fund	82,074		Capital asset transfer from ISF fund
Total	\$ <u>21,782,634</u>	\$ <u>21,782,634</u>	

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

*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 Local Option Sales Tax Fund has had a negative fund balance of \$83,815 for the year ended September 30, 2016. This amount represents expenditures incurred which are to be funded with revenues received in the subsequent fiscal years.

The Sanitation Fund has a negative fund balance of \$1,847,652 for the year ended September 30, 2016. 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 operating transfers will be used to build up the fund balance in future years.

**F. Long-term Debt**

**Individual Bond Issues and Notes Payable**

Below are the City's individual bond issues as well as the material bond issues for the City's component units which were outstanding at September 30, 2016:

**Governmental activities:**

**Major Funds**

\$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 of the CRA and a covenant to budget and appropriate non-ad valorem revenues of the City. Final maturity of principal occurs on April 1, 2020.

\$ 4,435,000

\$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 of the CRA, Federal Subsidy Payments and 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

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

\$18,190,000 Capital Funding Revenue Bonds, Series 2010A-1 and 2010A-2:

\$5,910,000 Capital Funding Revenue Bonds, Series 2010A-1 were derived from participation in the Gulf Breeze Loan Pool which refinanced the existing Capital Improvement Revenue Bonds, Series 2000A. The 2010A-1 bonds are all serial bonds with a rate of 4.00% - 5.00% with annual principal installments beginning October 1, 2012. Debt service payments are secured with the Infrastructure Sales Tax revenues and to the extent of any deficiency, Communications Services Tax revenues. Final maturity of principal occurs on October 1, 2017. 2,165,000

\$12,280,000 Capital Funding Revenue Bonds, Series 2010A-2 were derived from participation in the Gulf Breeze Loan Pool which refinanced the existing Capital Improvement Revenue Bonds, Series 2000B. The 2010A-2 bonds are all serial bonds with a rate of 4.00% - 5.00% with annual principal installments beginning October 1, 2012. Debt service payments are secured with the Infrastructure Sales Tax revenues and to the extent of any deficiency, Communications Services Tax revenues. Final maturity of principal occurs on October 1, 2017. 4,495,000

Unamortized discounts and premiums (170,228)

Total Major Fund Types 49,849,772

**Nonmajor Funds**

\$14,314,000 Local Option Gas Tax Revenue Bond, Series 2016 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 commence 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. 14,314,000

*Community Maritime Park Associates, Inc. (CMPA):*

\$54,079,902 Community Development Entities (CDEs) Note with interest rates ranging from .5016% to 4.641% and annual principal installments beginning October 1, 2017. Debt service payments are secured with assets of the CMPA. Final maturity of principal occurs on October 1, 2040. 54,079,902

Total Nonmajor Fund Types 68,393,902

Total Governmental Activities \$ 118,243,674

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

**Business-type Activities:**

**Utility Enterprise**

\$12,255,000 Capital Funding Revenue Bonds, Series 2010B-1 and 2010B-2:

\$5,345,000 Capital Funding Revenue Bonds, Series 2010B-1 were derived from participation in the Gulf Breeze Loan Pool which refinanced the existing loan for the Gas System Revenue Bonds, 2008. The 2010B-1 bonds are all serial bonds with a rate of 3.00% - 4.00% with annual principal installments beginning October 1, 2010. Debt service payments are secured with Net Revenues of the Utility System. Final maturity of principal occurs on October 1, 2017. \$ 1,480,000

\$6,910,000 Capital Funding Revenue Bonds, Series 2010B-2 refunded the outstanding principal of Gas System Revenue Bonds, Series 1999. The 2010B-2 bonds are all serial bonds with a rate of 3.00% - 4.00% with annual principal installments beginning October 1, 2010. Debt service payments are secured with Net Revenues of the Utility System. Final maturity of principal occurs on October 1, 2017. 1,900,000

\$5,000,000 Gas System Revenue Note, Series 2011, 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. 3,130,000

Total Utility Enterprise 6,510,000

**Airport Enterprise**

\$35,780,000 Airport Capital Improvement Revenue Bonds, Series 2008A and 2008B:

\$29,060,000 Airport Capital Improvement Revenue Bonds, Series 2008A. \$4,805,000 of serial bonds have a fixed interest rate of 5% - 5.5% with annual principal installments beginning October 2009 and maturing October 2018, \$8,630,000 of term bonds with a fixed interest rate of 6% maturing October 2028 and \$15,625,000 with a fixed interest rate of 6.25%. Debt service payments are secured with Net Revenues of the Airport. Final maturity of principal occurs on October 1, 2038. 26,025,000

\$6,720,000 Airport Capital Improvement Revenue Bonds, Series 2008B. \$995,000 of serial bonds have a fixed interest rate of 5% - 5.5% with annual principal installments beginning October 2011 and maturing October 2018, \$2,040,000 of term bonds with a fixed interest rate of 6% maturing October 2028 and \$3,685,000 with a fixed interest rate of 6.25%. Debt service payments are secured with Net Revenues of the Airport. Final maturity of principal occurs on October 1, 2038. 6,145,000

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

<p>\$11,800,000 Airport Taxable Customer Facility Charge Revenue Note, Series 2008. 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 2018 at which point the loan expires and principal is due in full.</p>	8,800,000
<p>\$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.</p>	3,760,000
<p>\$6,300,000 Airport Revenue Note, Series 2012, taxable note has a fixed interest rate period commencing April 1, 2013, to and including October 1, 2017, payable each April 1 and October 1 of each year, and a variable interest rate period starting November 1, 2017, to and including October 1, 2027, payable on the first day each month thereafter. The fixed interest rate is 2.5% and the variable interest rate is equal the sum of the Treasury Swap Rate plus one hundred and fifty basis points per annum (1.50%), computed on the principal amount outstanding as of such date. Principal payments commence 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.</p>	6,300,000
<p>\$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 commence 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.</p>	12,465,000
<p>Unamortized discounts</p>	<u>(425,647)</u>
<p>Total Airport Enterprise</p>	<u>63,069,353</u>
<p>Total Business-type Activities</p>	<u>\$ 69,579,353</u>

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**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 units year ended September 30, 2016:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Due to other governments	\$ 15,600,000	\$	\$ (1,300,000)	\$ 14,300,000	\$ 1,300,000
Bonds payable	53,537,450	14,314,000	(3,687,678)	64,163,772	4,561,000
Claims and judgments	2,159,440	1,046,080	(1,294,039)	1,911,481	
Compensated absences	2,916,022	7,786,966	(7,880,742)	2,822,246	215,926
Notes payable	54,079,902			54,079,902	359,199
Capital lease payable	6,539,339		(38,386)	6,500,953	39,999
OPEB	8,398,951	675,225		9,074,176	
Pension liability	67,416,701	48,930,601	(14,869,844)	101,477,458	
Governmental activity long-term liabilities	<u>\$ 210,647,805</u>	<u>\$ 72,752,872</u>	<u>\$ (29,070,689)</u>	<u>\$ 254,329,988</u>	<u>\$ 6,476,124</u>
<b>Business-type activities</b>					
Bonds payable	\$ 56,395,726	\$	\$ (17,511,373)	\$ 38,884,353	\$ 3,580,000
Notes payable	18,715,000	12,465,000	(485,000)	30,695,000	1,410,000
Compensated absences	1,398,140	968,503	(890,830)	1,475,813	95,742
OPEB	3,266,091	270,336		3,536,427	
Pension liability	20,478,132	13,006,868	(7,179,912)	26,305,088	
Business-type activity long-term liabilities	<u>\$ 100,253,089</u>	<u>\$ 26,710,707</u>	<u>\$ (26,067,115)</u>	<u>\$ 100,896,681</u>	<u>\$ 5,085,742</u>

Bonds payable for governmental activities includes \$269,418 of unamortized discounts and unamortized premium of \$99,190. Bonds payable for business-type activities is reported net of unamortized discounts in the amount of \$425,647. 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, 2016

**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 45, *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 units 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
2017	\$ 4,561,000	\$ 3,475,482	\$ 8,036,482
2018	5,793,000	3,266,172	9,059,172
2019	2,446,000	3,111,390	5,557,390
2020	2,515,000	3,041,888	5,556,888
2021	2,590,000	2,967,199	5,557,199
2022-2026	14,197,000	13,110,958	27,307,958
2027-2031	10,307,000	9,901,087	20,208,087
2032-2036	11,060,000	6,385,237	17,445,237
2037-2040	10,865,000	2,002,939	12,867,939
<b>Total</b>	<b>64,334,000</b>	<b>47,262,352</b>	<b>111,596,352</b>
Less: Current	(4,561,000)	-	(4,561,000)
<b>Total government debt</b>	<b>\$ 59,773,000</b>	<b>\$ 47,262,352</b>	<b>\$ 107,035,352</b>

Does not include nonmajor fund (CMPA) debt service of \$54,079,902 (see chart on the following page for CMPA). Principal is shown in gross, excluding unamortized discounts of \$170,228. Interest shown does not include the \$15,710,589 BAB subsidy on the Redevelopment Revenue Bonds, Series 2008.



CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

Component Unit Long-Term Debt

Community Maritime Park Associates, Inc. (CMPA)

Fiscal Year Ending September 30,	Principal	Interest	Total Principal and Interest
2017	\$ 331,578	\$ 1,873,159	\$ 2,204,737
2018	1,365,376	1,972,711	3,338,087
2019	1,430,124	1,929,907	3,360,031
2020	1,497,913	1,866,662	3,364,575
2021	1,568,945	1,809,844	3,378,789
2022-2026	9,033,526	8,097,860	17,131,386
2027-2031	11,388,844	6,213,461	17,602,305
2032-2036	14,354,722	3,841,004	18,195,726
2037-2041	13,108,874	955,029	14,063,903
<b>Total</b>	<u>54,079,902</u>	<u>28,559,637</u>	<u>82,639,539</u>
Less: Current	<u>(331,578)</u>	<u>-</u>	<u>(331,578)</u>
<b>Total component unit debt, CMPA</b>	<u>\$ 53,748,324</u>	<u>\$ 28,559,637</u>	<u>\$ 82,307,961</u>

Business-Type Activities Long-Term Debt

Fiscal Year Ending September 30,	Principal	Interest	Total Principal and Interest
2017	\$ 4,990,000	\$ 3,135,291	\$ 8,125,291
2018	5,130,000	3,145,024	8,275,024
2019	12,851,000	2,602,751	15,453,751
2020	2,862,000	2,319,154	5,181,154
2021	2,968,000	2,207,357	5,175,357
2022-2026	14,239,000	9,280,903	23,519,903
2027-2031	10,640,000	6,306,155	16,946,155
2032-2036	9,260,000	3,725,000	12,985,000
2037-2039	7,065,000	679,844	7,744,844
<b>Total</b>	<u>70,005,000</u>	<u>33,401,479</u>	<u>103,406,479</u>
Less: Current	<u>(4,990,000)</u>	<u>-</u>	<u>(4,990,000)</u>
<b>Total business-type debt</b>	<u>\$ 65,015,000</u>	<u>\$ 33,401,479</u>	<u>\$ 98,416,479</u>

Principal is shown in gross, excluding unamortized discounts \$425,647.

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

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 2018 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 2016 ranged between 0.94% and 1.24% resulting in interest expense of \$102,218. As of September 30, 2016 the outstanding balance of the Note is \$8,800,000.

Business-type activities long-term debt includes the Airport Revenue Note, Series 2012, dated September 28, 2012 for \$6,300,000. The taxable note has a fixed interest rate period commencing April 1, 2013, to and including October 1, 2017, and a variable interest rate period starting November 1, 2017, to and including October 1, 2027. The fixed interest rate is 2.5% and the variable interest rate is equal the sum of the Treasury Swap Rate plus one hundred and fifty basis points per annum (1.50%), computed on the principal amount outstanding as of such date. For purposes of the Debt Service Requirement Summary, the variable interest rate is computed at 4.45%. As of September 30, 2016 the outstanding balance of the Note is \$6,300,000.

**Debt Issuances and Refundings**

*Refunding of the Airport Refunding Revenue Bonds, Series 2005A.* On October 16, 2015 the City refunded the Airport Refunding Revenue Bonds (Non-AMT), Series 2005A through a bank borrowing from Regions Capital Advantage, Inc. The outstanding par amount of the bonds was \$13,345,000; however, the loan amount was reduced by \$880,000 through a release of required debt service reserve netting a borrowing amount of \$12,465,000. The newly issued Airport Refunding Revenue Note, Series 2015 has a fixed rate of 2.55 percent. The issued rate on the 2005A Series bonds ranged from 3 percent to 4.375 percent. Total debt service on the old bonds was \$17,306,256 as compared to the 2015 Series note of \$14,610,841, for a net present value savings of 9.77% or \$1,304,167 and a final maturity of October 1, 2027. Pledged revenues for the repayment of the principal and interest will be derived from the net revenues of the Pensacola International Airport.

*Issuance of the Local Option Gas Tax Revenue Bond, Series 2016.* On July 25, 2016 the City issued \$14,314,000 of Local Option Gas Tax Revenue Bond, Series 2016 through a loan with Raymond James Capital Funding, Inc. The bond 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 matures on December 31, 2026 and has a fixed interest rate of 1.83%. Pledged revenues for the repayment of the principal and interest will be derived from the Local Option Gasoline Tax (LOGT) revenues. In the event that LOGT is insufficient to pay debt service, the loan is further secured by a covenant to budget and appropriate from the City's non-ad valorem revenues.

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**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 \$6,299,600 of Taxable Airport Facilities Grant Anticipation Note, Series 2016 through a draw-down bank financing from Compass Bank. The 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 note matures on October 1, 2019 and has a floating rate equal to LIBOR plus 178 basis points. 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%. Pledged revenues for the repayment of the principal, interest and the payment of obligations under the associated interest rate swap will be derived from the grant proceeds. The City may make draws of principal through January 1, 2018. As of September 30, 2016, no funds have been drawn-down.

**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. As of September 30, 2016, no funds have been drawn-down on the 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 9/30/2016	Termination Date
Series 2010	\$ 12,310,000	9/29/10	2.39%	65% of Libor + 98 bps	(\$56,739)	10/1/18
Series 2016	\$ 6,299,600	9/23/16	3.01%	Libor + 178 bps	(\$27,990)	10/1/19

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

**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.

The table below presents the debt service obligation for the 2010 Bonds using the loan rate at September 30, 2016 (1.63%-floor) and the net swap payment. As rates vary, variable-rate bond interest payments and net swap payments will vary. The 2016 Note is not presented as no funds have been drawn-down as of September 30, 2016.

<b>Airport Revenue Refunding Bonds, Series 2010</b>				
<b>Variable-Rate Bonds</b>				
<b>Fiscal Year</b>			<b>Interest Rate</b>	
<b>Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Swaps, Net</b>	<b>Total</b>
<b>September 30,</b>				
2017	\$ 1,225,000	\$ 51,304	\$ 23,921	\$ 1,300,225
2018	1,250,000	31,133	14,516	1,295,649
2019	1,285,000	10,473	4,883	1,300,356
<b>Total</b>	<b>\$ 3,760,000</b>	<b>\$ 92,910</b>	<b>\$ 43,320</b>	<b>\$ 3,896,230</b>

**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, 2016**

**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 to repay \$45,640,000 in Bonds issued in 2009. Proceeds of the bonds provided financing for the construction of a Community Maritime Park. The bonds are secured by a Covenant to Budget and Appropriate, Tax Increment Revenues and, with respect to the Series 2009B Bonds, Federal Direct Payments and are payable through 2040. Principal and interest paid for the current year were \$3,601,481 and Tax Increment Revenues and Federal Direct Payments for the current year were \$4,427,771 and \$909,273, respectively.

The City has pledged future Infrastructure Sales Tax to repay \$18,190,000 in Bonds issued in 2010. Proceeds of the bonds were used to refinance its Capital Improvement Revenue Bond, Series 2000. Debt service payments are secured with the Infrastructure Sales Tax revenues and to the extent of any deficiency, Communications Services Tax revenues through 2017. Principal and interest paid for the current year were \$3,685,986 and Infrastructure Sales Tax revenues for the current year were \$7,662,504.

The City has pledged future Local Option Gasoline Tax (LOGT) revenues to repay \$14,314,000 in 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 \$0 as the first interest payment is due December 31, 2016 and LOGT revenues for the current year were \$1,462,265 (additional information can be found in Citywide topics under Letter of Transmittal).

The City has pledged future Net Revenues of the Utility System to repay \$17,255,000 in Bonds and Notes issued in 2010 and 2011. 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 2021. Principal and interest paid (cash basis) for the current year were \$2,314,770 and net revenues for the current year were \$13,192,343.

**CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

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

The City has pledged future Net Revenues of the Airport to repay \$60,135,000 in Bonds and Notes issued between 2008 and 2016. Proceeds of the bonds were used finance the acquisition, construction and rehabilitation improvements to the Airport Facilities as well as to refinance its Airport Revenue Refunding Bond, Series 2005A. 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 \$3,261,896 and net revenues for the current year were \$6,719,332. Net Revenues excludes CFC revenues of \$2,415,207 pledged towards the Airport Taxable Customer Facility Charge Revenue Note, Series 2008 and operating expenditures of \$640,000.

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 2018. Principal and interest paid (cash basis) for the current year were \$94,265 and net revenues for the current year were \$1,775,207.

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. The City may make draws of principal through January 1, 2018. As of September 30, 2016, no funds have been drawn-down.

The City has pledged future Passenger Facility Charge (PFC) revenue (to the extent they are deposited into the Bond Fund) of the Airport to repay \$6,720,000 in Bonds issued in 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 \$2,135,738 and net revenues for the current year were \$3,126,772.

**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.

CITY OF PENSACOLA, FLORIDA  
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**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

On October 14, 1999, the Bonds were issued to provide funds to finance the costs of acquiring and constructing capital projects undertaken by 10 ports located in the State of Florida (the "Ports"), including the City. The amount allocated to the City was not to exceed \$3,000,000, which was available for approved expenditures. The Commission loaned the proceeds of the Bonds (the "Loans") to the Ports pursuant to separate loan agreements (the "Loan Agreements") entered into between each of the Ports individually and the Commission.

The Loan Agreement entered into by the City provides that the City will repay its Loan solely from 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, 2016

**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 records 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.

**G. Fund Balance Disclosure**

Fund Balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing ones, or enhance the financial position of the City, in accordance with policies established by the City Council. In accordance with Governmental Accounting and Financial Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies fund balance as follows.

Non-Spendable Fund Balance – Amounts that are not in a spendable form or are required to be maintained intact (such as inventory or prepaids).

Restricted Fund Balance – Amounts that can be spent only for the specific purposes stipulated by external resource providers (such as grantors), or enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision making authority. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally. An Ordinance adopted by Council establishes a fund balance commitment.

Assigned Fund Balance – Amounts the City intends to use for a specific purpose. The City Council via resolution or the Mayor, as authorized by City Council Policy (enacted through resolution), establishes fund balance assignments.

Unassigned Fund Balance – The residual classification for the General Fund and includes amounts that are not contained in the other classifications. Unassigned amounts are the portion of fund balance which is not obligated or specifically designated and is available for any purpose. The general fund is the only fund that reports a positive unassigned balance amount.



CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

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. The Council Reserve, which is required to be a minimum of 15 percent of the General Fund beginning adopted appropriations, is reported as committed fund balance in the General Fund. The Council Reserve shall not be used until current year revenues decrease by 5 percent or more of the total adopted beginning estimated revenues, including transfers and all efforts have been exhausted to fund unanticipated needs and/or emergencies, such as implementing a modified hiring freeze and expenditure reductions. Upon determination of the need, the Mayor may initiate use of the reserves through written communication to the City Council, explaining the nature of the emergency with approval by a two-thirds vote of City Council. Proceeds from the sale of City (general government) owned surplus real property, specifically approved by City Council for such purpose, and any other funds identified in the annual budget (and amendments thereto) will be used to increase the reserve. Interest earnings will be applied on the reserve balance each fiscal year.

The City does not have a formal minimum fund balance policy for unassigned fund balance. A schedule of City fund balances is provided in the following pages.

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**CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

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

	<b>Major Funds</b>			
	<b>General Fund</b>	<b>Community Redevelopment Agency</b>	<b>Urban Core Redevelopment Trust</b>	<b>Eastside Tax Increment Financing District</b>
<i><b>Fund Balance</b></i>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays	28,729	743		
Subtotal non-spendable fund balance	28,729	743	-	-
Restricted				
Maritime park bonds leveraged for NMTC				
Additional maritime park		39,813,626		
Wastewater treatment plant relocation				
2009 Redevelopment Ref Bond debt payments				
Stormwater projects				
Housing assistance payments				
Section 8 program administrative				
Natural disaster projects				
General government	180,415			
Transportation	17,830			
Physical Environment				
Saenger capital	299,352			
DOJ Equitable Sharing Agreement				
Public safety	22,779			
Community development projects		2,034,939		1,029,555
Culture and recreation	144,907			
Building inspections				
SHIP Program				
HOME Program				
Subtotal restricted fund balance	665,283	41,848,565	-	1,029,555
Committed				
Council Reserve	9,737,419			
Tree landscape	405,756			
Park purchases				
Culture and recreation				
Stormwater projects				
Subtotal committed fund balance	10,143,175	-	-	-
Assigned				
General government	1,756,325			
Lien amnesty	29,193			
Economic Development	853,600			
Culture and recreation				
Other assigned	1,171			
Subtotal assigned fund balance	2,640,289	-	-	-
Unassigned				
	1,128,736			(391,023)
<i>Total Fund Balance</i>	<u>\$ 14,606,212</u>	<u>\$ 41,849,308</u>	<u>\$ -</u>	<u>\$ 638,532</u>

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

	Major Funds			
	Westside Tax Increment Financing District	CRA Debt Service	Housing Assistance Payments	Local Option Sales Tax
<i>Fund Balance</i>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays			658	3,415,663
Subtotal non-spendable fund balance	-	-	658	3,415,663
Restricted				
Maritime park bonds leveraged for NMTC				
Additional maritime park				
Wastewater treatment plant relocation				
2009 Redevelopment Ref Bond debt payments		3,913,223		
Stormwater projects				
Housing assistance payments				
Section 8 program administrative			3,449,839	
Natural disaster projects				
General government				
Transportation				167,070
Physical Environment				
Saenger capital				
DOJ Equitable Sharing Agreement				
Public safety				413,079
Community development projects	132,785			
Culture and recreation				194,232
Building inspections				
SHIP Program				
HOME Program				
Subtotal restricted fund balance	132,785	3,913,223	3,449,839	774,381
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Culture and recreation				
Stormwater projects				
Subtotal committed fund balance	-	-	-	-
Assigned				
General government				
Lien amnesty				
Economic Development				
Culture and recreation				
Other assigned				
Subtotal assigned fund balance	-	-	-	-
Unassigned				
				(4,273,859)
<i>Total Fund Balance</i>	<u>\$ 132,785</u>	<u>\$ 3,913,223</u>	<u>\$ 3,450,497</u>	<u>\$ (83,815)</u>

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

	Nonmajor Funds			
	Major Funds	Special Revenue Funds		
	Local Option Gas Tax Project Fund	Special Grants	Local Option Gasoline Tax	Community Development Block Grant
<i>Fund Balance</i>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays				
Subtotal non-spendable fund balance	-	-	-	-
Restricted				
Maritime park bonds leveraged for NMTC				
Additional maritime park				
Wastewater treatment plant relocation				
2009 Redevelopment Ref Bond debt payments				
Stormwater projects				
Housing assistance payments				
Section 8 program administrative				
Natural disaster projects				
General government				
Transportation	13,852,179	4,006	97,553	
Physical Environment		1,311,395		
Saenger capital				
DOJ Equitable Sharing Agreement				
Public safety		4,000		
Community development projects				534
Culture and recreation				
Building inspections				
SHIP Program		22,230		
HOME Program		140,099		
Subtotal restricted fund balance	13,852,179	1,481,730	97,553	534
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Culture and recreation				
Stormwater projects				
Subtotal committed fund balance	-	-	-	-
Assigned				
General government				
Lien amnesty				
Economic Development				
Culture and recreation				
Other assigned				
Subtotal assigned fund balance	-	-	-	-
Unassigned		(1,319,402)		(534)
Total Fund Balance	\$ 13,852,179	\$ 162,328	\$ 97,553	\$ -

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

<i><b>Fund Balance</b></i>	<b>Nonmajor Funds</b>			
	<b>Special Revenue Funds</b>			
	<b>Stormwater Utility Fund</b>	<b>Law Enforcement Trust</b>	<b>Natural Disaster Fund</b>	<b>Golf Course Fund</b>
Non-spendable				
Inventories	\$	\$	\$	\$ 6,346
Prepays	864			2,650
Subtotal non-spendable fund balance	864	-	-	8,996
Restricted				
Maritime park bonds leveraged for NMTC				
Additional maritime park				
Wastewater treatment plant relocation				
2009 Redevelopment Ref Bond debt payments				
Stormwater projects	18,178			
Housing assistance payments				
Section 8 program administrative				
Natural disaster projects			3,122,664	
General government				
Transportation				
Physical Environment				
Saenger capital				
DOJ Equitable Sharing Agreement		142,631		
Public safety		181,783		
Community development projects				
Culture and recreation				8,908
Building inspections				
SHIP Program				
HOME Program				
Subtotal restricted fund balance	18,178	324,414	3,122,664	8,908
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Culture and recreation				
Stormwater projects	803,742			
Subtotal committed fund balance	803,742	-	-	-
Assigned				
General government				
Lien amnesty				
Economic Development				
Culture and recreation				14,220
Other assigned				
Subtotal assigned fund balance	-	-	-	14,220
Unassigned				
<i><b>Total Fund Balance</b></i>	<b>\$ 822,784</b>	<b>\$ 324,414</b>	<b>\$ 3,122,664</b>	<b>\$ 32,124</b>

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

	Nonmajor Funds			
	Special Revenue Funds			
	Inspections Fund	Recreation Fund	Tennis Fund	CMPA Management Services Fund
<b>Fund Balance</b>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays		984	1,154	8,746
Subtotal non-spendable fund balance	-	984	1,154	8,746
Restricted				
Maritime park bonds leveraged for NMTC				
Additional maritime park				
Wastewater treatment plant relocation				
2009 Redevelopment Ref Bond debt payments				
Stormwater projects				
Housing assistance payments				
Section 8 program administrative				
Natural disaster projects				
General government				
Transportation				
Physical Environment				
Saenger capital				
DOJ Equitable Sharing Agreement				
Public safety				
Community development projects				
Culture and recreation		12,850		
Building inspections	968,811			
SHIP Program				
HOME Program				
Subtotal restricted fund balance	968,811	12,850	-	-
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Culture and recreation				
Stormwater projects				
Subtotal committed fund balance	-	-	-	-
Assigned				
General government				
Lien amnesty				
Economic Development				
Culture and recreation		493,905	135,174	
Other assigned				
Subtotal assigned fund balance	-	493,905	135,174	-
Unassigned				(8,746)
<b>Total Fund Balance</b>	<b>\$ 968,811</b>	<b>\$ 507,739</b>	<b>\$ 136,328</b>	<b>\$ -</b>

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

	Nonmajor Funds				
	Special Revenue	Debt Service Fund		Capital Projects Funds	
	Funds	Local Option			
	CMPA O&M Fund	Gasoline Tax Debt Service	Deeptwater Horizon Incident	Stormwater Capital	
<i>Fund Balance</i>					
Non-spendable					
Inventories	\$	\$	\$	\$	
Prepays					
Subtotal non-spendable fund balance	-	-	-	-	
Restricted					
Maritime park bonds leveraged for NMTC					
Additional maritime park					
Wastewater treatment plant relocation					
2009 Redevelopment Ref Bond debt payments					
Stormwater projects				738,400	
Housing assistance payments					
Section 8 program administrative					
Natural disaster projects					
General government					
Transportation		2,129,964			
Physical Environment			926,610		
Saenger capital					
DOJ Equitable Sharing Agreement					
Public safety					
Community development projects					
Culture and recreation	475,071				
Building inspections					
SHIP Program					
HOME Program					
Subtotal restricted fund balance	475,071	2,129,964	926,610	738,400	
Committed					
Council Reserve					
Tree landscape					
Park purchases					
Culture and recreation	35,189				
Stormwater projects				5,686,590	
Subtotal committed fund balance	35,189	-	-	5,686,590	
Assigned					
General government					
Lien amnesty					
Economic Development					
Culture and recreation	54,089				
Other assigned			913,413		
Subtotal assigned fund balance	54,089	-	913,413	-	
Unassigned	(648,704)				
<i>Total Fund Balance</i>	<u>\$ (84,355)</u>	<u>\$ 2,129,964</u>	<u>\$ 1,840,023</u>	<u>\$ 6,424,990</u>	

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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

	<u>Nonmajor Funds</u>	
	<u>Capital Projects</u>	
	<u>Funds</u>	
	CMPA	
<i>Fund Balance</i>	<u>Construction Fund</u>	<u>Total All Funds</u>
Non-spendable		
Inventories	\$	6,346
Prepays		3,460,191
Subtotal non-spendable fund balance	-	3,466,537
Restricted		
Maritime park bonds leveraged for NMTC		-
Additional maritime park		39,813,626
Wastewater treatment plant relocation		-
2009 Redevelopment Ref Bond debt payments		3,913,223
Stormwater projects		756,578
Housing assistance payments		-
Section 8 program administrative		3,449,839
Natural disaster projects		3,122,664
General government		180,415
Transportation		16,268,602
Physical Environment		2,238,005
Saenger capital		299,352
DOJ Equitable Sharing Agreement		142,631
Public safety		621,641
Community development projects		3,197,813
Culture and recreation		835,968
Building inspections		968,811
SHIP Program		22,230
HOME Program		140,099
Subtotal restricted fund balance	-	75,971,497
Committed		
Council Reserve		9,737,419
Tree landscape		405,756
Park purchases		-
Culture and recreation		35,189
Stormwater projects		6,490,332
Subtotal committed fund balance	-	16,668,696
Assigned		
General government		1,756,325
Lien amnesty		29,193
Economic Development		853,600
Culture and recreation	102,012	799,400
Other assigned		914,584
Subtotal assigned fund balance	102,012	4,353,102
Unassigned		(5,513,532)
<i>Total Fund Balance</i>	\$ 102,012	\$ 94,946,300



CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**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
Police officers	2	100,000
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
W/C -Police & Fire	Per Florida Statutory Limits	750,000 Per Occurrence
Airport Operations	Per Florida Statutory Limits	750,000 Per Occurrence
Gas Operation	35	200,000 Per Occurrence
Gas Operation - Pollution	35	500,000 Per Occurrence

The City has established reserves of \$1,375,443 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 \$1,911,481 at September 30, 2016 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, 2016

**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, 2016, the claims liability for automobile, general and workers' compensation liability were \$216,494, \$189,658 and \$1,505,329, 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 2015 and 2016 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2015	\$2,373,616	1,127,358	(1,341,534)	\$2,159,440
2016	\$2,159,440	1,046,080	(1,294,039)	\$1,911,481

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CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**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, 2016**

	<u>General Pension and Retirement Fund</u>	<u>Firefighter's Relief and Pension Fund</u>	<u>Police Officers' Retirement Fund</u>	<u>Total Pension Trust Funds</u>
<b>ASSETS</b>				
Other cash	\$ 89,687	\$ 114,122	\$ 135,459	\$ 339,268
<b>Receivables:</b>				
Employer	9	73	81	163
Employee	6,918	8,037	4,195	19,150
Total receivables	<u>6,927</u>	<u>8,110</u>	<u>4,276</u>	<u>19,313</u>
<b>Investments :</b>				
Short term investments	2,316,589	2,476,792	1,299,967	6,093,348
Debt Securities & Bond Mutual Funds	26,544,598	23,254,757	18,198,918	67,998,273
Convertible Corporate Bonds	7,991,468	8,980,866		16,972,334
Stock Mutual Funds	22,024,528	11,213,630		33,238,158
Mortgage Backed Securities	23,714,390	14,666,459	13,015,049	51,395,898
Commingled Trust Fund	353,314	6,156,675	6,140,708	12,650,697
Domestic Stocks	46,412,588	42,241,468	39,829,952	128,484,008
Preferred Stocks	2,144,293	2,449,446		4,593,739
Foreign Stocks	3,406,016	2,449,409	7,475,232	13,330,657
Total investments	<u>134,907,784</u>	<u>113,889,502</u>	<u>85,959,826</u>	<u>334,757,112</u>
<b>Total assets</b>	<u>\$ 135,004,398</u>	<u>\$ 114,011,734</u>	<u>\$ 86,099,561</u>	<u>\$ 335,115,693</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 139,257	\$ 150,005	\$ 358,992	\$ 648,254
Total liabilities	<u>139,257</u>	<u>150,005</u>	<u>358,992</u>	<u>648,254</u>
<b>NET POSITION</b>				
Restricted for pensions	<u>\$ 134,865,141</u>	<u>\$ 113,861,729</u>	<u>\$ 85,740,569</u>	<u>\$ 334,467,439</u>

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**NOTE IV. – OTHER INFORMATION (Continued)**

**STATEMENT OF CHANGES IN NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b>General Pension and Retirement Fund</b>	<b>Firefighter's Relief and Pension Fund</b>	<b>Police Officers' Retirement Fund</b>	<b>Total Pension Trust Funds</b>
<b>Additions:</b>				
Contributions - city	\$ 6,788,560	\$ 2,508,856	\$ 3,830,736	\$ 13,128,152
Contributions - employee	360,693	421,774	227,357	1,009,824
Contributions - employee buy back		44,064		44,064
Commission recapture	3,319	2,985	3,569	9,873
Insurance proceeds - State of Florida		628,071	533,483	1,161,554
Total contributions	<u>7,152,572</u>	<u>3,605,750</u>	<u>4,595,145</u>	<u>15,353,467</u>
Investment income				
Net appreciation in fair value of investments	8,788,948	7,448,017	7,058,687	23,295,652
Interest and dividends	3,231,385	3,145,514	1,970,056	8,346,955
	<u>12,020,333</u>	<u>10,593,531</u>	<u>9,028,743</u>	<u>31,642,607</u>
Less investment expense	667,564	644,387	380,636	1,692,587
Net investment income	<u>11,352,769</u>	<u>9,949,144</u>	<u>8,648,107</u>	<u>29,950,020</u>
Total additions	<u>18,505,341</u>	<u>13,554,894</u>	<u>13,243,252</u>	<u>45,303,487</u>
<b>Deductions:</b>				
Pensions paid - employees	10,410,479	5,828,202	4,463,588	20,702,269
Pensions paid - widows	1,946,932	919,417	629,514	3,495,863
Pensions paid - children		6,370		6,370
Refunds to employees	82,082	40,024	11,595	133,701
Deferred retirement option plan	1,406,115	2,134,931	2,434,932	5,975,978
Health insurance assistance	133,280			133,280
Administrative expenses	107,880	151,322	93,853	353,055
Total deductions	<u>14,086,768</u>	<u>9,080,266</u>	<u>7,633,482</u>	<u>30,800,516</u>
<b>Change in net position</b>	4,418,573	4,474,628	5,609,770	14,502,971
<b>Net position restricted for pension benefits:</b>				
<b>Beginning of year</b>	<u>130,446,568</u>	<u>109,387,101</u>	<u>80,130,799</u>	<u>319,964,468</u>
<b>End of year</b>	\$ <u>134,865,141</u>	\$ <u>113,861,729</u>	\$ <u>85,740,569</u>	\$ <u>334,467,439</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, 2016

**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 and four 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, 2016

**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](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, the Firefighters' Relief and Pension Plan (GASB Updates), and the Police Officers' Retirement plan at September 30, 2015 consisted of the following:

	General Pension and Retirement	Firefighters' Relief and Pension	Police Officers' Retirement
Retirees and beneficiaries receiving benefits	618	161	138
Terminated plan members entitled to but not yet receiving benefits	68	3	13
DROP plan members	29	30	21
Active plan members	159	86	88
Total	874	280	260
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, 2016**

**NOTE IV. – OTHER INFORMATION (Continued)**

*Benefits Provided.* For the HIS Plan ended fiscal year ended June 30, 2016, 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, 2016**

**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 \$1,008,027 for the State’s fiscal year ended June 30, 2016.

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 \$213,159 for the State’s fiscal year ended June 30, 2016.

For the year ended September 30, 2016, 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%	103.51%	65.43%	87.61%
Regular Class	7.52%	N/A	N/A	N/A	N/A
Senior Mgmt	21.77%	N/A	N/A	N/A	N/A
Elect Officials	42.47%	N/A	N/A	N/A	N/A
DROP	12.99%	N/A	N/A	N/A	N/A
Special Risk	22.57%	N/A	N/A	N/A	N/A
Retired	4.49%	N/A	N/A	N/A	N/A
Sr.Mgmt Ret.	17.33%	N/A	N/A	N/A	N/A
Sp Risk Ret.	10.77%	N/A	N/A	N/A	N/A
State	N/A	N/A	N/A	16.38%	12.20%

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, 2016

**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, 2015 and the State Board of Administrations policy as of June 30, 2016.

	Florida Retirement System (FRS)	General Pension and Retirement	Firefighters' Relief and Pension	Police Officers' Retirement
Asset Class:				
Global Equity	53.0%			
Domestic Equity		40%	40%	45%
International Eq		15%	15%	15%
Master Limited Partnerships		5%	5%	
Real Estate	10.0%	8%	5%	
Convertible Sec		7%	10%	
Fixed Income	18.0%	25%	25%	25%
Private Equity	6.0%			
Strategic Investments				
Cash Equivalents/	12.0%			
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, 2016, the annual money-weighted rate of return on pension plan investments for the General Pension and Retirement Plan was 8.8 percent, the Firefighters’ Relief and Pension Plan was 9.3 and the Police Officers’ Retirement Fund was 11.11. 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, 2016**

**NOTE IV. – OTHER INFORMATION (Continued)**

**Reserves.** The Police Officers' Retirement Fund has a small portion of funds deposited in a Contribution Surplus Account (\$806,396) and a Chapter Funds account (\$396,897) as of September 30, 2015. These funds can be used to fund required contributions and possibly for benefit improvements respectively. Since mutual consent was agreed upon for the use of State Insurance Proceeds in the collective bargaining agreement, the Chapter Funds (\$396,897) are being used in fiscal years 2017 and 2018. Also, for fiscal years 2017 and 2018 \$198,345 of the Contribution Surplus Account are anticipated to be used.

**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 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, 2016 for the General Pension and Retirement Plan, Firefighters' Relief and Pension Plan and Police Officers' Retirement Fund were \$2,906,406, \$2,983,868 and \$2,847,300, 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, 2015, the Firefighters' Relief and Pension Plan as of October 1, 2015, the Police Officers' Retirement Fund as of October 1, 2015, and the Florida Retirement System and HIS Plan as of June 30, 2016, are provided in the table on the following page.

CITY OF PENSACOLA, FLORIDA  
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**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>
Total Pension Liability	\$ 177,061,219	\$ 126,136,793	\$ 127,372,222	\$ 69,042,762	\$ 4,894,129
Plan Fiduciary Net Position	<u>(130,446,568)</u>	<u>(108,697,588)</u>	<u>(78,927,506)</u>	<u>(58,605,567)</u>	<u>(47,350)</u>
City Net Pension Liability	<u>46,614,651</u>	<u>17,439,205</u>	<u>48,444,716</u>	<u>10,437,195</u>	<u>4,846,779</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.67%	86.17%	62.00%	84.89%	0.97%

*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 2015 and 2016 relative to the contributions of all participates.

At June 30, 2016 the City’s FRS Plan proportionate share of net pension liability was .0413%, which was an increase of .0019% from its proportionate share of .0394% measured as June 30, 2015. The City’s HIS proportionate share of net pension liability was .0416% which was an increase of .0011% from its proportionate share .0405% measured as of June 30, 2015.

**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, 2016**

**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, 2016 is as follows: General Pension and Retirement Plan \$4,502,658; Firefighters’ Relief and Pension Plan \$390,393; and Police Officers’ Retirement Fund \$6,920,313. For the year ended September 30, 2016, the City recognized pension expense of \$1,279,015 for its proportionate share of the FRS Plan and \$361,001 for its proportionate share of the HIS plan.

Contributions made after the measurement date, shown as a deferred outflow of resources in the table below, will be recognized entirely in the following fiscal year. At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	General Pension		Fire Pension		Police Pension		FRS		HIS	
	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
Contributions made after measurement date	\$ 6,788,560		\$ 3,822,480		\$ 3,830,736		\$ 322,418		\$ 57,665	
Differences between expected and actual experience			22,938		675,259		799,152	97,177		11,039
Changes of assumptions			5,835,350		6,328,281		631,419		760,583	
Net difference between projected and actual investment earnings	7,115,411		6,979,032		6,170,160		4,801,495	2,103,609	2,451	
Differences in Proportionate Share of Contributions							1,761,550		578,653	
Total	\$ 13,903,971	- \$	16,659,800	- \$	17,004,436	- \$	8,316,034	2,200,786	\$ 1,399,352	11,039

Amounts reported as the net of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	General Pension	Fire Pension	Police Pension	FRS	HIS
September 30:					
2017	\$ 8,311,225	\$ 7,388,866	\$ 8,111,021	\$ 1,120,352	\$ 295,939
2018	1,522,665	3,566,386	4,280,285	797,934	238,274
2019	1,522,665	3,566,386	2,939,704	2,309,344	237,448
2020	2,547,416	2,138,162	1,673,426	1,580,497	237,052
2021				232,471	205,086
Thereafter				74,650	174,514
Total	\$ 13,903,971	\$ 16,659,800	\$ 17,004,436	\$ 6,115,248	\$ 1,388,313

**CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**NOTE IV. – OTHER INFORMATION (Continued)**

*Actuarial assumptions.* The General Pension and Retirement Plan as of September 30, 2015, the Firefighters’ Relief and Pension Plan as of October 1, 2015, and the Police Officers’ Retirement Fund as of October 1, 2015 total pension liability was determined by an actuarial valuation and the Florida Retirement System was determined by actuarial assumptions as of June 30, 2016, 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%	3.00%	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	7.80%	7.75%	7.13%	7.60%	
Municipal bond rate					2.85%
Mortality	RP-2000 combined healthy mortality table set forward five years for males	RP-2000 Combined Healthy Projected to 2011 - Sex Distinct. Based on a study of over 650 public safety funds, the RP-2000 table (with no projections) reflects a 10% margin for future mortality improvements.	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 General Pension and Retirement Plan, 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. Periods of projected benefit payments for all current plan members were projection through 2116.

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%	8.0%	7.9%	N/A
International Equity	6.4%	3.0%	8.0%	N/A
Global Equity	N/A	N/A	N/A	8.1%
Private Equity	N/A	N/A	N/A	11.5%
Master Limited Partnerships	16.9%	10.4%	N/A	N/A
Real Estate	7.9%	4.6%	7.0%	6.4%
Convertible Sec	9.5%	6.4%	N/A	N/A
Strategic Investments	N/A	N/A	N/A	6.1%
Fixed Income	7.6%	4.4%	3.8%	4.7%
Global Fixed Income	N/A	N/A	3.9%	N/A
Cash	N/A	N/A	N/A	3.0%

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**NOTE IV. – OTHER INFORMATION (Continued)**

*Discount rate.* The projection of cash flows used to determine the General Pension and Retirement Plan's 7.8% discount rate, the Firefighters' Relief and Pension Plan's 7.75% discount rate, the Police Officers' Retirement Fund's 7.125% discount rate, FRS Plan's 7.60% discount rate and HIS Plan's 2.85% discount rate assumed that contributions will continue at the current rates. 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.

<b>General Pension</b>			
<b>Changes in the Net Pension Liability</b>			
	Increase (Decrease)		
	Liability	Net Position (b)	Liability
<b>Balances at 10/01/14</b>	174,214,022	136,730,296	37,483,726
<b>Changes for the year:</b>			
Service Cost	875,872		875,872
Interest	13,080,194		13,080,194
Differences between expected and Actual Experience			
Contributions - employer		6,586,144	(6,586,144)
Contributions - employee		375,026	(375,026)
New investment income		(2,230,201)	2,230,201
Benefit payments, including refunds of employee contributions	(13,038,455)	(13,038,455)	
Administrative expense		(126,054)	126,054
Other changes	1,929,586	2,149,812	(220,226)
<b>Net changes</b>	<u>2,847,197</u>	<u>(6,283,728)</u>	<u>9,130,925</u>
<b>Balances at 09/30/16</b>	<u>177,061,219</u>	<u>130,446,568</u>	<u>46,614,651</u>

<b>Fire Pension</b>			
<b>Changes in the Net Pension Liability</b>			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 09/30/15</b>	118,988,333	112,540,739	6,447,594
<b>Changes for the year:</b>			
Service Cost	1,189,882		1,189,882
Interest	9,016,289		9,016,289
Differences between expected and Actual Experience	30,585		30,585
Contributions - employer		4,334,264	(4,334,264)
Contributions - employee		474,193	(474,193)
New investment income		(1,770,463)	1,770,463
Benefit payments, including refunds of employee contributions	(6,788,324)	(6,788,324)	
Administrative expense		(92,821)	92,821
Other changes	3,700,028		3,700,028
<b>Net changes</b>	<u>7,148,460</u>	<u>(3,843,151)</u>	<u>10,991,611</u>
<b>Balances at 09/30/16</b>	<u>126,136,793</u>	<u>108,697,588</u>	<u>17,439,205</u>

**CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**NOTE IV. – OTHER INFORMATION (Continued)**

<b>Police Pension</b>				
<b>Changes in the Net Pension Liability</b>				
	Increase (Decrease)			
	Liability	Net Position (b)	Liability	(a)
<b>Balances at 09/30/14</b>	118,079,087	84,437,986	33,641,101	
<b>Changes for the year:</b>				
Service Cost	818,742		818,742	
Interest	8,390,513		8,390,513	
Differences between expected and Actual Experience	312,274		312,274	
Contributions - employer		4,343,647	(4,343,647)	
Contributions - employee		240,097	(240,097)	
New investment income		(2,362,487)	2,362,487	
Benefit payments, including refunds of employee contributions	(6,446,003)	(6,446,003)		
Administrative expense		(82,441)	82,441	
Other changes	7,420,902		7,420,902	
<b>Net changes</b>	<u>10,496,428</u>	<u>(4,307,187)</u>	<u>14,803,615</u>	
<b>Balances at 09/30/16</b>	<u>128,575,515</u>	<u>80,130,799</u>	<u>48,444,716</u>	

*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:

<b><u>General Pension</u></b>		1% Decrease <u>6.80%</u>	Current Discount Rate <u>7.80%</u>	1% Increase <u>8.80%</u>
City's net pension liability	\$	63,719,687	\$ 46,614,651	\$ 32,033,966

<b><u>Fire Pension</u></b>		1% Decrease <u>6.75%</u>	Current Discount Rate <u>7.75%</u>	1% Increase <u>8.75%</u>
City's net pension liability	\$	32,080,389	\$ 17,439,205	\$ 5,374,881

<b><u>Police Pension</u></b>		1% Decrease <u>6.13%</u>	Current Discount Rate <u>7.13%</u>	1% Increase <u>8.13%</u>
City's net pension liability	\$	66,464,791	\$ 48,444,716	\$ 33,930,529

<b><u>FRS</u></b>		1% Decrease <u>6.60%</u>	Current Discount Rate <u>7.60%</u>	1% Increase <u>8.60%</u>
City's net pension liability	\$	19,215,583	\$ 10,437,195	\$ 3,130,347

<b><u>HIS</u></b>		1% Decrease <u>1.85%</u>	Current Discount Rate <u>2.85%</u>	1% Increase <u>3.85%</u>
City's net pension liability	\$	5,560,356	\$ 4,846,779	\$ 4,254,548

**CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**NOTE IV. – OTHER INFORMATION (Continued)**

*Pension Plan Fiduciary Net Position.* Detailed information regarding the FRS Plan’s and His Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and other State-Administered Systems Comprehensive Annual Financial Report.

**Payable to the Pension Plan**

As of September 30, 2016, the City reported a payable of \$7,044 to the General Pension and Retirement Plan, \$28,110 to the Firefighters’ Relief and Pension Plan, \$14,276 to the Police Officers’ Retirement Fund, \$220,074 to the FRS Plan, and \$25,065 to HIS Plan for the outstanding amount of contributions to the pension plans required for the year ended September 30, 2016.

**Retiree Benefits**

In addition to providing pension benefits, the City of Pensacola provides a health insurance benefit for retired employees who worked for the City for ten or more years and had health insurance coverage at the time of their retirement. Retirees may keep the same level of insurance coverage (single or family) they had as an active employee or they may reduce the level of coverage from family to single coverage. However, they cannot increase coverage from single to family after retirement. Approximately 289 retirees and/or families were covered during the fiscal year ended September 30, 2016. The city does not cover the cost of any retiree insurance.

**Other Postemployment Benefits (OPEB)**

*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; however, only active employees receive a premium contribution.

Membership of the plan consisted of the following at December 31, 2015, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	389
Terminated employees entitled to benefits but not yet receiving benefits	-0-
Active members	553
Total	942



CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**NOTE IV. – OTHER INFORMATION (Continued)**

In order to comply with requirements of GASB 45, 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). Post-employment benefits, such as health care, will continue to be offered on a retiree pay all basis with no premium subsidy. 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. According to GASB 45, the co-mingling of claims requirement equates to an implicit subsidy to retirees which creates an OPEB liability on the part of the City.

*Basis of Accounting.* The net OPEB obligation and ARC 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. In the year of implementation the Net OPEB Obligation and the ARC are the same amount. The Net OPEB Obligation will continue to increase if the obligation is not funded.

Annual OPEB Cost	
Governmental Activities	\$ 619,248
Utility Fund	143,725
Sanitation Fund	52,857
Port Fund	11,063
Airport Fund	62,691
Insurance Retention Fund	6,146
Central Services	49,831
Total ARC Expense	\$ 945,561

*Annual OPEB Cost and Required Contributions.* The City does not intend to fund the actuarial liability; therefore, no employer or employee contributions were made. The contribution status and annual OPEB cost as of December 31, 2015, the date of the latest actuarial valuation and the preceding years, are as follows:

<b>SCHEDULE OF EMPLOYER CONTRIBUTIONS, ANNUAL COST AND NET OBLIGATION</b>					
YEAR ENDED	ANNUAL REQUIRED CONTRIBUTION	ANNUAL OPEB COST	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED	NET OPEB OBLIGATION
9/30/2014	\$945,366	\$975,978	-0-	-0-	\$10,627,414
9/30/2015	\$992,862	\$1,037,628	-0-	-0-	\$11,665,042
9/30/2016	\$896,425	\$945,561	-0-	-0-	\$12,610,603

**CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**NOTE IV. – OTHER INFORMATION (Continued)**

*Funding Status and Funding Progress.* The funding status as of December 31, 2015, the date of the latest actuarial valuation and the preceding years, are as follows:

FISCAL YEAR	ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (A)	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT			FUNDED RATIO (A/B)	COVERED PAYROLL (C)	UAAL AS OF PERCENT COVERED PAYROLL ((B - A) / C)
			(B)	(B - A)	(A/B)			
2014	12/31/2013	-0-	\$19,374,836	\$19,374,836	-0-	\$25,587,127	75.72%	
2015	12/31/2014	-0-	\$18,535,342	\$18,535,342	-0-	\$23,802,271	77.87%	
2016	12/31/2015	-0-	\$23,934,988	\$23,934,988	-0-	\$23,047,995	103.85%	

*Actuarial Methods and Assumptions.* Actuarial valuations involve estimates and assumptions. 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, 2016 were as follows:

	FISCAL YEAR 2016
Valuation Date	12/31/2015
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return*	4.50%
Medical cost trend rate*	6.50%
Ultimate trend rate	5.00%
Year of ultimate trend rate	2019
*Includes inflation at 3.00%	

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**NOTE IV. – OTHER INFORMATION (Continued)**

The calculation produced an unfunded obligation of \$23,934,988 and an annual required contribution (ARC) as 4.90% of active payroll projected to be \$896,425. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability over a period not to exceed thirty years.

Annual required contribution (ARC)	\$	896,425
Interest on net OPEB obligation		524,927
Adjustment to ARC		475,791
Annual OPEB cost		945,561
Contributions made		-
Increase in net OPEB obligation		945,561
Net OPEB obligation-beginning of year		11,665,042
Net OPEB obligation-end of year	\$	12,610,603

The required schedule of funding progress presented as required supplementary information provides multi-year tend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

**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, 2016 there were 500 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 9/30/16	\$1,219,889	\$77,466	\$454,779	\$925
City Contribution for 9/30/16	\$825,276	\$77,750	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, 2016

**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.

**Termination Benefits**

The City of Pensacola does not offer any termination benefits to employees. Therefore, GASB Statement No. 47, *Accounting for Termination Benefits*, does not apply.

**C. 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.

**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.

**D. 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, 2016 were:

General Fund	\$	319,538
Housing Assitances Payments		2,433
Eastside Tax Increment Financing District		1,029,555
Community Redevelopment Fund		875
Local Option Sales Tax Fund		774,383
Local Option Gasoline Tax Project Fund		1,265,316
Utility Fund		694,393
Sanitation Fund		31,475
Port Fund		551,513
Airport Fund		45,226,421
Nonmajor Government		3,255,481
Internal Service Fund		6,053
Total	\$	53,157,436

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**NOTE IV. – OTHER INFORMATION (Continued)**

**E. Lease obligations**

**1. Dell capital lease.** In January 2013, the City entered into a lease agreement as lessee for financing the acquisition of technology related equipment valued at \$208,405. The equipment has a ten-year estimated useful life. Depreciation expense for the fiscal year 2016 totaled \$38,451. 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, 2016, were as follows:

Year ended September 30,	Internal Service Fund Activities
2017	41,681
Total minimum lease payments	41,681
Less: amount representing interest	(1,682)
Present value of minimum lease payments	\$ 39,999

**2. 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, 2016, the outstanding balance is \$1,273,888. This lease agreement qualifies as a capital lease for accounting purposes.

**3. 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, 2016, the outstanding balance is \$773,202. This lease agreement qualifies as a capital lease for accounting purposes.

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**NOTE IV. – OTHER INFORMATION (Continued)**

**4. 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 2016 totaled \$53,498. 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, 2016, were as follows:

Year ended September 30,	Governmental Activities
2017	\$ 188,014
2018	1,734,432
2019	1,734,432
2020	1,734,432
2021	1,734,432
Total minimum lease payments	7,125,742
Less: amount representing interest	(664,788)
Present value of minimum lease payments	\$ 6,460,954

**F. 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.

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**NOTE IV. – OTHER INFORMATION (Continued)**

**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 1/1/08	Warehouse	5 years with (3) 5 year renewals	\$205,920
Sine Qual Non Holdings Effective 11/07/2012	Parking Lots	3 years	\$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 wth (6) 3-year renewals	\$32,880
Offshore Inland Marine (WH9 & adjacent land) Effective 5/30/2014	Warehouse	10 years with (2) 10 year renewals	\$176,327

**4. City Agreement – Master Development Agreement.** On March 27, 2006, the City entered into a Master Development Agreement with Community Maritime Park Associates, Inc. (CMPA) regarding the terms and conditions for the development of the real property commonly referred to as the Community Maritime Park. The parties’ agreed that the City would pay the cost of design and construction of public improvements to be completed under the terms of the Master Lease. The City complied with the conditions precedent contained in the Agreement by providing project funding of \$40 million through the issuance of the Redevelopment Revenue Bonds, Series 2009. The Agreement should be read in its entirety to obtain a full understanding of the terms and conditions.

**5. City Land Lease – Master Lease Agreement.** On March 27, 2006, the City entered into a Master Lease Agreement with CMPA regarding 27 acres of waterfront property located at the 300 block of Main Street, for the purpose of developing the Community Maritime Park. CMPA’s lease term is for 60 years with annual installments of \$1. The Agreement should be read in its entirety to obtain a full understanding of the terms and conditions.

The CMPA has entered into two ground sub-lease agreements for office buildings which provide for annual common maintenance (CAM) charges relating to the Private Improvements. The combined revenue for the CAM charges for these leases is approximately \$14,000.

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**NOTE IV. – OTHER INFORMATION (Continued)**

Community Redevelopment Agency (CRA)

**1. CRA Interlocal Agreement – Project Support Payments.** In May 2010, the CRA of the City of Pensacola entered into an Amended and Restated Interlocal Agreement with the CMPA whereby CRA shall pay monthly Project Support Payments to CMPA through 2040. Of the \$94,768,509 beginning balance, the CRA has \$82,905,114 in remaining Project Support Payments. Project Support Payments will be paid with Tax Increment Financing (TIF) revenues of the CRA. Annualized project support payments to be remitted by the CRA are as continued below:

Fiscal Year Ending September 30,	Project Support Payment
2017	2,251,662
2018	3,337,560
2019	3,360,497
2020	3,374,047
2021	3,388,240
2022-2026	17,178,794
2027-2031	17,649,311
2032-2036	18,242,452
2037-2040	14,122,551
Total	\$ 82,905,114

**2. CRA Interlocal Agreement.** In March 2012, CMPA entered into a promissory note with CRA to borrow up to \$500,000 to fund additional costs of the Park. The note was modified on September 15, 2013 to combine the total borrowed amount of \$471,931 and accrued unpaid interest of \$14,708, into one note totaling \$486,639 bearing interest fixed at 3% for 20 years. Annual debt service payments are \$33,321 with the loan maturing on April 1, 2033.

**3. CRA Interlocal Agreement.** In October 2014, CMPA entered into a separate promissory note with CRA to borrow up to \$210,000 to fund additional costs incurred related to the breakwater project. For the fiscal year ended September 30, 2016, the full \$210,000 was borrowed. The note bears interest at 3% and matures on April 1, 2033. Annual debt service payments are \$16,124 with repayment beginning October 1, 2016.

**4. 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 and any shortfall paid by the City will be reimbursed by the CRA when funds are available.



CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**NOTE IV. – OTHER INFORMATION (Continued)**

Community Maritime Park Associates, Inc. (CMPA)

**1. CMPA – New Market Tax Credits.** In December 2009 the City of Pensacola issued \$45.6 million in Redevelopment Revenue Bonds to, among other things, provide \$40 million for the construction and development of the Vince Whibbs Sr. Community Maritime Park (Park). The CMPA, a nonprofit instrumentality of the City, was created to construct and subsequently own the public improvements of the Park. The land, however, is owned by the City and leased to CMPA for a \$1 per year. The primary security for the bonds is the City's covenant to annually budget and appropriate from non-ad valorem revenues of the City sufficient moneys to pay debt service on the bonds. See Note III Detailed Notes on all Funds, Debt Issuances and Refundings for additional detail on these bonds.

In May 2010, the CMPA received state and federal New Markets Tax Credits (NMTC) allocations through Capital Trust Agency Community Development Entity, LLC (CTA CDE), and two other NMTC allocates (collectively the CDEs). These allocations and the related benefits were made because the development and operation of the Park is a “qualified active low-income community business” or “QALICB” under Federal law. To leverage these allocations and generate approximately \$12 million of net additional proceeds for the Park by the sale of NMTC, the City lent approximately \$40 million of 2009 bond proceeds to the NMTC investor. (As a result of its loan to the investor entity, the City receives monthly interest payments until the loan matures in 2040 or is prepaid at the end of the 7-year NMTC compliance period.) The proceeds of this loan, together with approximately \$12 million of net markets tax credit equity provided by the NMTC investor, for a total of approximately \$52 million, were invested by the NMTC investor in CMPA via the CDEs and will be drawn, subject to City approval, to pay project costs.

If, however, at some point in time CMPA fails to continue to qualify as a QALICB or violates certain representations and warranties made to the CDEs, such failure may result in a recapture or loss of the NMTC. CMPA has agreed to indemnify the NMTC investor for loss or recapture of NMTC by reason of certain acts or omission of CMPA, including its failure to remain a QALICB or to complete the project within the time required under the NMTC rules or its' engaging in certain businesses not permitted under the NMTC rules. The City, however, is not a party to, or guarantor of, this indemnity and has disclaimed all liability.

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**NOTE IV. – OTHER INFORMATION (Continued)**

In connection with the 2009 Redevelopment Bonds, the City entered into a “put and call” agreement with U.S. Bancorp Community Development Corporation (“USBCDC”), the owner of 100% of the CTA Investment Fund. In September 2014, USBCDC made a permitted assignment of its interest in the CTA Investment Fund to a USBCDC managed affiliate, CMPA (the “Flip fund”). The agreement allows the Flip Fund to “put” its interest in the CTA Investment Fund to the City of Pensacola. If the Flip Fund exercises this option the City will pay a purchase price of \$1,000, plus any transfer or closing costs. In the event the “put” is not exercised, the City can exercise a “call” option to purchase the ownership interest in an amount equal to the fair value of the interest. No amounts have been recorded in the financial statements related to this “put and call” option.

The first opportunity to exercise the “put and call” option will occur in fiscal year 2017. Should this happen, it is possible that the CDE debts will be eliminated in future financial statements. In addition, depending upon the actions of the City, the related capital assets may also be eliminated.

**2. CMPA-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 to CMPA. For the year ended September 30, 2016, CMPA recognized \$175,000 of revenue from the user fee. Since the NFPB pays on a calendar year basis, \$14,584 was recognized as unearned revenue as of September 30, 2016.

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. For the year ended September 30, 2016, CMPA recognized \$84,345 within user fee revenues. Since the NFPB pays on a calendar year basis, \$28,125 was recognized as unearned revenue as of September 30, 2016.

**3. Intergovernmental Appropriations.** The City and CMPA entered into an agreement in August 2012 for the City to pay \$75,000 to CMPA for the operation of the public amenities and public spaces at the Park. The appropriation will commence with the adoption of the fiscal year 2014 budget and end on termination of the Master Lease. For the year ended September 30, 2016, the City paid \$75,000 to the CMPA under this agreement.

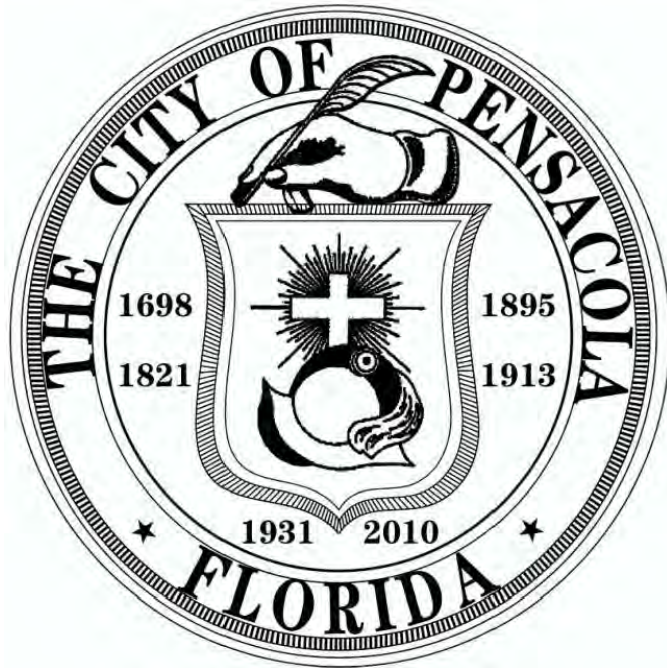
The City and the CMPA entered into another agreement in September 2013 for the City to pay \$35,000 to CMPA per fiscal year for the operation of public amenities and public spaces at the Park. The appropriation will commence with the adoption of the fiscal year 2015 budget and end on termination of the Master Lease. For the year ended September 30, 2016, the City paid \$35,000 to the CMPA under this agreement.

CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**NOTE V. - SUBSEQUENT EVENTS**

On November 30, 2016, the City issued its \$15,000,000 Gas System Revenue Note, Series 2016 (“Series 2016 Note”). The Series 2016 Note 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 Series 2016 Note has a fixed interest rate of 1.97% and matures on October 1, 2026. The 2016 Gas System Revenue Note is secured by a first and prior, pari-passu lien upon the Net Revenues of the System, as further described and defined in the authorizing resolution (the “Pledged Revenues”) on a parity with the Series 2010B Gas System Revenue Bonds and Series 2011 Gas System Revenue Note.

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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 POST EMPLOYEMENT BENIFITS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND  
ANALYSIS OF FUNDING PROGRESS

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

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

	<b>Fiscal Year</b>	
	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>		
Service Cost (BOY)	\$ 875,872	\$ 875,872
Interest	13,080,194	13,039,418
Changes of benefit terms	1,929,586	
Benefit payments, including refunds of member contributions	(13,007,151)	(13,664,554)
Refunds of contributions	<u>(31,304)</u>	<u>(82,048)</u>
Net change in total pension liability	2,847,197	168,688
Total pension liability - beginning	<u>174,214,022</u>	<u>174,045,334</u>
<b>Total pension liability - ending (a)</b>	<b><u>\$ 177,061,219</u></b>	<b><u>\$ 174,214,022</u></b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 6,586,144	\$ 6,586,424
Contributions - member	375,026	388,789
Net investment income	(2,230,201)	14,895,032
Benefit payments, including refunds of member contributions	(13,007,151)	(13,664,554)
Health insurance assistance		
Refunds of Contributions	(31,304)	(82,048)
Administrative expense	(126,054)	(103,765)
Other	<u>2,149,812</u>	<u></u>
Net change in plan fiduciary net position	(6,283,728)	8,019,878
Plan fiduciary net position - beginning	<u>136,730,296</u>	<u>128,710,418</u>
<b>Plan fiduciary net position - ending</b>	130,446,568	136,730,296
<b>Total plan fiduciary net position (b)</b>	<b><u>\$ 130,446,568</u></b>	<b><u>\$ 136,730,296</u></b>
<b>City's net pension liability - ending (a)-(b)</b>	<b><u>\$ 46,614,651</u></b>	<b><u>\$ 37,483,726</u></b>
Plan fiduciary net position as a percentage of the total pension liability	73.67%	78.48%
<b>Covered-employee payroll</b>	6,901,570	6,757,461
<b>City's pension liability as a percentage of covered-employee payroll</b>	675.42%	554.70%

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**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined employer contribution	6,788,560	\$ 7,515,167	\$ 7,448,089	\$ 7,157,167	\$ 7,157,167	\$ 7,162,033	\$ 7,094,735	\$ 6,942,271	\$ 5,936,524	\$ 5,962,692
Actual employer contribution	6,788,560	7,515,167	7,448,089	7,157,167	7,157,167	7,162,033	7,094,735	6,942,271	5,936,524	5,962,692
Annual contribution deficiency (excess)	0	0	0	0	0	0	0	0	0	0
Covered-employee payroll	6,558,055	\$ 6,901,570	\$ 6,757,461	\$ 6,961,827	\$ 7,834,617	\$ 11,280,207	\$ 12,090,613	\$ 13,546,116	\$ 14,806,933	\$ 17,597,916
Actual contributions as a % of covered-employee payroll	103.51%	108.89%	110.22%	102.81%	91.35%	63.49%	58.68%	51.25%	40.09%	33.88%

2014 actuarially determined employer contribution includes \$553,997 in prepaid reserves and excludes \$71,761 in health care contributions.  
2016 covered-employee payroll is not actuarially determined therefore subject to change in future years.

**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 2016	Fiscal Year 2015
Valuation Date	9/30/2015	9/30/2014
Actuarial Cost Method	Entry Age	Entry Age
Amortization Method	Level Dollar Closed	Level Dollar Closed
Remaining Amortization Period	12 years	13 years
Asset Valuation Method	5 year smoothed market	5 year smoothed market
Actuarial Assumptions:		
Inflation	3.00%	3.00%
Salary increase	4.50% - 9.50%	4.50% - 9.50%
Investment rate of return	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%
Mortality Rates	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: The amounts presented were determined as of September 30, the end of the City's fiscal year. 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	
	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>		
Service Cost (BOY)	\$ 1,189,882	\$ 1,578,578
Interest	9,016,289	9,116,288
Difference between Expected and Actual Experience	30,585	
Changes in Assumptions	7,780,467	
Changes in Benefit Terms	(4,080,439)	
Benefit payments, including refunds of member contributions	<u>(6,788,324)</u>	<u>(8,163,106)</u>
Net change in total pension liability	7,148,460	2,531,760
Total pension liability - beginning	<u>118,988,333</u>	<u>116,456,573</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 126,136,793</u></u>	<u><u>\$ 118,988,333</u></u>
 <b>Plan fiduciary net position</b>		
Contributions - employer	\$ 4,334,264	\$ 3,649,568
Contributions - member	474,193	457,362
Net investment income	(1,770,463)	10,980,094
Benefit payments, including refunds of member contributions	(6,788,324)	(8,163,106)
Administrative expense	<u>(92,822)</u>	<u>(131,563)</u>
Net change in plan fiduciary net position	(3,843,152)	6,792,355
Plan fiduciary net position - beginning	<u>112,540,740</u>	<u>106,396,777</u>
<b>Plan fiduciary net position - ending</b>	108,697,588	113,189,132
LESS RESERVE ACCOUNTS		648,392
<b>Total plan fiduciary net position (b)</b>	<u><u>\$ 108,697,588</u></u>	<u><u>\$ 112,540,740</u></u>
 <b>City's net pension liability - ending (a)-(b)</b>	<u><u>\$ 17,439,205</u></u>	<u><u>\$ 6,447,593</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	86.17%	94.58%
<b>Covered-employee payroll</b>	7,494,388	4,157,835
<b>City's pension liability as a percentage of covered-employee payroll</b>	232.70%	155.07%

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



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

<b>FIREFIGHTERS' RELIEF &amp; PENSION FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Last 10 Fiscal Years</b>										
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined employer contribution	\$ 2,508,856	\$ 4,334,264	\$ 3,097,587	\$ 3,234,358	\$ 3,494,389	\$ 3,286,284	\$ 3,441,454	\$ 3,691,271	\$ 3,704,687	\$ 3,605,366
Actual employer contribution	<u>2,508,856</u>	<u>4,334,264</u>	<u>3,097,587</u>	<u>3,234,358</u>	<u>3,562,977</u>	<u>3,321,453</u>	<u>3,441,454</u>	<u>3,699,133</u>	<u>3,741,734</u>	<u>3,785,634</u>
Annual contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (68,588)</u>	<u>\$ (35,169)</u>	<u>\$ 0</u>	<u>\$ (7,862)</u>	<u>\$ (37,047)</u>	<u>\$ (180,268)</u>
Covered-employee payroll	\$ 3,834,309	\$ 7,494,388	\$ 4,157,835	\$ 4,574,063	\$ 4,847,354	\$ 4,695,857	\$ 5,009,434	\$ 5,175,498	\$ 5,512,891	\$ 5,041,086
Actual contributions as a % of covered-employee payroll	65.43%	57.83%	74.50%	70.71%	73.50%	70.73%	68.70%	71.47%	67.87%	75.10%
2014 actuarially determined employer contribution excludes \$551,981 in current year prepaid reserves.										
2016 covered-employee payroll is not actuarially determined therefore subject to change in future years.										

**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:

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>
Valuation Date	10/1/2015	10/1/2014
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed
Remaining Amortization Period	30 years	30 years
Asset Valuation Method	5 year phased in period	5 year phased in period
Actuarial Assumptions:		
Inflation	3.00%	3.00%
Salary increase	5.5%-12.68%	5.5%-13.95%
Investment rate of return	7.75%	8.00%
Cost of living adjustments	2.875%	2.875%
Mortality:	RP 2000 Combined Healthy Projected to 2011 Sex Distinct	1994 UP Mortality Projected to 2006 - Sex Distinct

NOTE: The amounts presented were determined as of September 30, the end of the City's fiscal year. 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**

	<b>Fiscal Year</b>	
	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>		
Service Cost (BOY)	\$ 818,742	\$ 860,340
Interest	8,390,513	8,151,071
Differences between expected and actual experience	312,274	866,959
Changes of assumptions	6,217,609	3,431,350
Benefit payments, including refunds of member contributions	<u>(6,446,003)</u>	<u>(5,994,107)</u>
Net change in total pension liability	9,293,135	7,315,613
Total pension liability - beginning	<u>118,079,087</u>	<u>110,763,474</u>
<b>Total pension liability - ending (a)</b>	<b><u>\$ 127,372,222</u></b>	<b><u>\$ 118,079,087</u></b>
 <b>Plan fiduciary net position</b>		
Contributions - employer	\$ 3,830,839	\$ 3,825,656
Contributions - member	240,097	156,000
Net investment income	(2,362,487)	6,881,022
Benefit payments, including refunds of member contributions	(6,446,003)	(5,994,107)
Administrative expense	(82,441)	(69,051)
State Insurance	512,808	473,283
Member buybacks	<u>-</u>	<u>12,024</u>
Net change in plan fiduciary net position	(4,307,187)	5,284,827
Plan fiduciary net position - beginning	<u>84,437,986</u>	<u>79,153,159</u>
<b>Plan fiduciary net position - ending</b>	<b>80,130,799</b>	<b>84,437,986</b>
LESS RESERVE ACCOUNTS	<u>1,203,293</u>	<u>1,097,405</u>
<b>Total Plan fiduciary net position (b)</b>	<b><u>\$ 78,927,506</u></b>	<b><u>\$ 83,340,581</u></b>
<b>City's net pension liability - ending (a)-(b)</b>	<b><u>\$ 48,444,716</u></b>	<b><u>\$ 34,738,506</u></b>
 Plan fiduciary net position as a percentage of the total pension liability	62.0%	70.6%
 <b>Covered-employee payroll</b>	\$ 4,423,864	4,466,862
<b>City's pension liability as a percentage of covered-employee payroll</b>	2879.2%	2643.4%

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**

<b>SCHEDULE OF EMPLOYER CONTRIBUTIONS</b>										
<b>Last 10 Fiscal Years</b>										
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined employer contribution	\$ 3,830,736	\$ 3,939,619	\$ 3,825,657	\$ 2,358,245	\$ 2,879,703	\$ 3,543,815	\$ 2,647,226	\$ 2,751,192	\$ 2,821,540	\$ 2,570,124
Actual employer contribution	3,830,736	3,939,619	3,825,657	2,358,245	2,879,703	3,543,815	2,647,226	2,751,192	2,821,540	2,570,124
Annual contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered-employee payroll	\$ 4,372,250	\$ 4,423,864	\$ 4,466,862	\$ 4,870,112	\$ 5,296,929	\$ 6,766,158	\$ 6,966,752	\$ 7,093,224	\$ 7,577,663	\$ 7,600,743
Actual contributions as a % of covered-employee payroll	87.61%	89.05%	85.65%	48.42%	54.37%	52.38%	38.00%	38.79%	37.23%	33.81%
2016 covered-employee payroll is not actuarially determined therefore subject to change in future years.										

**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 2016	Fiscal Year 2015
Valuation Date	10/1/2015	10/1/2014
Actuarial cost method	Individual Entry Age	Individual Entry Age
Amortization method	Level Dollar Amount	Level Dollar Amount
Remaining Amortization Period	16 years	17 years
Asset Valuation Method	5 year weighted index	5 year weighted index
Actuarial Assumptions:		
Inflation	2.50%	2.50%
Salary increase	4.00%	4.00%
Investment rate of return	7.125%	7.25%
Cost of living adjustments	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

NOTE: The amounts presented were determined as of September 30, the end of the City'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**

<b>SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY</b>			
	<b>Fiscal Year</b>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the FRS net pension liability (asset)	0.041335299%	0.039418763%	0.033760529%
City's proportion of the FRS net pension liability (asset)	\$ 10,437,195	\$ 5,091,462	\$ 2,059,889
City's covered-employee payroll			
<b>Covered-employee payroll</b>	12,840,904	12,296,508	10,685,417
<b>City's pension liability as a percentage of covered-employee payroll</b>	81.3%	41.4%	19.3%

<b>SCHEDULE OF EMPLOYER CONTRIBUTIONS</b>			
<b>Last 3 Fiscal Years</b>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined employer contribution	\$ 1,008,027	\$ 961,063	\$ 739,499
Actual employer contribution	<u>1,008,027</u>	<u>961,063</u>	<u>739,499</u>
Annual contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 12,840,904	\$ 12,296,508	\$ 10,685,417
Actual contributions as a % of covered-employee payroll	7.85%	7.82%	6.92%

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  
 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 2016	Fiscal Year 2015	Fiscal Year 2014
Valuation Date	6/30/2016	6/30/2015	6/30/2014
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age
Asset Valuation Method	Level Dollor Amount Closed	Level Dollor Amount Closed	Level Dollor Amount Closed
Asset Valuation Method	30 years	30 years	30 years
Actuarial Assumptions:			
Inflation	2.60%	2.60%	2.60%
Salary increase	3.25%	3.25%	3.25%
Investment rate of return	7.60%	7.65%	7.65%
Cost of living adjustments	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

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**

<b>SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY</b>			
<b>Fiscal Year</b>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the HIS net pension liability (asset)	0.041586882%	0.040531215%	0.037430675%
City's proportion of the HIS net pension liability (asset)	\$ 4,846,779	\$ 4,133,546	\$ 3,499,859
City's covered-employee payroll			
<b>Covered-employee payroll</b>	12,840,904	12,296,508	10,685,417
<b>City's pension liability as a percentage of covered-employee payroll</b>	37.7%	33.6%	32.8%

<b>SCHEDULE OF EMPLOYER CONTRIBUTIONS</b>			
<b>Last 3 Fiscal Years</b>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined employer contribution	\$ 213,159	\$ 154,936	\$ 128,225
Actual employer contribution	<u>213,159</u>	<u>154,936</u>	<u>128,225</u>
Annual contribution deficiency (excess)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Covered-employee payroll	\$ 12,840,904	\$ 12,296,508	\$ 10,685,417
Actual contributions as a % of covered-employee payroll	1.66%	1.26%	1.20%

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**

**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 2016	Fiscal Year 2015	Fiscal Year 2014
Valuation Date	6/30/2016	6/30/2015	6/30/2014
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age
Asset Valuation Method	Fair Market Value	Fair Market Value	Fair Market Value
Actuarial Assumptions:			
Inflation	2.60%	2.60%	2.60%
Salary increase	3.25%	3.25%	3.25%
Discount rate	2.85%	3.80%	4.29%
Cost of living adjustments	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

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  
OTHER POST EMPLOYMENT BENEFITS (OPEB)  
REQUIRED SUPPLEMENTARY INFORMATION**

	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Retirees and beneficiaries currently receiving benefits	389	376	370
Terminated employees entitled to benefits but not yet receiving benefits	-0-	-0-	-0-
Active members	553	567	618
<b>Total</b>	<u>942</u>	<u>943</u>	<u>988</u>

**SCHEDULE OF FUNDING PROGRESS**

FISCAL YEAR	ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (A)	ACTUARIAL ACCRUED LIABILITY (AAL)		UNFUNDED AAL (UAAL) (B - A)	FUNDED RATIO (A/B)	COVERED PAYROLL (C)	UAAL AS OF PERCENT COVERED PAYROLL ((B - A) / C)
			PROJECTED UNIT CREDIT (B)					
2014	12/31/2013	-0-	\$19,374,836		\$19,374,836	-0-	\$25,587,127	75.72%
2015	12/31/2014	-0-	\$18,535,342		\$18,535,342	-0-	\$23,802,271	77.87%
2016	12/31/2015	-0-	\$23,934,988		\$23,934,988	-0-	\$23,047,995	103.85%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

YEAR ENDED	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
9/30/2014	\$945,366	-0-	-0-
9/30/2015	\$992,862	-0-	-0-
9/30/2016	\$896,425	-0-	-0-

	<u>FISCAL YEAR 2016</u>	<u>FISCAL YEAR 2015</u>	<u>FISCAL YEAR 2014</u>
Valuation Date	12/31/2015	12/31/2014	12/31/2013
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Level percent of pay, open	Level percent of pay, open	Level percent of pay, open
Remaining amortization period	30 years	30 years	30 years
Asset valuation method	Market value of assets	Market value of assets	Market value of assets
Actuarial assumptions:			
Investment rate of return*	4.50%	4.50%	4.50%
Medical cost trend rate*	6.50%	6.50%	8.50%
Ultimate trend rate	5.00%	5.00%	5.00%
Year of ultimate trend rate	2019	2018	2018

\*Includes inflation at 3.00%



**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.

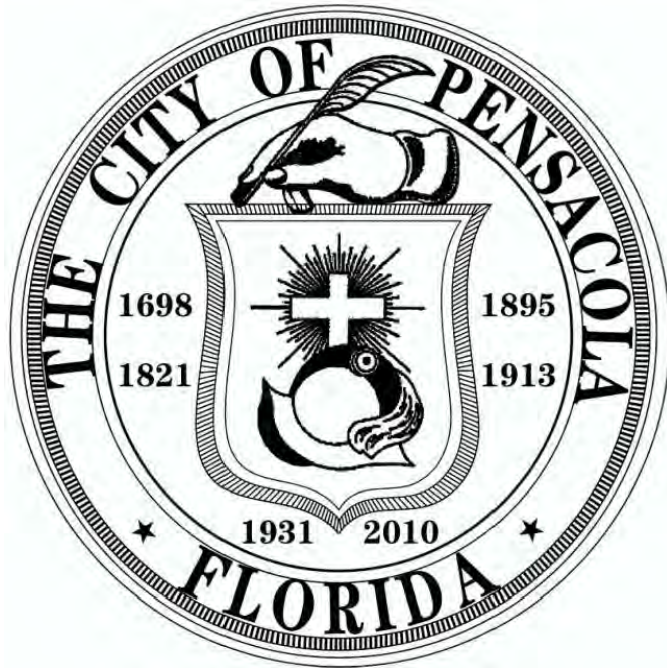
**CMPA Management Services Fund** – to account for the revenues and expenditures related to the Community Maritime Park Associates Management Services Agreement.

**CMPA O&M Fund** – to account for the City’s blended component unit, Community Maritime Park Associates’ user fee proceeds which are restricted for specific purposes of operations and capital maintenance of the Vince J. Whibbs, Sr. 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.*

**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 replenish 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.

**CMPA Construction Fund** – to account for the City’s blended component unit, Community Maritime Park Associates’ financial resources which are earmarked or segregated for the acquisition and construction of the Vince J. Whibbs, Sr. Community Maritime Park and other project-oriented activities and the debt service payments during the construction phase.

**CITY OF PENSACOLA, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016**

	Special Revenue Funds			
	Special Grants	Local Option Gasoline Tax	Community Development Block Grant	Stormwater Utility Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$	\$	38,584	\$ 250,203
Investments		89,688		581,599
Accounts receivable				
Due from other funds				
Due from other governments				18,372
Prepays and deposits				864
Inventory				
Restricted assets				
Cash and cash equivalents				
Other cash			11,363	
Investments				
Due from other funds				
Due from other governments	1,145,422	123,045	46,762	
Advances to other funds				
Notes receivable	838,086		1,126,535	
<b>Total assets</b>	<b>\$ 1,983,508</b>	<b>\$ 251,317</b>	<b>\$ 1,184,660</b>	<b>\$ 851,038</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 28,674	\$	\$ 5,796	\$ 7,140
Contracts payable	115,905	30,719		
Contracts payable - retainage	83,780			
Due to other funds	662,061		52,329	21,114
Due to other governments	63,145			
Advances from other funds				
Unearned revenue	29,529			
Deposits				
Total liabilities	983,094	30,719	58,125	28,254
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	838,086	123,045	1,126,535	
Total deferred inflows of resources	838,086	123,045	1,126,535	0
<b>FUND BALANCE (DEFICITS)</b>				
Non-spendable				864
Restricted	1,481,730	97,553	534	18,178
Committed				803,742
Assigned				
Unassigned	(1,319,402)		(534)	
Total fund balances	162,328	97,553	0	822,784
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,983,508</b>	<b>\$ 251,317</b>	<b>\$ 1,184,660</b>	<b>\$ 851,038</b>

(continued)

**CITY OF PENSACOLA, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016**

	Special Revenue Funds					
	Law Enforcement Trust	Natural Disaster Fund	Golf Course Fund	Inspections Fund	Recreation Fund	Tennis Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 97,733	\$	\$ 15,047	\$ 338,482	\$ 160,324	\$ 42,589
Investments	227,181		34,977	786,806	372,675	99,000
Accounts receivable		437,622	1,500			5,058
Due from other funds						
Due from other governments						
Prepays and deposits			2,650		984	1,154
Inventory			6,346			
Restricted assets						
Cash and cash equivalents		271,069			32,589	
Other cash						
Investments		630,105			75,755	
Due from other funds		985,219				
Due from other governments		840,054				
Advances to other funds						
Notes receivable						
<b>Total assets</b>	<u>\$ 324,914</u>	<u>\$ 3,164,069</u>	<u>\$ 60,520</u>	<u>\$ 1,125,288</u>	<u>\$ 642,327</u>	<u>\$ 147,801</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 500	\$	\$ 20,976	\$ 21,789	\$ 45,954	\$ 11,473
Contracts payable		5,909			4,365	
Contracts payable - retainage						
Due to other funds			3,259	12,659		
Due to other governments		35,496				
Advances from other funds						
Unearned revenue						
Deposits			2,661	122,029	84,269	
Total liabilities	<u>500</u>	<u>41,405</u>	<u>26,896</u>	<u>156,477</u>	<u>134,588</u>	<u>11,473</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue			1,500			
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>1,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>FUND BALANCE (DEFICITS)</b>						
Non-spendable			8,996		984	1,154
Restricted	324,414	3,122,664	8,908	968,811	12,850	
Committed						
Assigned			14,220		493,905	135,174
Unassigned						
Total fund balances	<u>324,414</u>	<u>3,122,664</u>	<u>32,124</u>	<u>968,811</u>	<u>507,739</u>	<u>136,328</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 324,914</u>	<u>\$ 3,164,069</u>	<u>\$ 60,520</u>	<u>\$ 1,125,288</u>	<u>\$ 642,327</u>	<u>\$ 147,801</u>

(continued)

**CITY OF PENSACOLA, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016**

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds
	CMPA Management Services Fund	CMPA O&M Fund	Local Option Gas Tax Debt Service	Deepwater Horizon Incident
<b>ASSETS</b>				
Cash and cash equivalents	\$	\$	11,553	\$
Investments				555,268
Accounts receivable		485,910		1,290,728
Due from other funds	314,477	35,189		
Due from other governments		3,080		
Prepays and deposits	8,746			
Inventory				
Restricted assets				
Cash and cash equivalents		508,869	640,684	
Other cash				
Investments			1,489,280	
Due from other funds				
Due from other governments				
Advances to other funds				
Notes receivable				
<b>Total assets</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
	323,223	1,044,601	2,129,964	1,845,996
<b>LIABILITIES</b>				
Accounts payable	\$	\$	\$	\$
Contracts payable	6,161	69,853		906
Contracts payable - retainage				582
Due to other funds	316,562	314,477		4,485
Due to other governments				
Advances from other funds		648,704		
Unearned revenue		95,922		
Deposits	500			
Total liabilities	<u>323,223</u>	<u>1,128,956</u>	<u>0</u>	<u>5,973</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue				
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>FUND BALANCE (DEFICITS)</b>				
Non-spendable	8,746			
Restricted		475,071	2,129,964	926,610
Committed		35,189		
Assigned		54,089		913,413
Unassigned	(8,746)	(648,704)		
Total fund balances	<u>0</u>	<u>(84,355)</u>	<u>2,129,964</u>	<u>1,840,023</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
	323,223	1,044,601	2,129,964	1,845,996

(continued)



**CITY OF PENSACOLA, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016**

	Capital Projects Funds		Total Nonmajor Governmental Funds
	Stormwater Capital	CMPA Construction Fund	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 705,856	\$	\$ 2,215,639
Investments	1,640,772		5,123,426
Accounts receivable			930,090
Due from other funds			349,666
Due from other governments			21,452
Prepays and deposits			14,398
Inventory			6,346
Restricted assets			
Cash and cash equivalents		102,012	1,555,223
Other cash			11,363
Investments			2,195,140
Due from other funds			985,219
Due from other governments			2,155,283
Advances to other funds	4,117,972		4,117,972
Notes receivable			1,964,621
<b>Total assets</b>	<b>\$ 6,464,600</b>	<b>\$ 102,012</b>	<b>\$ 21,645,838</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 6,123	\$	\$ 225,345
Contracts payable	33,487		190,967
Contracts payable - retainage			88,265
Due to other funds			1,382,461
Due to other governments			98,641
Advances from other funds			648,704
Unearned revenue			125,451
Deposits			209,459
Total liabilities	39,610	0	2,969,293
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue			2,089,166
Total deferred inflows of resources	0	0	2,089,166
<b>FUND BALANCE (DEFICITS)</b>			
Non-spendable			20,744
Restricted	738,400		10,305,687
Committed	5,686,590		6,525,521
Assigned		102,012	1,712,813
Unassigned			(1,977,386)
Total fund balances	6,424,990	102,012	16,587,379
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 6,464,600</b>	<b>\$ 102,012</b>	<b>\$ 21,645,838</b>

**CITY OF PENSACOLA, FLORIDA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b>Special Revenue Funds</b>			
	<b>Special Grants</b>	<b>Local Option Gasoline Tax</b>	<b>Community Development Block Grant</b>	<b>Stormwater Utility Fund</b>
<b>Revenues:</b>				
Taxes	\$	\$ 1,462,265	\$	\$
Licenses and permits				
Intergovernmental	2,163,041		700,875	
Charges for services				2,862,887
Fines and forfeits				9,010
Interest income		2,147	9,607	3,603
Donations	997,200			
Other		1,663		
<b>Total revenues</b>	<u>3,160,241</u>	<u>1,466,075</u>	<u>710,482</u>	<u>2,875,500</u>
<b>Expenditures:</b>				
Current -				
General government			710,482	
Public safety	166,485			
Transportation		66,900		
Culture and recreation	11,330			
Economic environment	362,777			
Physical environment	263,013			2,487,825
Capital outlay	2,338,987	832,546		396,627
Debt service -				
Interest				
<b>Total expenditures</b>	<u>3,142,592</u>	<u>899,446</u>	<u>710,482</u>	<u>2,884,452</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,649</u>	<u>566,629</u>	<u>0</u>	<u>(8,952)</u>
<b>Other financing sources (uses):</b>				
Transfers in				
Transfers (out)		(2,124,700)		
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>(2,124,700)</u>	<u>0</u>	<u>0</u>
<b>Net Change in fund balances</b>	<u>17,649</u>	<u>(1,558,071)</u>	<u>0</u>	<u>(8,952)</u>
<b>Fund balances at beginning of year</b>	<u>144,679</u>	<u>1,655,624</u>	<u>0</u>	<u>831,736</u>
<b>Fund balances at end of year</b>	<u>\$ 162,328</u>	<u>\$ 97,553</u>	<u>\$ 0</u>	<u>\$ 822,784</u>

(continued)

**CITY OF PENSACOLA, FLORIDA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b>Special Revenue Funds</b>					
	<b>Law Enforcement Trust</b>	<b>Natural Disaster Fund</b>	<b>Golf Course Fund</b>	<b>Inspections Fund</b>	<b>Recreation Fund</b>	<b>Tennis Fund</b>
<b>Revenues:</b>						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits				1,337,065		
Intergovernmental		1,620,510				
Charges for services			476,643		941,975	259,795
Fines and forfeits	158,735					
Interest income	1,154	6,132	92	4,470	2,319	502
Donations					1,018	
Other		437,622			150	
<b>Total revenues</b>	<u>159,889</u>	<u>2,064,264</u>	<u>476,735</u>	<u>1,341,535</u>	<u>945,462</u>	<u>260,297</u>
<b>Expenditures:</b>						
Current -						
General government						
Public safety	153,870			1,205,554		
Transportation		1,351,506			5,229	
Culture and recreation		471,276	721,919		936,396	242,634
Economic environment						
Physical environment						
Capital outlay		157,683		61,524		
Debt service -						
Interest						
<b>Total expenditures</b>	<u>153,870</u>	<u>1,980,465</u>	<u>721,919</u>	<u>1,267,078</u>	<u>941,625</u>	<u>242,634</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,019</u>	<u>83,799</u>	<u>(245,184)</u>	<u>74,457</u>	<u>3,837</u>	<u>17,663</u>
<b>Other financing sources (uses):</b>						
Transfers in			220,000			
Transfers (out)					(13,558)	
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>0</u>	<u>220,000</u>	<u>0</u>	<u>(13,558)</u>	<u>0</u>
<b>Net Change in fund balances</b>	<u>6,019</u>	<u>83,799</u>	<u>(25,184)</u>	<u>74,457</u>	<u>(9,721)</u>	<u>17,663</u>
<b>Fund balances at beginning of year</b>	<u>318,395</u>	<u>3,038,865</u>	<u>57,308</u>	<u>894,354</u>	<u>517,460</u>	<u>118,665</u>
<b>Fund balances at end of year</b>	<u>\$ 324,414</u>	<u>\$ 3,122,664</u>	<u>\$ 32,124</u>	<u>\$ 968,811</u>	<u>\$ 507,739</u>	<u>\$ 136,328</u>

(continued)

**CITY OF PENSACOLA, FLORIDA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Project Funds</u>
	<u>CMPA Management Services Fund</u>	<u>CMPA O&amp;M Fund</u>	<u>Local Option Gas Tax Debt Service</u>	<u>Deepwater Horizon Incident</u>
<b>Revenues:</b>				
Taxes	\$	\$	\$	\$
Licenses and permits				
Intergovernmental				
Charges for services	507,389	822,633		
Fines and forfeits				
Interest income			5,264	7,039
Donations	19,250			
Other	5,081	1,374		
Total revenues	<u>531,720</u>	<u>824,007</u>	<u>5,264</u>	<u>7,039</u>
<b>Expenditures:</b>				
Current -				
General government		854,060		
Public safety				
Transportation				
Culture and recreation	531,720			
Economic environment				
Physical environment				78,600
Capital outlay				452,671
Debt service -				
Interest				
Total expenditures	<u>531,720</u>	<u>854,060</u>	<u>0</u>	<u>531,271</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(30,053)</u>	<u>5,264</u>	<u>(524,232)</u>
<b>Other financing sources (uses):</b>				
Transfers in		117,058	2,124,700	
Transfers (out)		(223,748)		
Total other financing sources (uses)	<u>0</u>	<u>(106,690)</u>	<u>2,124,700</u>	<u>0</u>
<b>Net Change in fund balances</b>	<u>0</u>	<u>(136,743)</u>	<u>2,129,964</u>	<u>(524,232)</u>
<b>Fund balances at beginning of year</b>	<u>0</u>	<u>52,388</u>	<u>0</u>	<u>2,364,255</u>
<b>Fund balances at end of year</b>	<u>\$ 0</u>	<u>\$ (84,355)</u>	<u>\$ 2,129,964</u>	<u>\$ 1,840,023</u>

(continued)

**CITY OF PENSACOLA, FLORIDA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b>Capital Projects Funds</b>		<b>Total Nonmajor Governmental Funds</b>
	<b>Stormwater Capital</b>	<b>CMPA Construction Fund</b>	
<b>Revenues:</b>			
Taxes	\$	\$	\$ 1,462,265
Licenses and permits			1,337,065
Intergovernmental			4,484,426
Charges for services			5,871,322
Fines and forfeits			167,745
Interest income	23,454		65,783
Donations			1,017,468
Other			445,890
Total revenues	<u>23,454</u>	<u>0</u>	<u>14,851,964</u>
<b>Expenditures:</b>			
Current -			
General government		11,381	1,575,923
Public safety			1,525,909
Transportation			1,423,635
Culture and recreation			2,915,275
Economic environment			362,777
Physical environment	479,095		3,308,533
Capital outlay	1,502,638	92,369	5,835,045
Debt service -			
Interest		2,008,049	2,008,049
Total expenditures	<u>1,981,733</u>	<u>2,111,799</u>	<u>18,955,146</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,958,279)</u>	<u>(2,111,799)</u>	<u>(4,103,182)</u>
<b>Other financing sources (uses):</b>			
Transfers in	2,772,250	2,111,245	7,345,253
Transfers (out)			(2,362,006)
Total other financing sources (uses)	<u>2,772,250</u>	<u>2,111,245</u>	<u>4,983,247</u>
<b>Net Change in fund balances</b>	<u>813,971</u>	<u>(554)</u>	<u>880,065</u>
<b>Fund balances at beginning of year</b>	<u>5,611,019</u>	<u>102,566</u>	<u>15,707,314</u>
<b>Fund balances at end of year</b>	<u>\$ 6,424,990</u>	<u>\$ 102,012</u>	<u>\$ 16,587,379</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 893,100	\$ 909,273	\$ 909,273	\$ 0
Interest income	<u>1,847,800</u>	<u>1,862,763</u>	<u>1,862,763</u>	<u>0</u>
Total revenues	<u>2,740,900</u>	<u>2,772,036</u>	<u>2,772,036</u>	<u>0</u>
<b>Expenditures:</b>				
Debt service -				
Principal retirement	605,000	605,000	605,000	0
Interest	<u>2,996,500</u>	<u>2,996,500</u>	<u>2,996,481</u>	<u>19</u>
Total expenditures	<u>3,601,500</u>	<u>3,601,500</u>	<u>3,601,481</u>	<u>19</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(860,600)</u>	<u>(829,464)</u>	<u>(829,445)</u>	<u>19</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>508,700</u>	<u>583,128</u>	<u>583,128</u>	<u>0</u>
Total other financing sources (uses)	<u>508,700</u>	<u>583,128</u>	<u>583,128</u>	<u>0</u>
<b>Net change in fund balances</b>	<u>\$ (351,900)</u>	<u>\$ (246,336)</u>	<u>(246,317)</u>	<u>\$ 19</u>
<b>Fund balances at beginning of year</b>			<u>4,159,540</u>	
<b>Fund balances at end of year</b>			<u>\$ 3,913,223</u>	



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**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, 2016**

	<u>Special Grants</u>		Variance Positive/ (Negative)
	<u>Budget</u>	<u>Actual</u>	
<b>Revenues:</b>			
Taxes	\$	\$	\$
Licenses and permits			
Intergovernmental	7,727,623	2,163,041	(5,564,582)
Charges for services			
Fines and forfeits			
Interest income			
Donations	5,010,507	997,200	(4,013,307)
Other			
Total revenues	<u>12,738,130</u>	<u>3,160,241</u>	<u>(9,577,889)</u>
<b>Expenditures:</b>			
Current -			
General government			
Public safety	384,423	166,485	217,938
Transportation			
Culture and recreation	29,849	11,330	18,519
Economic environment	383,773	362,777	20,996
Physical environment	282,271	263,013	19,258
Capital outlay	11,665,838	2,338,987	9,326,851
Debt service -			
Principal retirement			
Interest			
Total expenditures	<u>12,746,154</u>	<u>3,142,592</u>	<u>9,603,562</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,024)</u>	<u>17,649</u>	<u>25,673</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers (out)			0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net change in fund balances</b>	<u>\$ (8,024)</u>	<u>17,649</u>	<u>\$ 25,673</u>
<b>Fund balances at beginning of year</b>		<u>144,679</u>	
<b>Fund balances at end of year</b>		<u>\$ 162,328</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, 2016**

	Local Option Gasoline Tax			Community Development Block Grant		
	Budget	Actual	Variance Positive/ (Negative)	Budget	Actual	Variance Positive/ (Negative)
<b>Revenues:</b>						
Taxes	\$ 1,550,000	\$ 1,462,265	\$ (87,735)	\$	\$	\$
Licenses and permits						
Intergovernmental				730,958	700,875	(30,083)
Charges for services						
Fines and forfeits						
Interest income	2,000	2,147	147	0	9,607	9,607
Donations						
Other	0	1,663	1,663			
Total revenues	1,552,000	1,466,075	(85,925)	730,958	710,482	(20,476)
<b>Expenditures:</b>						
Current -						
General government				730,924	710,482	20,442
Public safety						
Transportation	66,900	66,900	0			
Culture and recreation						
Economic environment						
Physical environment						
Capital outlay	1,016,024	832,546	183,478			
Debt service -						
Principal retirement						
Interest						
Total expenditures	1,082,924	899,446	183,478	730,924	710,482	20,442
Excess (deficiency) of revenues over (under) expenditures	469,076	566,629	97,553	34	0	(34)
<b>Other financing sources (uses):</b>						
Transfers in						
Transfers (out)	(2,124,700)	(2,124,700)	0			
Total other financing sources (uses)	(2,124,700)	(2,124,700)	0	0	0	0
<b>Net change in fund balances</b>	\$ (1,655,624)	(1,558,071)	\$ 97,553	\$ 34	0	(34)
<b>Fund balances at beginning of year</b>		1,655,624			0	
<b>Fund balances at end of year</b>		\$ 97,553		\$ 0	0	

(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, 2016**

	<b>Stormwater Utility Fund</b>		
	Budget	Actual	Variance Positive/ (Negative)
<b>Revenues:</b>			
Taxes	\$	\$	\$
Licenses and permits			
Intergovernmental			
Charges for services	2,862,840	2,862,887	47
Fines and forfeits	9,010	9,010	0
Interest income	3,603	3,603	0
Donations			
Other			
Total revenues	2,875,453	2,875,500	47
<b>Expenditures:</b>			
Current -			
General government			
Public safety			
Transportation			
Culture and recreation			
Economic environment			
Physical environment	2,629,867	2,487,825	142,042
Capital outlay	425,000	396,627	28,373
Debt service -			
Principal retirement			
Interest			
Total expenditures	3,054,867	2,884,452	170,415
Excess (deficiency) of revenues over (under) expenditures	(179,414)	(8,952)	170,462
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers (out)			
Total other financing sources (uses)	0	0	0
<b>Net change in fund balances</b>	\$ (179,414)	(8,952)	\$ 170,462
<b>Fund balances at beginning of year</b>		831,736	
<b>Fund balances at end of year</b>		\$ 822,784	

(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, 2016**

	Law Enforcement Trust			Natural Disaster Fund		
	Budget	Actual	Variance Positive/ (Negative)	Budget	Actual	Variance Positive/ (Negative)
<b>Revenues:</b>						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental				4,617,919	1,620,510	(2,997,409)
Charges for services						
Fines and forfeits	157,653	158,735	1,082			
Interest income	1,154	1,154	0	0	6,132	6,132
Donations						
Other				0	437,622	437,622
Total revenues	158,807	159,889	1,082	4,617,919	2,064,264	(2,553,655)
<b>Expenditures:</b>						
Current -						
General government						
Public safety	383,468	153,870	229,598			
Transportation				1,787,000	1,351,506	435,494
Culture and recreation				473,716	471,276	2,440
Economic environment						
Physical environment						
Capital outlay				3,016,906	157,683	2,859,223
Debt service -						
Principal retirement						
Interest						
Total expenditures	383,468	153,870	229,598	5,277,622	1,980,465	3,297,157
Excess (deficiency) of revenues over (under) expenditures	(224,661)	6,019	230,680	(659,703)	83,799	743,502
<b>Other financing sources (uses):</b>						
Transfers in						
Transfers (out)						
Total other financing sources (uses)	0	0	0	0	0	0
<b>Net change in fund balances</b>	\$ (224,661)	6,019	\$ 230,680	\$ (659,703)	83,799	\$ 743,502
<b>Fund balances at beginning of year</b>		318,395			3,038,865	
<b>Fund balances at end of year</b>		\$ 324,414			\$ 3,122,664	

(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, 2016**

	<b>Golf Course Fund</b>		
	Budget	Actual	Variance Positive/ (Negative)
<b>Revenues:</b>			
Taxes	\$	\$	\$
Licenses and permits			
Intergovernmental			
Charges for services	477,064	476,643	(421)
Fines and forfeits			
Interest income	92	92	0
Donations			
Other			
Total revenues	477,156	476,735	(421)
<b>Expenditures:</b>			
Current -			
General government			
Public safety			
Transportation			
Culture and recreation	754,464	721,919	32,545
Economic environment			
Physical environment			
Capital outlay			
Debt service -			
Principal retirement			
Interest			
Total expenditures	754,464	721,919	32,545
Excess (deficiency) of revenues over (under) expenditures	(277,308)	(245,184)	32,124
<b>Other financing sources (uses):</b>			
Transfers in	220,000	220,000	0
Transfers (out)			
Total other financing sources (uses)	220,000	220,000	0
<b>Net change in fund balances</b>	\$ (57,308)	(25,184)	\$ 32,124
<b>Fund balances at beginning of year</b>		57,308	
<b>Fund balances at end of year</b>		\$ 32,124	

(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, 2016**

	<u>Inspections Fund</u>			<u>Recreation Fund</u>		
	Budget	Actual	Variance Positive/ (Negative)	Budget	Actual	Variance Positive/ (Negative)
<b>Revenues:</b>						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits	1,335,808	1,337,065	1,257			
Intergovernmental						
Charges for services				965,700	941,975	(23,725)
Fines and forfeits						
Interest income	4,470	4,470	0	0	2,319	2,319
Donations				0	1,018	1,018
Other				0	150	150
<b>Total revenues</b>	<u>1,340,278</u>	<u>1,341,535</u>	<u>1,257</u>	<u>965,700</u>	<u>945,462</u>	<u>(20,238)</u>
<b>Expenditures:</b>						
Current -						
General government						
Public safety	1,224,376	1,205,554	18,822			
Transportation				8,000	5,229	2,771
Culture and recreation				1,073,320	936,396	136,924
Economic environment						
Physical environment						
Capital outlay	61,524	61,524	0	10,000	0	10,000
Debt service -						
Principal retirement						
Interest						
<b>Total expenditures</b>	<u>1,285,900</u>	<u>1,267,078</u>	<u>18,822</u>	<u>1,091,320</u>	<u>941,625</u>	<u>149,695</u>
Excess (deficiency) of revenues over (under) expenditures	<u>54,378</u>	<u>74,457</u>	<u>20,079</u>	<u>(125,620)</u>	<u>3,837</u>	<u>129,457</u>
<b>Other financing sources (uses):</b>						
Transfers in						
Transfers (out)				(13,600)	(13,558)	42
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(13,600)</u>	<u>(13,558)</u>	<u>42</u>
<b>Net change in fund balances</b>	<u>\$ 54,378</u>	<u>74,457</u>	<u>\$ 20,079</u>	<u>\$ (139,220)</u>	<u>(9,721)</u>	<u>\$ 129,499</u>
<b>Fund balances at beginning of year</b>		<u>894,354</u>			<u>517,460</u>	
<b>Fund balances at end of year</b>		<u>\$ 968,811</u>			<u>\$ 507,739</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, 2016**

	<b>Tennis Fund</b>		
	Budget	Actual	Variance Positive/ (Negative)
<b>Revenues:</b>			
Taxes	\$	\$	\$
Licenses and permits			
Intergovernmental			
Charges for services	243,065	259,795	16,730
Fines and forfeits			
Interest income	502	502	0
Donations			
Other			
Total revenues	243,567	260,297	16,730
<b>Expenditures:</b>			
Current -			
General government			
Public safety			
Transportation			
Culture and recreation	252,799	242,634	10,165
Economic environment			
Physical environment			
Capital outlay			
Debt service -			
Principal retirement			
Interest			
Total expenditures	252,799	242,634	10,165
Excess (deficiency) of revenues over (under) expenditures	(9,232)	17,663	26,895
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers (out)			
Total other financing sources (uses)	0	0	0
<b>Net change in fund balances</b>	\$ (9,232)	17,663	\$ 26,895
<b>Fund balances at beginning of year</b>		118,665	
<b>Fund balances at end of year</b>		\$ 136,328	

(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, 2016**

	CMPA Management Services Fund			CMPA O&M Fund		
	Budget	Actual	Variance Positive/ (Negative)	Budget	Actual	Variance Positive/ (Negative)
<b>Revenues:</b>						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental						
Charges for services	533,320	507,389	(25,931)	821,100	822,633	1,533
Fines and forfeits						
Interest income						
Donations	19,250	19,250	0			
Other	14,919	5,081	(9,838)	0	1,374	1,374
Total revenues	567,489	531,720	(35,769)	821,100	824,007	2,907
<b>Expenditures:</b>						
Current -						
General government				976,140	854,060	122,080
Public safety						
Transportation						
Culture and recreation	567,489	531,720	35,769			
Economic environment						
Physical environment						
Capital outlay						
Debt service -						
Principal retirement						
Interest						
Total expenditures	567,489	531,720	35,769	976,140	854,060	122,080
Excess (deficiency) of revenues over (under) expenditures	0	0	0	(155,040)	(30,053)	124,987
<b>Other financing sources (uses):</b>						
Transfers in				116,505	117,058	553
Transfers (out)				(13,800)	(223,748)	(209,948)
Total other financing sources (uses)	0	0	0	102,705	(106,690)	(209,395)
<b>Net change in fund balances</b>	\$ 0	0	\$ 0	\$ (52,335)	(136,743)	\$ (84,408)
<b>Fund balances at beginning of year</b>		0			52,388	
<b>Fund balances at end of year</b>		\$ 0			\$ (84,355)	

(continued)

**CITY OF PENSACOLA, FLORIDA  
SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)  
NONMAJOR DEBT SERVICE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Local Option Gas Tax Debt Service</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
<b>Revenues:</b>			
Taxes	\$	\$	\$
Licenses and permits			
Intergovernmental			
Charges for services			
Fines and forfeits			
Interest income	0	5,264	(5,264)
Donations			
Other			
Total revenues	<u>0</u>	<u>5,264</u>	<u>(5,264)</u>
<b>Expenditures:</b>			
Current -			
General government			
Public safety			
Transportation			
Culture and recreation			
Economic environment			
Physical environment			
Capital outlay			
Debt service -			
Principal retirement			
Interest			
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>5,264</u>	<u>(5,264)</u>
<b>Other financing sources (uses):</b>			
Transfers in	2,124,700	2,124,700	0
Transfers (out)			
Total other financing sources (uses)	<u>2,124,700</u>	<u>2,124,700</u>	<u>0</u>
<b>Net change in fund balances</b>	<u>\$ 2,124,700</u>	<u>2,129,964</u>	<u>\$ (5,264)</u>
<b>Fund balances at beginning of year</b>		<u>0</u>	
<b>Fund balances at end of year</b>		<u>\$ 2,129,964</u>	



## **INTERNAL SERVICE FUNDS**

*Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the government on a cost reimbursement basis.*

**General Stock Account** - to account for the cost of operating a central warehouse facility used by other City departments. Material purchases are recovered from the users.

**Insurance Retention Fund** - to account for the City's self-insurance program.

**Central Services Fund** - to account for the operation of the City Mail Room, Management Information Services, Engineering, and City Garage Facilities.

**CITY OF PENSACOLA, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2016**

	<u>General Stock Account</u>	<u>Insurance Retention Fund</u>	<u>Central Services Fund</u>	<u>Total</u>
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 3,294	\$ 1,392,358	\$ 595,028	\$ 1,990,680
Investments	7,656	3,236,553	1,383,153	4,627,362
Accounts receivable (net)		1,201,786		1,201,786
Due from other funds		230,598		230,598
Prepaid expenses		17,431	33,957	51,388
Inventory	652,420			652,420
Total current assets	<u>663,370</u>	<u>6,078,726</u>	<u>2,012,138</u>	<u>8,754,234</u>
<b>Noncurrent assets:</b>				
Prepaid expense		200,000		200,000
Advances to other funds		931,308		931,308
<b>Restricted assets</b>				
Cash and cash equivalents		837,902		837,902
Investments		1,947,717		1,947,717
<b>Capital assets</b>				
Depreciable (net)			2,195,469	2,195,469
Total noncurrent assets	<u>0</u>	<u>3,916,927</u>	<u>2,195,469</u>	<u>6,112,396</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension		273,680	1,626,799	1,900,479
Total deferred outflows of resources	<u>0</u>	<u>273,680</u>	<u>1,626,799</u>	<u>1,900,479</u>
<b>Total assets</b>	<u>\$ 663,370</u>	<u>\$ 10,269,333</u>	<u>\$ 5,834,406</u>	<u>\$ 16,767,109</u>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	\$	\$ 170,434	\$ 10,074	\$ 180,508
Contracts payable		11,983	54,470	66,453
Due to other funds		7,015	55,974	62,989
Deposits		2,448		2,448
Compensated absences payable			12,054	12,054
Capital lease payable			39,999	39,999
Total current liabilities	<u>0</u>	<u>191,880</u>	<u>172,571</u>	<u>364,451</u>
<b>Noncurrent liabilities:</b>				
Compensated absences payable		6,956	206,349	213,305
Advances from other funds			11,664	11,664
Claims and judgments payable		1,911,481		1,911,481
Capital lease payable				0
Net OPEB obligation		80,044	678,809	758,853
Net pension liability		750,483	4,599,974	5,350,457
Total noncurrent liabilities	<u>0</u>	<u>2,748,964</u>	<u>5,496,796</u>	<u>8,245,760</u>
Total liabilities	<u>0</u>	<u>2,940,844</u>	<u>5,669,367</u>	<u>8,610,211</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension		21,374	109,268	130,642
Total deferred outflows of resources	<u>0</u>	<u>21,374</u>	<u>109,268</u>	<u>130,642</u>
<b>NET POSITION</b>				
Net investment in capital assets			2,155,470	2,155,470
Unrestricted	663,370	7,307,115	(2,099,699)	5,870,786
Total net position	<u>663,370</u>	<u>7,307,115</u>	<u>55,771</u>	<u>8,026,256</u>
<b>Total liabilities and net position</b>	<u>\$ 663,370</u>	<u>\$ 10,269,333</u>	<u>\$ 5,834,406</u>	<u>\$ 16,767,109</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, 2016**

	<u>General Stock Account</u>	<u>Insurance Retention Fund</u>	<u>Central Services Fund</u>	<u>Total</u>
<b>Operating revenues:</b>				
Charges for services	\$	\$	\$ 5,466,240	\$ 5,466,240
Health		8,503,610		8,503,610
Dental		282,347		282,347
Vision		44,570		44,570
Life		267,771		267,771
Survivor disability		189,550		189,550
Liability		4,804,237		4,804,237
Other		320,082	4,276	324,358
Total operating revenues	<u>0</u>	<u>14,412,167</u>	<u>5,470,516</u>	<u>19,882,683</u>
<b>Operating expenses:</b>				
Salaries and employee benefits		460,528	2,571,139	3,031,667
Materials and supplies		10,782	71,898	82,680
Repairs and maintenance		9,306	42,278	51,584
Contractual services		230,285	700,214	930,499
Office and utilities		30,949	314,202	345,151
Premiums and claims expense -				
General liability		2,903,052		2,903,052
Workmen's compensation		896,415		896,415
Auto		272,358		272,358
Health		8,586,528		8,586,528
Dental		276,422		276,422
Vision		43,002		43,002
Life		260,633		260,633
Survivor disability		197,567		197,567
Total operating expenses before depreciation	<u>0</u>	<u>14,177,827</u>	<u>3,699,731</u>	<u>17,877,558</u>
Operating income (loss) before depreciation	<u>0</u>	<u>234,340</u>	<u>1,770,785</u>	<u>2,005,125</u>
Depreciation			366,765	366,765
<b>Operating income (loss)</b>	<u>0</u>	<u>234,340</u>	<u>1,404,020</u>	<u>1,638,360</u>
<b>Nonoperating revenues (expenses):</b>				
Investment interest		27,325	3,315	30,640
Interest expense			(3,295)	(3,295)
Gain (loss) on disposal of capital assets			(932)	(932)
Total nonoperating revenues (expenses)	<u>0</u>	<u>27,325</u>	<u>(912)</u>	<u>26,413</u>
Income (loss) before transfers:	<u>0</u>	<u>261,665</u>	<u>1,403,108</u>	<u>1,664,773</u>
<b>Transfers:</b>				
Transfers in (out)			(257,553)	(257,553)
Total transfers	<u>0</u>	<u>0</u>	<u>(257,553)</u>	<u>(257,553)</u>
<b>Change in net position</b>	<u>0</u>	<u>261,665</u>	<u>1,145,555</u>	<u>1,407,220</u>
<b>Net position at beginning of year</b>	<u>663,370</u>	<u>7,045,450</u>	<u>(1,089,784)</u>	<u>6,619,036</u>
<b>Net position at end of year</b>	<u>\$ 663,370</u>	<u>\$ 7,307,115</u>	<u>\$ 55,771</u>	<u>\$ 8,026,256</u>

**CITY OF PENSACOLA, FLORIDA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b>General Stock Account</b>	<b>Insurance Retention Fund</b>	<b>Central Services Fund</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$	\$ 9,918,138	\$ 5,470,516	\$ 15,388,654
Cash received from other funds		4,147,580		4,147,580
Cash payments to suppliers for goods and services	(15,642)	(13,623,157)	(1,139,837)	(14,778,636)
Cash payments to employees for services		(460,501)	(2,628,983)	(3,089,484)
Net cash provided by (used for) operating activities	(15,642)	(17,940)	1,701,696	1,668,114
<b>Cash flows from noncapital financing activities:</b>				
Advance from (to) other funds		(301,197)	(168,647)	(469,844)
Net transfers			(175,479)	(175,479)
Net cash provided by (used for) noncapital financing activities	0	(301,197)	(344,126)	(645,323)
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets			(245,542)	(245,542)
Principal payments under capital lease obligation			(38,386)	(38,386)
Interest paid on capital lease obligations			(3,295)	(3,295)
Net cash provided by (used for) capital and related financing activities	0	0	(287,223)	(287,223)
<b>Cash flows from investing activities:</b>				
Purchase of investments	(2,099)	(4,644,792)	(1,599,610)	(6,246,501)
Sale of investments	557	1,232,418	424,430	1,657,405
Interest on investments		27,325	3,315	30,640
Net cash used for (used for) investing activities	(1,542)	(3,385,049)	(1,171,865)	(4,558,456)
<b>Net increase (decrease) in cash and cash equivalents</b>	(17,184)	(3,704,186)	(101,518)	(3,822,888)
<b>Cash and cash equivalents at beginning of year</b>	20,478	5,934,446	696,546	6,651,470
<b>Cash and cash equivalents of end of year</b>	\$ 3,294	\$ 2,230,260	\$ 595,028	\$ 2,828,582

**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, 2016**

	<u>General Stock Account</u>	<u>Insurance Retention Fund</u>	<u>Central Services Fund</u>	<u>Total</u>
<b>Operating income (loss)</b>	\$	\$ 234,340	\$ 1,404,020	\$ 1,638,360
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>				
Depreciation			366,765	366,765
<b>Change in assets and liabilities:</b>				
(Increase) decrease in accounts receivable		(396,431)		(396,431)
(Increase) decrease in inventory	(15,642)			(15,642)
(Increase) decrease in due from other funds		53,703		53,703
(Increase) decrease in prepaid expenses		222,573	(11,983)	210,590
Increase (decrease) in accounts payable		108,795	738	109,533
Increase (decrease) in contracts payable		10,733	44,287	55,020
Increase (decrease) in due to other funds		(10,166)	(106,416)	(116,582)
Increase (decrease) in deposits		(3,721)		(3,721)
Increase (decrease) in claims and judgments		(247,959)		(247,959)
Increase (decrease) in compensated absences		1,910	(10,436)	(8,526)
Increase (decrease) in net OPEB obligation		6,146	49,831	55,977
Increase (decrease) in net pension liability		2,137	(35,110)	(32,973)
<b>Net cash provided by (used for) operating activities</b>	<u>\$ (15,642)</u>	<u>\$ (17,940)</u>	<u>\$ 1,701,696</u>	<u>\$ 1,668,114</u>

**Noncash investing, capital, and financing activities:**

	<u>General Stock Account</u>	<u>Insurance Retention Fund</u>	<u>Central Services Fund</u>	<u>Total</u>
Gain (loss) on disposal of capital assets	\$	\$	\$ (932)	\$ (932)
Transfer of capital assets to other funds	\$	\$	\$ 82,074	\$ 82,074



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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, 2016**

	<b>General Pension and Retirement Fund</b>	<b>Firefighter's Relief and Pension Fund</b>	<b>Police Officers' Retirement Fund</b>	<b>Total Pension Trust Funds</b>
<b>ASSETS</b>				
Other cash	\$ 89,687	\$ 114,122	\$ 135,459	\$ 339,268
<b>Receivables:</b>				
Employer	9	73	81	163
Employee	6,918	8,037	4,195	19,150
Total receivables	6,927	8,110	4,276	19,313
<b>Investments :</b>				
Short term investments	2,316,589	2,476,792	1,299,967	6,093,348
Debt Securities & Bond Mutual Funds	26,544,598	23,254,757	18,198,918	67,998,273
Convertible Corporate Bonds	7,991,468	8,980,866		16,972,334
Stock Mutual Funds	22,024,528	11,213,630		33,238,158
Mortgage Backed Securities	23,714,390	14,666,459	13,015,049	51,395,898
Commingled Trust Fund	353,314	6,156,675	6,140,708	12,650,697
Domestic Stocks	46,412,588	42,241,468	39,829,952	128,484,008
Preferred Stocks	2,144,293	2,449,446		4,593,739
Foreign Stocks	3,406,016	2,449,409	7,475,232	13,330,657
Total investments	134,907,784	113,889,502	85,959,826	334,757,112
<b>Total assets</b>	\$ 135,004,398	\$ 114,011,734	\$ 86,099,561	\$ 335,115,693
<b>LIABILITIES</b>				
Accounts payable	\$ 139,257	\$ 150,005	\$ 358,992	\$ 648,254
Total liabilities	139,257	150,005	358,992	648,254
<b>NET POSITION</b>				
Restricted for pensions	\$ 134,865,141	\$ 113,861,729	\$ 85,740,569	\$ 334,467,439



**CITY OF PENSACOLA, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>General Pension and Retirement Fund</u>	<u>Firefighter's Relief and Pension Fund</u>	<u>Police Officers' Retirement Fund</u>	<u>Total Pension Trust Funds</u>
<b>Additions:</b>				
Contributions - city	\$ 6,788,560	\$ 2,508,856	\$ 3,830,736	\$ 13,128,152
Contributions - employee	360,693	421,774	227,357	1,009,824
Contributions - employee buy back		44,064		44,064
Commission recapture	3,319	2,985	3,569	9,873
Insurance proceeds - State of Florida		628,071	533,483	1,161,554
Total contributions	<u>7,152,572</u>	<u>3,605,750</u>	<u>4,595,145</u>	<u>15,353,467</u>
Investment income				
Net appreciation				
in fair value of investments	8,788,948	7,448,017	7,058,687	23,295,652
Interest and dividends	3,231,385	3,145,514	1,970,056	8,346,955
	<u>12,020,333</u>	<u>10,593,531</u>	<u>9,028,743</u>	<u>31,642,607</u>
Less investment expense	667,564	644,387	380,636	1,692,587
Net investment income	<u>11,352,769</u>	<u>9,949,144</u>	<u>8,648,107</u>	<u>29,950,020</u>
Total additions	<u>18,505,341</u>	<u>13,554,894</u>	<u>13,243,252</u>	<u>45,303,487</u>
<b>Deductions:</b>				
Pensions paid - employees	10,410,479	5,828,202	4,463,588	20,702,269
Pensions paid - widows	1,946,932	919,417	629,514	3,495,863
Pensions paid - children		6,370		6,370
Refunds to employees	82,082	40,024	11,595	133,701
Deferred retirement option plan	1,406,115	2,134,931	2,434,932	5,975,978
Health insurance assistance	133,280			133,280
Administrative expenses	107,880	151,322	93,853	353,055
Total deductions	<u>14,086,768</u>	<u>9,080,266</u>	<u>7,633,482</u>	<u>30,800,516</u>
<b>Change in net position</b>	4,418,573	4,474,628	5,609,770	14,502,971
<b>Net position restricted for pension benefits:</b>				
<b>Beginning of year</b>	<u>130,446,568</u>	<u>109,387,101</u>	<u>80,130,799</u>	<u>319,964,468</u>
<b>End of year</b>	<u>\$ 134,865,141</u>	<u>\$ 113,861,729</u>	<u>\$ 85,740,569</u>	<u>\$ 334,467,439</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.

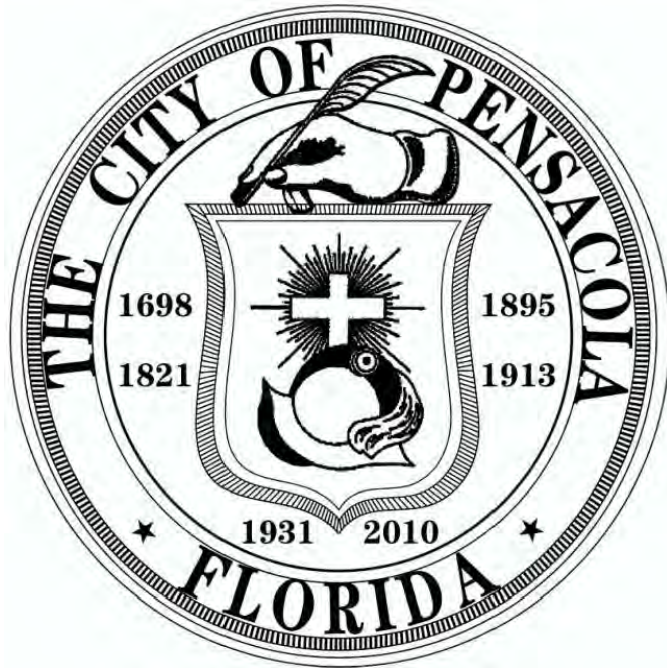
**Revenue Capacity** - These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property, sales taxes, and utility revenue.

**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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental activities:										
General Government	\$ 13,760,551	\$ 13,028,271	\$ 10,607,815	\$ 10,056,862	\$ 12,035,379	\$ 30,598,069 (d)	\$ 11,030,982	\$ 10,140,686	\$ 11,459,325	\$ 10,675,142
Public safety	31,499,372	31,837,050	31,494,450	30,887,727	29,982,610	30,960,121	30,934,597	33,276,740	31,187,510	32,478,560
Transportation	4,302,907	4,515,948	2,837,201	2,751,634	2,665,702	2,992,464	2,679,732	2,942,516	3,205,374	4,051,784
Culture and recreation	14,102,175	13,463,182	14,140,256	15,355,160	15,084,355	18,824,265	18,544,968	12,968,344	14,030,560	13,467,494
Economic environment	9,655,932	13,772,416	14,502,662	14,792,350	14,902,876	13,780,462	14,808,193	13,876,714	16,362,079	16,502,619
Physical environment	2,417,760	3,037,313	3,151,470	2,965,146	2,589,177	2,893,391	2,855,920	4,922,313	5,470,198	3,146,051
Human services	109,670	115,000	94,200	51,900	37,100	30,000	30,000	30,000	30,000	30,000
Unallocated depreciation	1,144,137	1,700,181	2,162,409	2,541,975	2,806,602	3,028,787	3,316,233	3,418,471	3,592,828	3,898,568
Interest on long-term debt	1,656,581	1,272,372	769,278	2,923,782	3,971,769	3,712,342	5,397,074 (e)	5,272,532	5,091,611	5,139,876
Total governmental activities expenses	<u>78,649,085</u>	<u>82,741,733</u>	<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>
Business-type activities:										
Utility	38,972,519	46,166,828	39,206,068	35,002,074	31,570,293	25,338,365	28,928,155	33,899,904	30,526,216	31,136,870
Sanitation	6,001,189	6,463,890	6,873,786	6,097,312	5,975,566	6,179,795	6,096,488	6,636,126	6,115,820	6,883,649
Port	2,952,129	2,828,158	2,667,098	2,774,460	2,675,500	2,633,916	2,628,491	2,646,153	2,609,159	2,601,580
Airport	14,681,765	18,964,646	22,709,226	25,169,494	24,710,561	26,110,733	25,093,721	24,331,152	23,833,660	25,085,705
Golf Course (a)										
Total business-type activities expenses	<u>62,607,602</u>	<u>74,423,522</u>	<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>
Total primary government expenses	<u>\$ 141,256,687</u>	<u>\$ 157,165,255</u>	<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>
<b>Program Revenues</b>										
Governmental activities:										
Charges for Services:										
General Government	\$ 417,496	\$ 294,520	\$ 335,438	\$ 347,218	\$ 439,138	\$ 493,530	\$ 526,039	\$ 679,868	\$ 538,272	\$ 540,401
Public safety	2,032,238	2,069,778	1,728,932	1,941,582	1,601,919	1,901,310	1,903,583	2,308,840	2,304,786	2,165,304
Transportation	935,986	729,613	697,453	489,382	419,876	543,851	538,138	619,630	636,372	722,452
Culture and recreation	1,311,187	1,320,242	1,391,241	1,762,428	1,729,823	2,387,544	3,192,352	2,763,580	2,817,702	3,064,679
Physical environment	1,813,446	1,913,284	1,899,385	2,170,463	1,899,162	2,543,121	2,498,829	2,619,208	2,609,127	2,785,085
Operating grants and contributions (c)	22,328,404	17,310,191	19,475,151	22,751,256	22,521,356	18,674,020	20,526,485	15,686,464	19,435,541	20,937,879
Capital grants and contributions	10,624,444	6,834,357	8,169,629	4,335,871	7,287,874	6,880,444	3,438,904	4,522,447	9,770,999	5,240,998
Total governmental activities program revenues	<u>39,463,201</u>	<u>30,471,985</u>	<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>
Business-type activities:										
Charges for Services										
Utility	52,684,149	57,557,864	47,673,400	45,493,419	39,154,943	36,900,749	42,891,258	49,170,177	45,466,269	43,278,297
Sanitation	6,128,324	6,699,149	6,366,664	6,165,903	6,221,178	6,838,663	6,948,353	6,989,558	7,060,514	7,084,148
Port	1,601,256	1,801,002	1,242,839	1,803,407	1,894,871	2,401,744	1,808,200	1,906,423	1,900,212	1,609,280
Airport	16,503,822	17,696,841	14,972,720	16,642,691	18,188,649	17,996,001	18,729,817	18,915,396	21,073,261	21,887,992
Golf (a)										
Operating grants and contributions										
Capital grants and contributions	26,271,082	6,196,139	15,055,919	13,791,291	5,392,337	7,834,262	13,462,418	6,076,663	8,685,517	12,843,595
Total business-type activities program revenues	<u>103,188,633</u>	<u>89,950,995</u>	<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>
Total primary government program revenues	<u>\$ 142,651,834</u>	<u>\$ 120,422,980</u>	<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>

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (39,185,884)	\$ (52,269,748)	\$ (46,062,512)	\$ (48,528,336)	\$ (48,176,422)	\$ (73,396,081)	\$ (56,973,369)	\$ (57,648,279)	\$ (52,316,686)	\$ (53,933,296)
Business-type activities	40,581,031	15,527,473	13,855,364	14,853,371	5,920,058	11,708,610	21,093,191	15,544,882	21,100,918	20,995,508
Total primary government net expenses	\$ 1,395,147	\$ (36,742,275)	\$ (32,207,148)	\$ (33,674,965)	\$ (42,256,364)	\$ (61,687,471)	\$ (35,880,178)	\$ (42,103,397)	\$ (31,215,768)	\$ (32,937,788)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes:										
Property taxes (c)	\$ 15,328,153	\$ 14,963,002	\$ 13,990,633	\$ 13,686,629	\$ 13,318,749	\$ 12,311,601	\$ 12,096,544	\$ 12,232,594	\$ 12,728,973	\$ 13,312,773
Public service taxes and franchise fees	13,209,195	13,268,556	13,999,030	14,996,638	15,093,190	14,252,846	14,160,542	15,720,253	16,339,157	16,000,690
Communication services tax	3,859,998	4,025,970	3,738,973	3,795,244	3,675,699	3,600,306	3,468,827	3,115,591	3,026,561	3,127,266
Local business tax (b)	907,014	940,673	895,570	923,457	904,327	885,161	902,106	917,179	909,057	914,773
Local option gasoline tax	1,748,740	1,612,704	1,605,605	1,610,128	1,569,013	1,557,013	1,524,736	1,553,809	1,541,616	1,585,310
Local option sales tax (c)	6,960,630	6,550,530	5,976,299	5,866,075	6,323,106	6,401,758	6,665,836	7,015,227	7,337,154	7,662,504
Contribution from other governments										
Intergovernmental revenues (c)	6,492,065	6,190,954	5,807,740	5,769,127	6,054,345	6,123,014	6,368,742	6,502,204	6,719,109	6,846,265
Unrestricted investment earnings (c)	2,674,332	2,177,667	1,349,471	700,726	1,928,271	1,948,024	1,918,865	1,902,728	1,939,068	2,026,216
Insurance recoveries		1,033,232								
Donation of capital assets	684,476									
Miscellaneous	123,968	27,872	34,364	38,267	71,951	32,315	20,547	41,068	4,872	14,316
Net gain (loss) on sale of asset						105,387	87,400	71,972	56,851	
Gain (loss) on impairment of asset - Hurricane Ivan										
Special Item								(1,306,106)	5,351,922 (f)	
Transfers	8,852,993	11,344,453	8,000,000	4,905,778	8,140,626	8,000,000	8,000,000	8,206,788	8,070,459	8,000,000
Overhead transfers	3,414,200	3,683,400	2,429,800	2,267,700	2,219,700	2,366,900	2,094,600	2,372,500	2,376,600	2,355,500
Total governmental activities	64,255,764	65,819,013	57,827,485	54,559,769	59,298,977	57,584,325	57,308,745	58,345,807	66,401,399	61,845,613
Business-type activities:										
Unrestricted investment earnings	1,036,596	999,959	1,235,552	267,732	31,993	42,597	106,780	121,682	170,836	215,216
Insurance recoveries		651,416								
Donation of capital assets										
Miscellaneous	270,871	269,834	309,576	327,094	350,963	392,351	371,655	373,481	511,037	424,772
Net gain (loss) on sale of asset						66,358	2,000	43,870	19,196	
Gain (loss) on impairment of asset - Hurricane Ivan										
Special Item							470,000			
Transfers	(8,852,993)	(11,344,453)	(8,000,000)	(4,905,778)	(8,140,626)	(8,000,000)	(8,000,000)	(8,206,788)	(8,070,459)	(8,000,000)
Overhead transfers	(3,414,200)	(3,683,400)	(2,429,800)	(2,267,700)	(2,219,700)	(2,366,900)	(2,094,600)	(2,372,500)	(2,376,600)	(2,355,500)
Total business-type activities	(10,959,726)	(13,106,644)	(8,884,672)	(6,578,652)	(9,977,370)	(9,865,594)	(9,144,165)	(10,040,255)	(9,745,990)	(9,715,512)
Total primary government	\$ 53,296,038	\$ 52,712,369	\$ 48,942,813	\$ 47,981,117	\$ 49,321,607	\$ 47,718,731	\$ 48,164,580	\$ 48,305,552	\$ 56,655,409	\$ 52,130,101
<b>Change in Net Position</b>										
Governmental activities	\$ 25,069,880	\$ 13,549,265	\$ 11,764,973	\$ 6,031,433	\$ 11,122,555	\$ (15,811,756)	\$ 335,376	\$ 697,528	\$ 14,084,713	\$ 7,912,317
Business-type activities	29,621,305	2,420,829	4,970,692	8,274,719	(4,057,312)	1,843,016	11,949,026	5,504,627	11,354,928	11,279,996
Total primary government	\$ 54,691,185	\$ 15,970,094	\$ 16,735,665	\$ 14,306,152	\$ 7,065,243	\$ (13,968,740)	\$ 12,284,402	\$ 6,202,155	\$ 25,439,641	\$ 19,192,313

- Notes:** (a) In FY07, the Golf Course was moved from an enterprise fund to a special revenue fund.  
(b) In FY07, the Uniform Accounting System Manual changed how local governments recorded the local business tax. Prior to FY07, the tax was classified as a licenses and in FY07 the tax is classified as a tax, moving it from general government charges for services to general government taxes.  
(c) 2007 and prior have been restated, where noted, to reflect only those revenues which should be reported in each category.  
(d) In FY12, the City made a one time \$19.5 million contribution to ECUA for Main Steeet Waste Water Treatment Plant Relocation Project.  
(e) In FY 13, CMPA Construction Fund interest was included into governmental activities due to GASB No. 65 implementation.  
(f) In FY 15, BP claim was settled for the BP Deep Horizon Oil Spill in 2010 and the City was awarded \$5,351,922

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015 (b)	2016
Governmental activities										
Net investment in capital assets	\$ 96,906,089	\$ 117,973,303	\$ 139,118,040	\$ 145,873,745	\$ 160,201,917	\$ 170,014,519	174,961,171	\$ 175,446,759	\$ 173,000,255	\$ 163,348,312
Restricted	46,006,637	37,093,415	30,099,551	28,019,701	27,931,083	20,560,416	17,644,779	16,283,438	27,838,599	35,352,306
Unrestricted	13,924,384	15,535,349	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)
Total governmental activities net position	<u>\$ 156,837,110</u>	<u>\$ 170,602,067</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 119,978,282	\$ 90,891,929	\$ 125,156,505	\$ 131,503,050	\$ 135,686,653	\$ 132,621,897	133,809,955	\$ 131,081,295	\$ 135,878,607	\$ 142,842,026
Restricted	5,699,402	5,700,402	9,638,870	8,734,350	8,791,433	8,800,733	8,833,733	8,703,100	9,904,200	9,956,165
Unrestricted	18,082,391	50,074,594	16,781,105	19,613,799	11,315,801	16,214,273	25,949,463	34,313,383	20,040,759	24,305,371
Total business-type activities net position	<u>\$ 143,760,075</u>	<u>\$ 146,666,925</u>	<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>
Primary government										
Net investment in capital assets	\$ 216,884,371	\$ 208,865,232	\$ 264,274,545	\$ 277,376,795	\$ 295,888,570	\$ 302,636,416	308,771,126	\$ 306,528,054	\$ 308,878,862	\$ 306,190,338
Restricted	51,706,039	42,793,817	39,738,421	36,754,051	36,722,516	29,361,149	26,478,512	24,986,538	37,742,799	45,308,471
Unrestricted	32,006,775	65,609,943	29,930,554	34,118,826	22,703,829	9,348,610	17,111,263	27,048,464	(43,287,414)	(28,972,249)
Total primary government net position	<u>\$ 300,597,185</u>	<u>\$ 317,268,992</u>	<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>

**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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
General government	\$ 5,590,979	\$ 3,891,303	\$ 3,734,253	\$ 3,153,786	\$ 3,042,474	\$ 7,713,091	\$ 3,003,380	\$ 3,153,436	\$ 3,283,833	\$ 3,427,107
Public safety	2,715,923	2,497,330	1,903,690	2,764,575	3,727,640	2,580,263	3,367,697	3,328,936	2,484,036	2,349,489
Transportation	3,640,571	821,374	746,254	1,011,626	801,324	793,491	538,138	859,734	2,807,030	1,911,016
Culture and recreation	7,503,800	9,093,754	11,596,641	7,558,660	9,447,660	7,145,440	8,091,572	4,990,080	6,822,539	5,076,963
Economic environment	16,862,124	11,510,064	12,839,011	16,784,456	16,263,534	12,418,071	14,930,338	13,503,294	16,793,245	17,147,764
Physical environment	3,219,462	2,658,160	2,877,380	2,525,097	2,616,516	2,773,464	2,693,205	3,364,557	5,922,116	5,544,459
Human services										
Total governmental activities	<u>39,532,859</u>	<u>30,471,985</u>	<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>
Business-type activities:										
Utility	52,684,149	57,557,864	47,673,400	45,501,820	39,281,504	38,054,431	42,987,116	49,387,343	45,939,470	43,761,940
Sanitation	6,218,324	6,699,149	6,366,664	6,165,903	6,232,698	6,838,663	7,014,670	6,989,558	7,074,746	7,084,148
Port	2,224,705	1,904,284	2,222,280	1,828,028	2,068,779	2,586,212	2,532,976	2,026,744	2,108,450	2,457,376
Airport	42,151,455 (a)	23,789,698	29,049,198	30,400,960	23,268,997	24,492,113	31,305,284	24,654,572	29,063,107	33,399,848
Golf Course										
Total business-type activities	<u>103,278,633</u>	<u>89,950,995</u>	<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>
<b>Total primary government</b>	<u>\$ 142,811,492</u>	<u>\$ 120,422,980</u>	<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>

**Notes:** (a) The increase to program revenues in the airport activity is primarily due to capital grants and contributions for Hurricane Ivan.

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

		<b>Pre-GASB 54</b>					
		<b>Fiscal Year</b>					
		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>		
General Fund							
Reserved	\$	921,523	\$ 926,095	\$ 1,332,323	\$ 1,277,400		
Unreserved		8,983,669	9,803,661	9,906,638	9,955,633		
Total General Fund	\$	<u>9,905,192</u>	<u>\$ 10,729,756</u>	<u>\$ 11,238,961</u>	<u>\$ 11,233,033</u>		
All Other Governmental Funds							
Reserved	\$	8,623,413	\$ 15,596,086	\$ 13,634,480	\$ 56,167,571 (a)		
Unreserved, reported in:							
Special revenue funds		18,562,204	11,553,673	9,091,855	8,460,053		
Capital projects funds		19,167,052	10,935,750	7,359,785	11,024,056		
Debt service funds		271,348	215,413	218,249	1,491,223		
Total all other governmental funds:	\$	<u>46,624,017</u>	<u>\$ 38,300,922</u>	<u>\$ 30,304,369</u>	<u>\$ 77,142,903</u>		
		<b>Post-GASB 54</b>					
		<b>Fiscal Year</b>					
		<u>2011 (d)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund							
Non-spendable	\$	12,617	\$ 24,780	\$ 33,976 (b)	\$ 37,491	\$ 31,016	\$ 28,729
Restricted		544,198	428,618	381,561	447,395	632,697	665,283
Committed		8,388,656	8,399,115	8,654,687	8,816,950	9,210,488	10,143,175
Assigned		1,019,104	2,187,305	2,196,081	2,986,393	2,761,806	2,640,289
Unassigned		1,309,029	1,100,516	1,167,855	1,110,671	1,102,141	1,128,736
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>
All Other Governmental Funds							
Non-spendable	\$	459,554	\$ 3,163,567	\$ 7,661,628	\$ 3,770,589	\$ 7,510,198	\$ 3,437,808
Restricted		71,421,175	66,544,108	58,187,514	57,319,028	58,928,951	75,306,214 (c)
Committed		3,650,217	4,207,674	3,047,291	3,695,188	5,760,423	6,525,521
Assigned		5,764	6,858	8,102	715,949	3,137,792	1,712,813
Unassigned		(980,662)	(6,082,300)	(7,778,573)	(6,974,974)	(7,341,255)	(6,642,268)
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>

**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)*

Revenues	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Taxes	\$ 34,699,382	\$ 33,850,592	\$ 32,095,945	\$ 32,380,241	\$ 32,451,822	\$ 31,234,509	\$ 31,300,035	\$ 32,259,057	\$ 33,316,544	\$ 34,076,354
Licenses and permits	875,705	1,235,120	864,844	752,488	791,950	1,132,486	1,072,138	1,277,978	1,346,721	1,415,580
Franchise fees	7,307,290	7,510,843	8,110,165	8,497,930	8,432,262	7,774,176	7,518,556	8,295,596	8,565,974	8,289,710
Intergovernmental	36,468,652	24,529,512	28,722,364	30,498,606	32,971,501	28,045,478	29,348,015	25,037,986	34,883,053	31,227,672
Charges for services	5,216,030	4,327,860	4,339,480	4,825,173	4,617,672	5,842,665	6,584,768	6,472,779	6,634,483	6,995,182
Fines and forfeits	354,393	385,063	441,251	746,929	370,689	337,858	427,168	483,732	318,933	286,782
Assessments	216,744	112,760	89,577	89,911	28,246	51,729	10,663	35,191	14,347	27,187
Interest income	3,394,311	2,711,137	1,470,144	764,193	1,961,934	1,958,681	1,943,236	1,921,332	1,943,368	2,045,038
Charges for overhead	4,046,200	(a)								
Rents and leases										
Donations	75,830	2,828,116	2,689,665	1,456,457	2,381,473	199,965	334,093	529,217	106,536	1,017,668
Other	2,151,466	652,214	733,049	748,346	672,779	706,264	809,905	1,576,588	915,518	1,320,438
<b>Total revenues</b>	<b>94,806,003</b>	<b>78,143,217</b>	<b>79,556,484</b>	<b>80,760,274</b>	<b>84,680,328</b>	<b>77,283,811</b>	<b>79,348,577</b>	<b>77,889,456</b>	<b>88,045,477</b>	<b>86,701,611</b>
<b>Expenditures</b>										
Current -										
General government	13,140,542	8,099,930	7,026,818	6,971,798	8,954,870	7,986,834	8,822,473	8,370,721	9,763,178	8,731,145
Public safety	30,073,622	30,108,528	29,285,357	29,826,611	29,097,514	29,892,275	29,678,412	31,613,523	33,344,112	32,344,989
Transportation	4,078,150	2,471,682	2,510,175	2,454,335	2,283,148	2,531,637	2,208,999	2,558,589	3,002,495	3,703,713
Culture and recreation	12,649,876	11,451,051	11,828,720	12,464,329	12,189,319	15,962,500	13,224,751	8,265,301	9,888,492	8,961,041
Economic environment	9,636,721	13,668,432	14,398,618	14,700,741	14,811,906	13,671,431	14,720,255	13,795,153	16,379,088	16,512,073
Physical environment	2,329,484	2,921,658	2,916,615	2,890,347	2,464,243	3,009,598	2,918,934	4,927,340	5,596,702	3,345,057
Human services	109,670	115,000	94,200	51,900	37,100	30,000	30,000	30,000	30,000	30,000
Capital outlay	22,483,692	23,176,356	24,998,552	16,154,212	18,616,603	14,483,196	11,278,564	9,115,258	10,770,532	12,963,404
Debt service -										
Principal retirement	4,655,760	3,372,006	2,850,209	3,231,188	3,354,959	3,504,241	6,884,053 (c)	3,365,000	3,520,000	3,695,000
Interest	1,728,048	1,292,286	858,442	1,477,422	3,989,355	4,162,404	5,988,052	5,758,346	5,602,755	5,600,516
<b>Total expenditures</b>	<b>100,885,565</b>	<b>96,676,929</b>	<b>96,767,706</b>	<b>90,222,883</b>	<b>95,799,017</b>	<b>95,234,116</b>	<b>95,754,493</b>	<b>87,799,231</b>	<b>97,897,354</b>	<b>95,886,938</b>
Excess (deficiency) of revenues over (under) expenditures	(6,079,562)	(18,533,712)	(17,211,222)	(9,462,609)	(11,118,689)	(17,950,305)	(16,405,916)	(9,909,775)	(9,851,877)	(9,185,327)

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

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Other financing sources (uses)</b>										
Transfers in	46,846,554	22,190,629 (b)	19,375,754	23,899,753	20,688,877	28,398,726	20,869,255	65,692,097 (d)	22,172,579	21,700,560
Transfers (out)	(39,927,214)	(13,439,238) (b)	(11,375,754)	(16,969,220)	(12,188,877)	(19,898,726)	(12,869,255)	(57,485,309) (d)	(14,379,367)	(13,525,081)
Capital Lease Note Issuance									6,460,954 (f)	
Sale of capital assets	99,547	1,072,364	724,093	725,270	72,405	105,387	87,400	67,545	55,366	
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		1,033,232	999,781	74,429						
Payment to refund debt				(20,000,000)						
Bonds Issued				63,610,352						14,314,000
Issuance Cost		(37,498)		(634,574)						(92,109)
<b>Total other financing sources (uses)</b>	<u>7,018,887</u>	<u>10,819,489</u>	<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>
<b>Net change in fund balances</b>										
before prior period adjustments/special items	<u>939,325</u>	<u>(7,714,223)</u>	<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>
Special item - sale of capital asset	-	-	-	-	-	3,495,507	-	-	-	-
Special item - BP Settlement	-	-	-	-	-	-	-	-	5,351,922 (e)	-
PPA/Change in accounting principle	<u>1,231,286</u>	<u>215,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,898,397</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ 2,170,611</u>	<u>\$ (7,498,531)</u>	<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>
<b>Debt service as a percentage of noncapital expenditures</b>	8.10%	6.31%	5.13%	6.33%	9.49%	9.46%	15.19%	11.59%	10.47%	11.21%

- Notes: (a) Starting in FY 2008, charges for overhead are reflected as a reduction to expenditures (cost recovery).  
(b) The decrease in transfers in(out) are from an accounting change in the Tax and Franchise Fee Debt Service Fund (TFDFS). In FY 08, revenues recorded in the TFDFS Fund are now recorded directly in the General Fund.  
(c) In FY 13, principal payments on the Capital Funding Revenue Bonds, Series 2010 A began.  
(d) In FY 14, Maritime Community Construction Fund was closed and residual equity transfers were made to the CRA and Debt Service Fund.  
(e) In FY 15, BP claim was settled for the BP Deep Horizon Oil Spill in 2010 and the City was awarded \$5,351,922.  
(f) In FY 15, Motorola released \$6,460,954 to finance the acquisition of technology related equipment.

## **REVENUE CAPACITY**

**CITY OF PENSACOLA, FLORIDA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
*(in thousands of dollars)*

<u>Fiscal Year</u>	<u>Personal Property</u>	<u>Real Property</u>	<u>Central Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2007	\$ 534,628	\$ 4,713,764	\$ 4,517	\$ 2,013,162	\$ 3,239,747	4.9500
2008	537,581	4,760,528	5,113	1,935,505	3,367,717	4.5980
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

**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
2007	4.9500	2.0000	7.8940	8.7560		0.0500
2008	4.5980	2.0000	7.7200	8.0170		0.0450
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

**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	2016			2007		
	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	\$ 172,263,176	1	0.84%	\$ 53,301,190	2	0.30%
Gulf Power	117,428,375	2	0.57%	89,902,440	1	0.50%
Baptist Hospital	54,477,383	3	0.27%	----		----
Simon Debartolo Group	39,713,356	4	0.19%	30,664,960	4	0.17%
Armstrong World Industries	30,232,977	5	0.15%	29,273,640	5	0.16%
Wal-mart	14,339,307	6	0.07%	21,796,560	6	0.12%
Reichhold Inc/Arizona Chemical	13,977,787	7	0.07%	----		----
Bellsouth/Southern Bell	13,325,076	8	0.07%	32,637,420	3	0.18%
Holi Corp	12,704,455	9	0.06%	----		----
Cordova	12,595,192	10	0.06%	----		----
Cingular	----		----	15,139,230	10	0.08%
Gayfers/Dillard's	----		----	20,568,640	7	0.11%
Pensacola POB Inc.	----		----	17,448,220	8	0.10%
Moulton Properties	----		----	15,922,600	9	0.09%
<b>Total</b>	<b>\$ 481,057,084</b>		<b>2.35%</b>	<b>\$ 326,654,900</b>		<b>1.81%</b>

**Source:** Escambia County Tax Collector



**CITY OF PENSACOLA, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
PAST TEN FISCAL YEARS**

<u>Fiscal Year Ended September 30,</u>	<u>Taxes Levied for the Fiscal Year (a)</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years (c)</u>	<u>Totals Collections to Date</u>	
		<u>Amount (b)</u>	<u>Percentage of Levy</u>		<u>Amount (d)</u>	<u>Percentage of Levy</u>
2007	16,036,749	15,291,677	95.4%	36,476	15,328,153	95.6%
2008	15,484,765	14,879,673	96.1%	83,329	14,963,002	96.6%
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%

**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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 (a)</u>
General merchandise stores	\$ 720,523	\$ 689,995	\$ 680,381	\$ 685,603	\$ 698,467	\$ 700,221	\$ 719,356	\$ 741,251	\$ 747,540	\$ 588,761
Grocery stores	215,618	201,809	207,857	212,553	217,919	227,557	232,516	242,179	252,702	198,198
Hotels and apartments	145,076	147,407	147,076	146,774	181,714	196,948	212,653	239,013	260,427	223,442
Lumber and building materials	243,424	232,226	206,656	209,492	198,282	217,582	246,944	269,521	273,741	229,600
Manufacturing and mining	104,058	74,887	63,638	69,889	73,577	59,046	68,843	62,944	69,620	56,726
Motor vehicle dealers	724,052	597,693	514,024	563,280	625,711	705,531	743,242	823,294	861,382	680,519
Office space and commercial rentals	197,872	197,947	191,201	199,864	202,963	208,092	213,965	217,941	220,022	169,165
Restaurants and lunchrooms	461,118	453,222	458,456	466,225	494,623	524,039	549,825	576,942	614,241	492,915
Total	<u>\$ 2,811,741</u>	<u>\$ 2,595,186</u>	<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>\$ 2,639,326</u>

City direct sales tax rate (b)

**Source:** Florida Department of Revenue

**Notes:** Data presented reflects Escambia County.

(a) 2016 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 Cent 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**

<b>Fiscal Year</b>	<b>Local Option Sales Tax Escambia County</b>	<b>Half Cent Sales Tax School District</b>
2007	1.00%	0.50%
2008	1.00%	0.50%
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%

**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)*

	<u>2016</u>		<u>2007</u>	
	<u>Tax Liability (a)</u>	<u>Percentage of Total</u>	<u>Tax Liability (a)</u>	<u>Percentage of Total</u>
Retail trade	\$ 168,968	54.52%	160,994	56.51%
Services	63,796	20.58%	55,387	19.44%
Manufacturing and mining	4,393	1.42%	6,850	2.40%
Wholesale trade	7,631	2.46%	10,032	3.52%
Construction	19,248	6.21%	16,173	5.68%
Finance, insurance, and real estate	29,915	9.65%	19,949	7.00%
Transportation and utilities	11,830	3.82%	11,060	3.88%
Agricultural	1,302	0.42%	2,137	0.75%
Other	2,862	0.90%	2,319	0.81%
<b>Total</b>	<b>\$ 309,945</b>	<b>100.00%</b>	<b>284,901</b>	<b>100.00%</b>

**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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Type of Customer</b>										
Residential -Inside City Limits	362	327	311	406	350	245	286	347	306	243
Residential -Outside City Limits	765	712	701	882	775	570	650	767	695	578
Commercial -Inside City Limits	358	353	287	331	322	304	307	322	310	301
Commercial -Outside City Limits	482	453	415	464	436	393	407	441	523	520
Municipal	34	14	15	18	68	27	23	26	26	24
Interruptible	588	642	628	648	630	633	1,063	1,089	937	814
Transportation	1,673	1,379	961	954	1,007	1,068	1,159	1,331	1,377	1478
<b>Total</b>	<u>4,262</u>	<u>3,880</u>	<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>
Total direct rate per Mcf (a)	\$ 18.26	\$ 20.47	\$ 18.74	\$ 15.25	\$ 14.91	\$ 16.55	\$ 16.93	\$ 17.21	\$ 19.08	\$ 20.93

**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)
2007(b)	7.00	6.27	11.05	8.00	7.97	11.10	12.00	6.27	10.92
2008	7.00	6.27	12.87	8.00	7.97	12.94	12.00	6.27	12.62
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	7.73	7.07	10.30	9.57	7.05	16.33	7.73	6.82
2016(g)	9.21	7.73	9.52	10.29	9.56	9.52	16.31	7.73	8.16

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)
2007(b)	14.00	7.97	10.93	16.00	2.30	9.75	150.00	N/A	N/A
2008	14.00	7.97	12.70	16.00	2.30	12.41	150.00	N/A	N/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	6.84	20.60	3.01	7.02	200.00	N/A	N/A
2016(g)	18.52	9.56	8.27	20.58	3.01	7.72	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.

## **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 (b)	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			
2007	\$ 16,355	\$ 20,000		2,273	\$ -	\$ -	\$ 9,280	\$ 1,480	\$ 33,569	\$ 82,957	1.14%	\$ 266
2008	13,328	20,000		1,927	-	-	9,681	1,457	77,550	123,943	1.66%	390
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

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

Outstanding debt for governmental activities includes \$269,418 of unamortized discounts and unamortized premium of \$99,190. Outstanding debt for business-type activities includes unamortized discounts in the amount of \$425,647

(a) See demographic and economic statistics schedule for personal income and population data. These ratios are calculated using Escambia County population and personal income for the corresponding calendar year.

(b) The total primary government total does not include the \$54,079,902 for the Community Development Entities (CDEs) Note which is the sole debt of Community Maritime Park Associates, Inc.



**CITY OF PENSACOLA, FLORIDA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES**  
**AS OF SEPTEMBER 30, 2016**  
*(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>
<b>Other Debt</b>			
Escambia County			
Sales Tax Revenue Bonds	\$ 67,790	17.3400%	\$ 11,755
Tourism Development Revenue Bonds	3,754	17.3400%	651
Capital Improvement Bonds/Notes	31,792	17.3400%	5,513
Escambia County School District			
State Board of Education Bonds	1,997	17.3400%	346
Sales Tax Revenue Bonds	51,910	17.3400%	9,001
Certificates of Participation	25,330	17.3400%	4,392
Subtotal, overlapping debt			31,658
<b>City direct debt bonds</b>			64,164
<b>City direct debt capital leases</b>			6,501
<b>Total direct and overlapping debt</b>			<u>\$ 102,323</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 \$269,418 of unamortized discounts and unamortized premiums of \$99,190.

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

Fiscal Year	Tax and Franchise Fee Bonds						Local Option Sales Tax Bonds				
	Public Service Tax	Half cent Sales Tax	Electric Franchise Fee	Debt Service		Coverage	Local Option Sales Tax	Debt Service		Coverage	
				Principal	Interest			Principal	Interest		
2007	\$ 5,896	\$ 4,093	\$ 4,972	\$ 2,880	\$ 830	4.03	\$ 6,961	\$ 1,405	\$ 859	3.07	
2008	5,747	3,825	5,049	3,050	681	3.92	6,551	-	585	11.20	
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	

Fiscal Year	Community Redevelopment Bonds				Local Option Gas Tax Revenue Bonds			
	Tax Increment Revenues	Debt Service		Coverage	Local Option Gas Tax	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2007	\$ 5,399	\$ 333	\$ 97	12.56	\$ 1,749	\$ -	\$ -	-
2008	5,126	345	84	11.95	1,613	-	-	-
2009	4,653	358	72	10.82	1,606	-	-	-
2010	4,317	371	58 (h)	10.06	1,610	-	-	-
2011	4,068	385	44 (h)	9.48	1,569	-	-	-
2012	3,959	399	2,115 (h)	1.57	1,557	-	-	-
2013	3,791	949	2,101 (h)	1.24	1,525	-	-	-
2014	3,790	560	2,142 (h)	1.40	1,554	-	-	-
2015	4,075	580	2,112 (h)	1.51	1,542	-	-	-
2016	4,428	605	2,087 (h)	1.64	1,462	-	-	-

Fiscal Year	Gas Revenue Bonds					
	Utility Charges for Services	Less: Operating Expense (a)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2007	\$ 52,914	\$ 39,455	\$ 13,459	\$ 1,215	\$ 504	7.83
2008	57,790	46,833	10,957	1,368	456	6.01
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

(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			
2007	\$ 16,512	\$ 10,117	\$ 300	\$ 9,817	\$ 6,695	\$ 1,295	\$ 1,735	2.21	2,303	2.97
2008	17,700	10,559	(96) (c)	10,655	7,045	1,365	1,659	2.33	2,492	3.15
2009	13,719	12,021	144	11,877	1,842	1,440	1,579 (d)	0.61	2,380	1.40
2010	15,645	14,296	248	14,048	1,597	1,520 (e)	1,492 (d)	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

**Airport Revenue Note CFC**

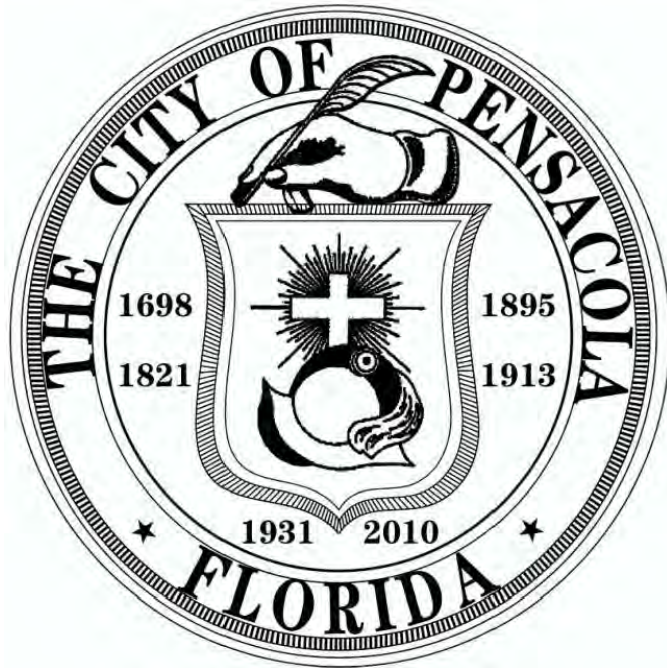
**Airport Revenue Bonds PFC**

Fiscal Year	Customer Facility Charge	Less: Operating Expense	Net Available Revenue	Debt Service		Coverage (f)	Passenger Facility Charge	Debt Service		Coverage (g)
				Principal	Interest			Principal	Interest	
2007	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-
2008	-	-	-	-	-	-	-	-	-	-
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

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) Negative operating expenses were a result of prior year expenditure reclasses
- (d) Excludes debt payments which were paid with bond proceeds.
- (e) Excludes debt payments which were paid with sinking fund reserves.
- (f) The coverage table is for illustrative purposes as required by GAAP. See CFC Bank of America Note.
- (g) The coverage table is for illustrative purposes as required by GAAP. See PFC Rate Maintenance covenant in Resolution 17-08 for coverage requirements.
- (h) Excludes debt payments which were paid with bond proceeds and federal subsidy payments.



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**DEMOGRAPHIC AND ECONOMIC  
INFORMATION**

**CITY OF PENSACOLA, FLORIDA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALANDER YEARS**

<b>Calendar Year</b>	<b>Pensacola Population</b>	<b>Escambia County Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2007	55,311	311,624	\$ 7,306,960	\$ 23,448	37	42,390	3.8%
2008	56,373	317,553	7,478,373	23,550	37	40,391	5.6%
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	54,594	314,788	7,572,855	24,057	37	40,125	4.9%

**Source:** Unemployment data provided by the Florida Research and Economic Database and the Bureau of Labor Statistics and Florida Research and Economic Database. Population, personal income and median age 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.

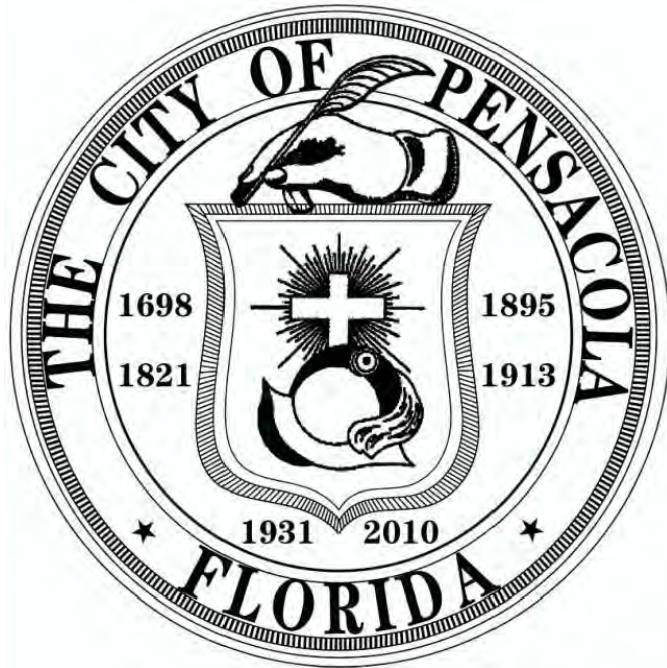
**Notes:** All data is applicable to Escambia County except for Pensacola population.  
(a) Decrease in population numbers are based on the United States Census in 2010.

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

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total MSA Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total MSA Employment</u>
Local Government	15,700	1	7.26%	16,600	1	8.42%
Federal Government	6,800	2	3.15%	6,700	2	3.40%
State Government	6,400	3	2.96%	5,900	3	2.99%
Baptist Health Care	5,571	4	2.58%	5,000	4	2.54%
Navy Federal Credit Union	5,325	5	2.46%	----	----	----
Sacred Heart Health System	4,820	6	2.23%	4,160	5	2.11%
Gulf Power Company	1,774	7	0.82%	----	----	----
West Florida Healthcare	1,200	8	0.56%	----	----	----
Ascend (formerly Solutia, Inc.)	830	9	0.38%	2,500	8	1.27%
West Telemarketing	800	10	0.37%	2,500	10	1.27%
University of West Florida	----	----	----	2,500	9	1.27%
Sacred Heart Women's Hospital	----	----	----	4,000	6	2.03%
Sacred Heart Children's Hospital	----	----	----	2,500	7	1.27%
<b>Total</b>	<u>20,320</u>		<u>22.77%</u>	<u>23,160</u>		<u>26.56%</u>

**Source:** Pensacola Area Chamber of Commerce, Florida West Economic Development Alliance.

**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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities:</b>										
General Government										
Permits issued	7,610	7,415	5,448	5,259	5,444	5,659	5,796	6,818	6,729	7,162
Building inspections conducted	18,989	18,918	13,982	11,305	11,056	11,482	10,998	13,682	14,021	13,661
Police										
Residential burglary responses	410	363	521	426	478	640	457	463	354	360
Commercial burglary responses	198	118	173	144	137	144	81	82	108	84
Emergency responses	97,602	93,019	84,155	92,991	86,845	94,911	96,808	83,375	82,201	84,804
Physical arrests	4,059	3,958	3,894	3,375	3,402	3,316	3,773	3,225	3,174	2,438
Traffic violations	10,617	9,890	8,095	5,795	6,040	6,018	8,179	8,199	6,826	6,795
Fire										
Emergency responses	5,624	5,823	6,011	6,117	5,855	6,050	5,896	5,846	6,446	6,323
Fires extinguished	248	264	207	227	212	222	197	187	221	197
Inspections	1,344	1,111	1,689	1,527	1,655	1,652	764 (j)	676	776	1,041
Transportation (a)										
Traffic signals maintained	324	310	280	271	254	293	388	363	333	449
Traffic warning signals maintained	132	95	52	35	347	38	27	41	29	32
Street lights maintained	231	217	194	151	180	197	273	199	221	209
Street name markers replaced	251	193	164	188	195	204	192	284	206	257
Traffic control signs replaced	265	242	679	484	489	659	749	748	740	978
Parking meters replaced	50	- (g)	-	-	-	-	-	-	-	-
Culture and recreation										
Parks and recreation										
Number of programs offered	450	369	244	269	206	258	309	324	298	425
City resident program participants	301,389	288,489	459,634	431,517	294,848 (i)	363,183	452,968	231,624	189,292	310,437
County resident program participants	135,406	74,053	62,324	40,955	58,571	52,763	57,243	65,248	45,272	113,682
Golf Course										
Rounds played	27,428	30,866	35,543	34,713	14,452	36,643	36,570	20,408	18,449	25,874
Tournaments held	82	76	80	65	21	56	59	56	62	74
Tournament participants	4,808	4,500	4,500	3,656	1,092	3,149	3,245	2,273	3,410	4,810
Libraries (e)										
Items circulated	680,577 (e)	747,294	778,052	820,091	744,487	746,146	702,345	-	-	-
Public computer use	138,553	159,004	168,654	174,053	162,112	149,746	153,443	-	-	-
Program Attendance	11,551	11,335	10,011	12,535	10,913	13,364	15,518	-	-	-
Information Transactions	71,318	74,349	78,982	97,616	80,132	88,407	114,002	-	-	-
City resident library card usage	30,286	24,373	33,081	36,736	36,459	31,401	29,079	-	-	-
County resident library card usage	77,523	61,475	86,325	95,194	95,158	83,438	81,983	-	-	-
Economic environment										
Homes repaired/rehabilitated	28	34	39	14	11	3	22	25	32	28
New homes constructed	47	46	3	7	4	2	3	4	4	3
First-time homebuyers assisted/Foreclosure Prevention	21	52	35	113	54	120	99	76	142 (m)	115
Lots acquired for infill housing	1	-	-	-	-	-	-	-	-	-
Families assisted	1,685	2,163	2,269	2,163	2,260	2,179	2,321	2,247	2,375	2,376
Housing inspections conducted	3,336	4,700	4,440	4,077	3,776	5,034	4,762	4,553	4,793	4,108
Congregate meals/meals on wheel provided	978	1,030	1,342	1,667	1,903	1,241	1,306	1,389	1,653	1,997
Day care assistance provided, number of children	335	-	-	-	-	-	-	-	-	-
Physical environment (a)										
Miles of paved streets swept	25,680	27,378	24,740	25,989	16,266	29,232	24,467	22,754	22,825	22,907

(continued)

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

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Business-type Activities:</b>										
Utility										
Average daily consumption in mmbtu's (c)	8,923	9,182	8,124	9,286	8,707	7,404	9,245	10,662	10,371	9,748
Maximum daily consumption in mmbtu's	33,131	33,926	29,524	36,096	32,611	23,363	26,612	38,569	32,629	28,093
In City customer connections	17,468	17,032	16,648	16,545	16,581	16,580	16,581	16,214	16,236	15,853
Outside City customer connections	41,999	42,312	41,767	41,344	41,091	40,990	41,193	41,686	41,741	40,788
Sanitation										
Customers	19,167	19,122	18,965	18,958	18,962	19,095	19,176	19,224	19,325	19,535
Refuse collected (tons)										
Garbage	23,009	22,213	18,490	15,720	14,724	14,805	15,308	15,113	14,512	15,395
Green Waste	10,358	11,023	9,716	11,170	12,201	12,583	11,999	12,691	13,001	14,769
Recycling (new in FY 2009)			1,189	3,974	4,444	4,539	3,847	3,782	4,805	4,745
Construction/Demolition (C&D)	3,313	2,847	2,828	1,659	1,442	1,676	1,582	1,429	1,579	2,202
Port										
Tonnage exported	26,318 (f)	26,899	13,950	45,857	55,502	67,003	66,927	98,468	56,696	30,506
Tonnage imported	498,925 (f)	357,532	233,822	223,558	207,089	157,156	148,514	86,814	161,073	170,503
Number of vessels in port	85 (f)	64	16	36	51	69	74	68	54	51
Airport										
Mainland carriers	4	4	4	4	2	2	2	3	2	2
Regional commuter services	8	8	8	6	11	9	8	7	7	9
Passengers enplaned	835,121	814,279	700,662	719,648	780,621	756,229	758,158	774,320	797,854	791,389
Passengers deplaned	825,424	811,324	697,840	720,098	780,919	758,769	758,376	768,662	796,204	791,215
Air freight enplaned in pounds	2,675,816	2,594,147	681,481 (h)	212,729	225,829	4,229,417	4,563,173	4,608,702	4,617,580	4,196,031
Mail enplaned in pounds	875	303	102	54	165	-	476	576	2,513	2 (n)
Total flights (private and commercial)	108,636	109,141	96,233	125,552	117,053	105,333	102,502	105,630	104,400	97,858

**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) 40,458 cubic yards of C&D were also collected that year.

(c) MMBTU stands for one million British Thermal Unit.

(d) Fluctuation due to Hurricane Ivan.

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

(f) Decrease due to a major tenant being inoperative a considerable length of time to make major renovations to their capital equipment.

(g) The responsibility of the City's parking garages, lots and meters were transferred to the Downtown Improvement Board during FY 2008.

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

(i) In 2010 and prior playground attendance was considered a separate program; starting in FY11 playground attendance is not considered a separate program.

(j) In 2013, the Fire Dept had a temporary decrease in staff which resulted in fewer inspections.

(k) In 2014, the Golf Course was damaged due to a flood in April

(l) Two resource centers closed to due the flood and one resource center closed to the general public which was used as a shelter for 4 weeks following the flood.

(m) Beginning in FY 14, the City initiated a new program to prevent foreclosure.

(n) In 2016, commercial airlines have shifted from carrying mail to allow more space for passenger luggage which produces greater revenue.

(o) 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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Governmental Activities:</b>										
General Government										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	140	135	130	134	140	140	140	140	140	140
Fire										
Stations	7	7	6	6	6	6	6	6	6	6
Apparatus	28	31	31	31	31	31	31	31	31	31
Transportation (a)										
Miles of street	328	330	332	332	332	332	332	332	332	332
Traffic warning signals	49	48	45	43	51	60	57	60	60	64
Traffic control signals	96	95	92	90	90	92	92	92	92	92
Traffic control signs	7,210	7,284	7,292	8,193	10,033	10,293	10,367	10,581	10,543	10,519
Culture and recreation										
Parks and recreation										
Parks	93	93	93	92	92	93	93	93	93	93
Acreage	483	483	483	478	478	517	517	517	592	592
Golf course										
Par	72	72	72	72	70	70	70	70	70	70
Acreage	123	123	123	123	123	123	123	123	108	123
Yardage	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,450	6,400
Libraries (b)										
Number of libraries	2	3	3	3	3	3	3	-	-	-
Number of bookmobiles	2	1	0	0	0	0	0	-	-	-
Number of volumes	294,084	297,639	289,128	301,434	292,291	296,373	309,609	-	-	-
Economic environment (a)										
Street lights	7,815	7,855	7,790	7,694 (f)	7,757	7,780	7,804	7,794	7,798	7,891
Street name markers	2,889	2,910	2,905	5,287 (f)	5,676	5,676	5,676	5,685	5,691	5,703
Parking garages and lots, Number and size	3 @550 sp	3 @550 sp (d)	-	-	-	-	-	-	-	-
Parking meters	653	627 (d)	-	-	-	-	-	-	-	-
Berths	-	3 (c)	3	3	3	3	3	3	3	3
Physical environment										
Street Sweepers	8	6	7	6	7	7	7	7	7	7

(continued)

**CITY OF PENSACOLA, FLORIDA  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Business-type activities:</b>										
Utility										
Miles of gas mains	1,588	1,613	1,623	1,627	1,630	1,632	1,638	1,680	1,610	1,621
Sanitation										
Collection trucks - residential										
Garbage	16	17	12 (e)	12	12	12	11	11	11	11
Collection trucks - trash collection										
Container	2	2	2	2	2	2	2	2	2	2
Grapplers	8	8	9	9	9	9	9	9	9	9
Shuttle	9	9	2	2	2	2	2	2	2	2
Dump	2	2	1	1	1	1	1	1	1	-
Tractor	1	1	1	1	1	1	1	1	1	1
Shuttle trailers	20	20	8	8	8	8	8	8	8	8
Collection trucks - residential										
Recycling			4 (e)	4	4	4	6	6	6	7
Port										
Warehouses	8	8	8	7	7	7	7	7	7	7
Berths	8	5 (c)	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	159,000	159,000	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) Three berths were transferred out Port's control during FY08. Two were moved to Culture and Recreation and one to Economic Environment.
- (d) The responsibility of the City's parking garages, lots and meters were transferred to the Downtown Improvement Board in FY 2008.
- (e) The City started a recycling program in fiscal year 2009. Four trucks were moved out of residential garbage and into residential recycling.
- (f) 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**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Governmental activities:</b>										
General government										
Mayor	0	0	0	0	6	11	11	10	9	8
City manager	7	7	7	5	0	0	0	0	0	0
City clerk	3	3	3	3	3	3	3	3	4	3
City council	0	0	0	0	0	1	1	2	2	4
Legal	6	6	3	3	3	4	4	4	4	3
Human Resources	14	14	8	7	7	9	8	7	7	7
Civil service	3	3	2	2	2	0	0	0	0	0
Financial services	54	52	32	32	31	29	29	27	27	27
Planning Services	32	14 (a)	10	10	12	8	7	6	6	7
Garage	24	22	18	18	17	17	17	17	17	17
MIS	18	18	17	16	16	17	17	14	14	15
CRA	4	4	2	2	2	2	2	0	0	0
Public safety										
Police	226	220	212	209	204	205	204	203	203	204
Fire	142	138	115	114	111	111	114	114	114	115
Inspection services	0	18 (b)	14	11	9	10	10	10	11	12
Transportation										
Public Works	17	16	12	12	12	54 (b)	46	24 (e)	24	23
Culture and recreation										
Neighborhood services (c)	92	92	80	80	73	28 (b)	29	48 (e)	48	47
Golf Course	7	7	5	5	5	5	4	4	4	3
Library (d)	49	49	52	40	40	36	36	0	0	0
Economic environment										
Housing	25	25	23	23	23	22	22	22	20	20
Physical environment										
Stormwater utility	32	32	31	29	29	29	26	26	26	27
Engineering	11	11	11	12	13	12	9	8	8	8
<b>Business-type activities:</b>										
Utility	113	113	131	122	121	117	117	117	117	117
Sanitation	60	57	51	47	43	41	43	43	43	43
Port	12	12	10	10	10	10	10	9	9	9
Airport	50	51	62	63	68	61	61	53	53	51
	1001	984	911	875	860	842	830	771	770	770

Source: City Budget Office

- Notes:** (a) Inspection Services moved to a Special Revenue Fund.  
(b) As part of reorganization, park works employees moved to public works.  
(c) Number of employees represent full time budgeted positions. Parks and recreation has part-time temporary employees to help facilitate programs during the summer.  
(d) 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.  
(e) As part of reorganization, public works employees moved to park works.

## **OTHER AUDIT REPORTS SECTION**



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**INDEPENDENT AUDITOR'S 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***

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

We have audited, in accordance with the 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, 2016, 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 7, 2017. Our report includes a reference to other auditors who audited the financial statements of the Downtown Improvement Board and the Community Maritime Park Associates, Inc. as described in our report on the City’s financial statements. This report does not include the results of the other auditor’s testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**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 of 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.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
February 7, 2017



## INDEPENDENT AUDITOR'S REPORT

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

We have examined the **City of Pensacola, Florida's** (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2016. 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.

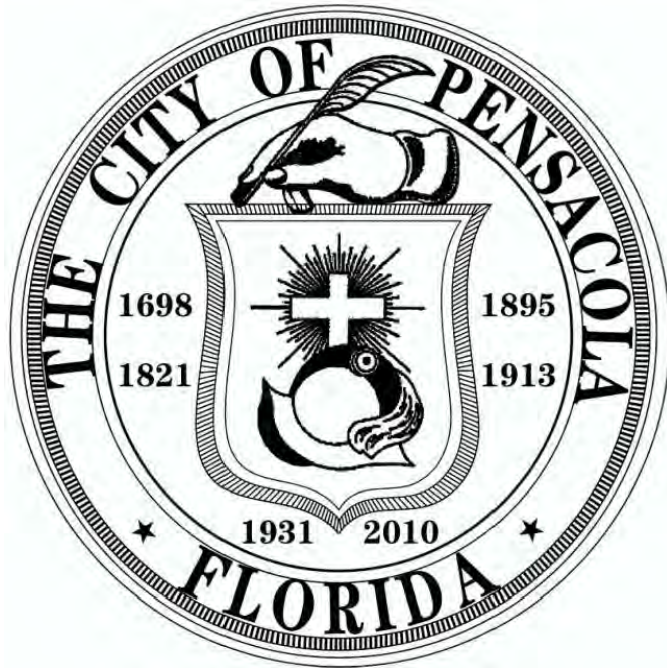
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered 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 complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

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.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
February 7, 2017



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**INDEPENDENT AUDITOR’S 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**

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

**Report on Compliance for Each Major Federal 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, 2016. 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.

***Auditor’s 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 Charges Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs, state projects, and passenger facility charges program for the year ended September 30, 2016.

### **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.

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.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
February 7, 2017

CITY OF PENSACOLA, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

SECTION I  
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:  
Material weaknesses identified?  yes  no

Significant deficiencies identified not considered  
to be material weaknesses?  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 weaknesses identified?  yes  no

Significant deficiencies identified not considered  
to be material weaknesses?  yes  none reported

Type of auditor's report issued on compliance for  
major Federal programs and state financial assistance  
projects: Unmodified

Any audit findings disclosed that are required to  
be reported in accordance with the Uniform Guidance?  yes  no

Identification of major federal program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	U.S. Department of Housing and Urban Development – Section 8 Housing Choice Vouchers Program
10.923	U.S. Department of Agriculture – Emergency Watershed Protection Program
20.106	U.S. Department of Transportation – Airport Improvement Program

Identification of major state financial assistance projects:

<u>CFDA Number</u>	<u>Name of State Project or Cluster</u>
55.004	Aviation Development Grants

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, 2016**

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**SECTION II  
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III  
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

**SECTION IV  
STATE PROJECTS FINDINGS AND QUESTIONED COSTS**

None reported.

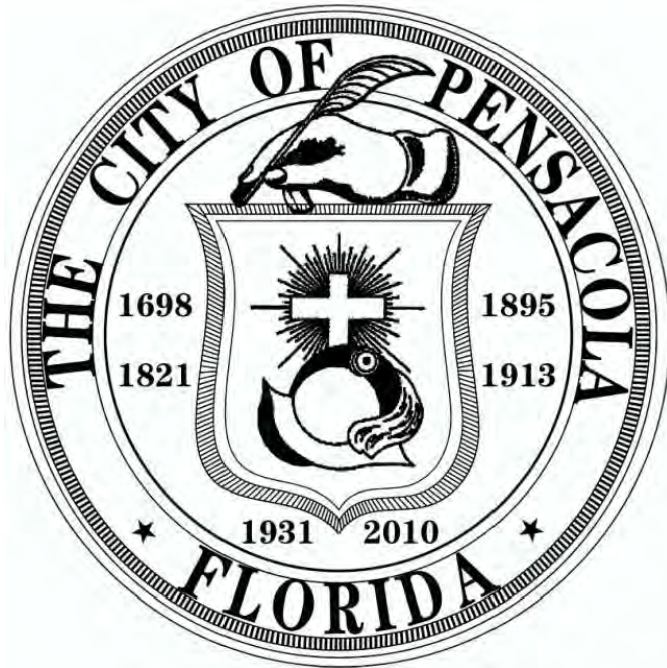
**CITY OF PENSACOLA, FLORIDA**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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**STATUS OF PRIOR YEAR AUDIT FINDINGS**

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, 2016**

<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 Subrecipients</u>	<u>Total Expenditures</u>	<u>Passenger Facility Charge Revenue</u>
<b><u>FEDERAL AWARDS</u></b>						
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
Emergency Watershed Protection Program	10.923	68-4209-15-162		\$	808,955	
Emergency Watershed Protection Program	10.923	68-4209-16-201			39,768	
<b>Total U.S. Department of Agriculture</b>					<b>848,723</b>	
<b><u>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</u></b>						
<i>Passed through State of Florida Department of Environmental Protection</i>						
Nonpoint Source Implementation Grants	66.460	G0387			200,000	
<i>Brownsfields Training, Research, and Technical Assistance Grants and Cooperative Agreement</i>						
	66.814	00D10813			263,013	
<b>Total U.S. Department of Environmental Agency</b>					<b>463,013</b>	
<b><u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>						
Community Development Block Grant	14.218	B-14/15-MC-12-0016	N/A	70,000	119,206	
Housing Rehabilitation	14.218	B-14/15-MC-12-0016			487,390	
Aid to Private Agencies	14.218	B-14/15-MC-12-0016			103,886	
Total Community Development Block Grants				70,000	710,482	
<i>Passed through Florida Housing Finance Corporation:</i>						
HOME Investment Partnerships Program	14.239	2013-219TBRA/2016-033TBRA			81,606	
<i>Passed through Escambia County Florida:</i>						
HOME Investment Partnerships Program	14.239	B-15-UC-120012			240,993	
Total HOME Investment Partnerships Program Grants					322,599	
<i>Housing Voucher Cluster:</i>						
Section 8 Housing Choice Vouchers Program	14.871	FL092			15,824,380	
<b>Total U. S. Department of Housing and Urban Development</b>					<b>16,857,461</b>	
<b><u>U. S. DEPARTMENT OF JUSTICE</u></b>						
Bulletproof Vest Partnership Program					18,493	
<i>Justice Assistance Grant Program:</i>						
Edward Byrne Memorial Justice Assistance Program	16.738	2015-DJ-BX-0440			28,423	
<i>Passed through the State of Florida, Department of Law Enforcement:</i>						
Edward Byrne Memorial Justice Assistance Program	16.738	2016-JAGC-ESCA-2-H3-128			66,000	
Total Justice Assistance Grant Program					112,916	
Law Enforcement Trust Fund	N/A	N/A			88,916	
<b>Total U. S. Department of Justice</b>					<b>201,832</b>	
<b><u>U. S. DEPARTMENT OF TRANSPORTATION</u></b>						
Airport Improvement Program	20.106	N/A			3,541,646	
<i>Passed through State of Florida, Florida Department of Transportation:</i>						
National Priority Safety Program	20.616	G0619			27,154	
<i>Highway Planning and Construction Cluster:</i>						
<i>Passed through State of Florida, Florida Department of Transportation:</i>						
Highway Planning and Construction	20.205	436511-1-38-01			185,995	
Highway Planning and Construction	20.205	436511-1-58-01			420	
Total Highway Planning and Construction Cluster					186,415	
<b>Total U. S. Department of Transportation</b>					<b>3,755,215</b>	
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>						
<i>Passed through State of Florida, Florida Division of Emergency Management:</i>						
Disaster Grants - Public Assistance - Federal 75%	97.036	4177-DR-FL			1,452,744	
<i>Pass through Pensacola Bay Area Chamber of Commerce:</i>						
Port Security Grant Program	97.056	EMW-2014-PU-00526			393,270	
<i>Pass through State of Florida, Florida Division of Emergency Management:</i>						
Emergency Management Performance Grant	97.042	16-CI-S9-01-27-02-366			9,158	
Emergency Management Performance Grant	97.042	16-CC-S9-01-27-02-367			9,161	
Total Emergency Management Performance Grants					18,319	
Hazard Mitigation Grant	97.039	16HM-H4-01-27-02-449			28,413	
Hazard Mitigation Grant	97.039	17HM-H4-01-27-02-228			35,000	
Hazard Mitigation Grant	97.039	16HM-H4-01-27-02-276			156,774	
<b>Total U.S. Department of Homeland Security</b>					<b>2,084,520</b>	

**CITY OF PENSACOLA, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,  
PASSENGER FACILITY CHARGE AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<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 Subrecipients</u>	<u>Total Expenditures</u>	<u>Passenger Facility Charge Revenue</u>
<b><u>FEDERAL AWARDS CONTINUED</u></b>						
<b><u>EXECUTIVE OFFICE OF THE PRESIDENT</u></b>						
High Intensity Drug Trafficking Areas Program	95.001	G16GC0007A			51	
<b>Total Executive Office of the President</b>					<u>51</u>	
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 70,000</b>	<b><u>24,210,815</u></b>	
<b>PASSENGER FACILITY CHARGE</b>					<b><u>2,477,115</u></b>	<b><u>3,126,772</u></b>
<b><u>STATE FINANCIAL ASSISTANCE</u></b>						
<b><u>FLORIDA HOUSING FINANCE CORPORATION</u></b>						
SHIP Program	52.901	SHIP 2012		\$	40,179	
<b>Total Florida Housing Finance Corporation</b>					<u>40,179</u>	
<b><u>FLORIDA DEPARTMENT ENVIRONMENT OF PROTECTION</u></b>						
Gaeronne Swamp Stormwater-Pensacola Bay Watershed	37.039	G0387			99,403	
<b>Total Florida Department of Environment of Protection</b>					<u>99,403</u>	
<b><u>FLORIDA DEPARTMENT OF TRANSPORTATION</u></b>						
Aviation Grant Programs	55.004	AO986			540,297	
Aviation Grant Programs	55.004	AR248			223,528	
Aviation Grant Programs	55.004	G0713			196,758	
Aviation Grant Programs	55.004	G0713			893,108	
<b>Total Aviation Development Grants</b>					<u>1,853,691</u>	
Seaport Grants	55.005	AQ782			12,411	
Area Wide Coordinate Signal Timings	55.013	AOM42			213,036	
Economic Development Transportation Projects - Road Fund	55.032	AQP76			183,557	
<b>Total Florida Department of Transportation</b>					<u>2,262,695</u>	
<b><u>FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY</u></b>						
Local Economic Development Initiatives	40.012	SL024			2,400	
<b>Total Florida Department of Economic Opportunity</b>					<u>2,400</u>	
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>				<b>\$ -</b>	<b><u>2,404,677</u></b>	

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, PASSENGER FACILITY CHARGE AND STATE FINANCIAL ASSISTANCE**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The schedule of expenditures of federal awards and passenger facility charge 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 \$36,186.95 and \$36,000.00, respectively, and is presented in this schedule. The amount of principal and interest received in loan repayments for the year was \$82,833.86 and \$63,144.59, respectively. The balance of the loans outstanding as of fiscal year end consist of:

Community Development Block Grants CFDA number 14.218 \$1,126,534.97  
HOME Investment Partnerships Program Grants CFDA number 114.239 \$838,085.90

- 1 Includes debt service of \$2,122,363  
2 Includes interest earnings of \$15,600

**CITY OF PENSACOLA, FL  
 SCHEDULE OF RECEIPTS AND EXPENDITURES OF FUNDS  
 RELATED TO THE DEEPWATER HORIZON OIL SPILL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>Source</u>	<u>Amount Received in the 2016 Fiscal Year</u>	<u>Amount Expended in the 2016 Fiscal Year</u>
<b>British Petroleum:</b>		
Class Action Lawsuit	\$ -	\$ 531,271

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.



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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To the 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 (the "City"), as of and for the fiscal year ended September 30, 2016, and have issued our report thereon dated February 7, 2017. We did not audit the financial statements of the Downtown Improvement Board which represents 100% of the assets, net position, and revenues of the City's discretely presented component unit. We also did not audit the financial statements of the Community Maritime Park Associates, Inc. which represents 6.8%, 0.1%, and 9.1% of the assets, fund balance, and revenues of the City's aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Downtown Improvement Board and the Community Maritime Park Associates, Inc., is based solely on the report of the other auditors.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); Chapter 10.550, Rules of the Auditor General; and the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration.

### **Other Reports and Schedule**

We have issued our Independent Auditor's 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*; Independent Auditor's Report on Compliance for Each Major Federal Program, State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 7, 2017 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. There were no findings or recommendations in the preceding annual financial audit report requiring correction.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Pensacola, Florida was established by the Laws of Florida. The City of Pensacola, Florida included the following component units: Community Redevelopment Agency (CRA), the Community Maritime Park Associates, Inc. (CMPA), and the Downtown Improvement Board (DIB).

**Financial Condition**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we 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.c. 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.

**Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

**Special District Component Units**

Section 10.554(1)(i)5.d, Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district 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.

**Other Matters**

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.

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 the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Mayor and Members of City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

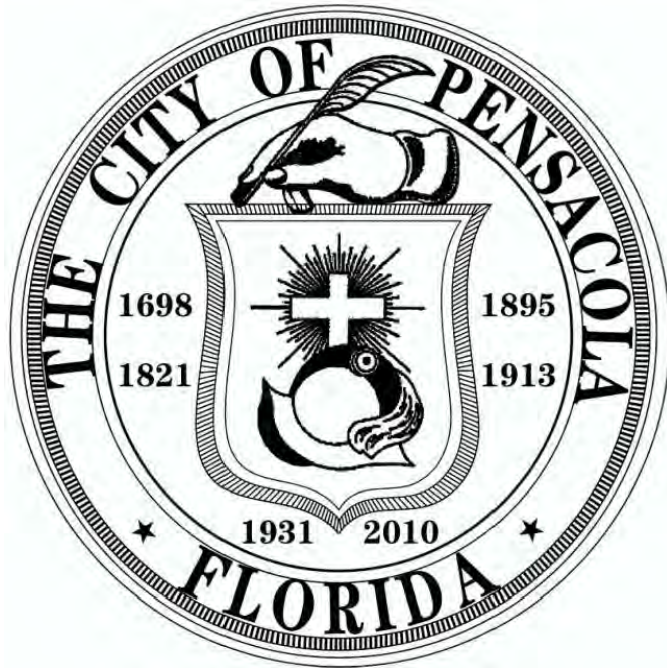
Bradenton, Florida  
February 7, 2017

**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, 2016**

Line Item #	Account Description	Amount
<b>Assets:</b>		
<b>Current Assets:</b>		
<b>Cash:</b>		
111	Unrestricted	\$ 3,184,037
113	Other restricted	282,867
<b>100</b>	<b>Total cash</b>	<u>3,466,904</u>
<b>Receivables:</b>		
128	Fraud recovery	1,368,392
128.1	Allowance for doubtful accounts - Fraud	(921,269)
<b>120</b>	<b>Total receivables</b>	<u>447,123</u>
142	Prepaid expenses and other assets	658
<b>150</b>	<b>Total current assets</b>	<u>3,914,685</u>
<b>290</b>	<b>Total assets</b>	<u>\$ 3,914,685</u>
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
312	Accounts payable <= 90 days	\$ 1,864
342	Deferred revenue	447,123
347	Inter Program - Due To	15,201
<b>310</b>	<b>Total current liabilities</b>	<u>464,188</u>
<b>300</b>	<b>Total liabilities</b>	<u>464,188</u>
<b>Equity:</b>		
508.3	Nonspendable Fund Balance	658
509.3	Unassigned Fund Balance	3,449,839
<b>513</b>	<b>Total equity/net assets</b>	<u>3,450,497</u>
<b>600</b>	<b>Total liabilities and equity/net assets</b>	<u>\$ 3,914,685</u>

**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, 2016**

Line Item #	Account Description	Amount
<b>Revenues</b>		
<b>Other revenue:</b>		
70600	HUD PHA Operating Grants	\$ 16,068,353
71100	Investment Income - unrestricted	15,267
71400	Fraud Recovery	43,814
71500	Other revenue	6,102
72000	Investment Income - restricted	1,283
<b>700</b>	<b>Total revenues</b>	<u>16,134,819</u>
<b>Expenses</b>		
91100	Administrative salaries	611,302
91200	Auditing fees	35,000
91500	Employee benefit contributions - administrative	401,878
91810	Allocated Overhead	85,000
91900	Other operating - administrative	5,412
93100	Water	148
93200	Electricity	12,299
93300	Gas	1,067
93600	Sewer	892
94200	Maintenance and operations - materials and other	166,079
94300	Maintenance and operations - contracts	43,709
96110	Property insurance	8,367
96120	Liability insurance	3,400
96200	Other general expenses	438
<b>96900</b>	<b>Total operating expenses</b>	<u>1,374,991</u>
<b>97000</b>	<b>Excess operating revenue over operating expenses</b>	<u>14,759,828</u>
<b>Other expenses:</b>		
97300	Housing Assistance Payments	14,449,389
97350	HAP Portability-In	0
<b>90000</b>	<b>Total expenses</b>	<u>15,824,380</u>
<b>10000</b>	<b>Excess (deficiency) of total revenue over (under) total expenses</b>	<u>\$ 310,439</u>
11030	Beginning Equity	\$ 3,140,058
11170	Administrative Fee Equity	\$ 3,167,630
11180	Housing Assistance Payments Equity	\$ 282,867
11190	Unit Months Available	29,415
11210	Number of Unit Months Leased	28,528



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# *CITY OF PENSACOLA, FLORIDA*



## *Auditor's Discussion and Analysis Financial and Compliance Audit Summary September 30, 2016*

Presented by:

Wade Sansbury, CPA

**MAULDIN  
& JENKINS**  
CERTIFIED PUBLIC ACCOUNTANTS, LLC

**CITY OF PENSACOLA, FLORIDA**  
**AUDITOR'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2016**

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**PURPOSE OF THE AUDITOR'S DISCUSSION AND ANALYSIS**

- ◆ Engagement Team and Firm Information.
- ◆ Overview of:
  - Audit Opinion;
  - Financial Statements, Footnotes and Supplementary Information;
  - Compliance Reports;
  - Audit Scopes & Procedures.
- ◆ Required Communications under *Government Auditing Standards*.
- ◆ Accounting Recommendations and Related Matters.
- ◆ Answer Questions.

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**MAULDIN & JENKINS—GOVERNMENTAL PRACTICE**

**General Information:**

- Founded in 1918. Large regional firm serving the Southeastern United States.
- Offices located in Bradenton, FL; Macon, Atlanta, Albany, GA; Birmingham, AL and Chattanooga, TN.
- Approximately 260 personnel are employed at Mauldin & Jenkins.

**Governmental Sector:**

- Largest specific industry niche served by Firm representing 25% of Firm practice.
- Serve governmental entities across the southeast requiring over 70,000 hours of service on an annual basis.
- Approximately 90 professional staff persons with current governmental experience.
- In the past three years, have served approx. 300 governments in the Southeast, including:
  - ✓ 85 cities;
  - ✓ 40 counties;
  - ✓ 45 school systems;
  - ✓ 40 state entities; and,
  - ✓ 80 special purpose entities (stand-alone business type entities: water/sewer, transit, gas, electric, airports, housing development, retirement, libraries, etc).
  - ✓ Inclusive of the above, we serve 90 governments receiving the GFOA's Certificate of Achievement for Excellence in Financial Reporting.
- Auditor of a substantial part of the State of Georgia including approximately 30% of the State's General Fund, and a substantial number of the State of Georgia's component units.
- Experience performing forensic audit services and information technology consultations.
- Experience performing municipal bond debt issuance attestation services serving clients with over \$11 billion in aggregate publicly issued debt instruments.
- 10<sup>th</sup> highest level of Single Audits conducted in U.S.A. approximating \$8.0 billion annually.

**Engagement Team Leaders for the City Include:**

- Wade Sansbury, Engagement Lead Partner: 21 years of experience, 100% governmental
- Trey Scott, Engagement Senior Manager: 9 years of experience, 100% governmental
- Meredith Lipson, Quality Assurance Partner: 25 years of experience, 100% governmental

**MAULDIN & JENKINS—ADDITIONAL INFORMATION**

**Other Industries & Services by Mauldin & Jenkins:**

Each of Mauldin & Jenkins' offices provides a wide variety of services to a broad range of clientele. We have partners and managers who are responsible for specialized practice areas of auditing and accounting, taxes and management advisory services. Their purpose, as leaders in the particular practice area, is to establish policies with respect to technical matters in these specific areas and ensure that the quality of the Firm's practice is maintained.

**Industries Served:** Over the years, our partners have developed expertise in certain industries representative of a cross section of the Florida economy, including:

- Governmental Entities (state entities, cities, counties, school systems, business type operations, libraries, and other special purpose entities)
- SEC Registrants
- Wholesale Distribution
- Agri-Businesses
- Manufacturing
- Professional Services
- Employee Benefit Plans
- Financial Institutions (community banks, savings and loans, thrifts, credit unions, mortgage companies, and finance companies)
- Non-Profit Organizations
- Retail Businesses
- Long-term Healthcare
- Construction and Development
- Individuals, Estates and Trusts
- Real Estate Management

**Services Provided:** This diversity of practice enables our personnel to experience a wide variety of business, accounting and tax situations. We provide the traditional and non-traditional services such as:

- Financial Audit/Review/Compilation
- Compliance Audits and Single Audits
- Agreed-Upon Procedures
- Forensic Audits
- Bond Issuance Services
- Performance Audits
- State Sales Tax Matters
- International Tax Matters
- Business and Strategic Planning
- Profitability Consulting
- Budgeting
- Buy-Sell Agreements and Business Valuation Issues
- Income Tax Planning and Preparation
- Multi-State Income Tax Issues
- Information Systems Consulting
- Cost Accounting Analysis
- Healthcare Cost Reimbursement
- Outsourced Billing Services
- Fixed Asset Inventories
- Succession and Exit Strategy Consulting
- Estate Planning
- Management Information Systems
- Employee Benefit Plan Administration
- Merger/Acquisition and Expansion Financing



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**INDEPENDENT AUDITOR'S REPORT**

The standard independent auditor's report for governmental units has specific sections of significance to readers of the financial report.

**Management's Responsibility for the Financial Statements**

The financial statements are the responsibility of management.

**Auditor's Responsibility**

Our responsibility, as external auditors, 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. We planned and performed our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We did not audit the financial statements of the Downtown Improvement Board (DIB) or the Community Maritime Park Associates, Inc. (CMPA). These financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the DIB and CMPA is based solely on the report of the other auditors.

**Opinion**

We have issued an unmodified audit report which is the highest form of assurance we can render with regard to the fairness of financial information on which we are opining. The financial statements are considered to present fairly the financial position and results of operations as of, and for the year ended, September 30, 2016.

**Other Matters**

Certain required supplementary information and other information is included in the financial report, and as directed by relevant auditing standards, we have not expressed an opinion or provided any assurance on the respective information.

**Other Reporting**

*Government Auditing Standards* require auditors to issue a report on our consideration of internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. We have issued such a report and reference to this report is included in the independent auditor's report.

**CITY OF PENSACOLA, FLORIDA**  
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**REVIEW OF COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**General Information About the CAFR**

A Comprehensive Annual Financial Report (CAFR) goes beyond the normal financial reporting required by accounting principles generally accepted in the United States. A CAFR includes, at a minimum, the following elements/sections:

- **Introductory Section:** General information on the City's structure and the services it provides.
  - Letter of Transmittal
  - Organizational Chart
  - Directory of Officials
  - Certificate of Achievement for Excellence in Financial Reporting
- **Financial Section:** Basic financial statements, footnotes and required supplementary information along with the auditor's report.
  - Independent Auditor's Report
  - Management Discussion & Analysis (MD&A)
  - Financial Statements and Footnotes
- **Statistical Section:** Broad range of financial, demographic information useful in assessing the City's economic condition, and this information covers multiple years.
  - Financial Trends Information
  - Revenue Capacity Information
  - Debt Capacity Information
  - Operating Information

In the end, a CAFR goes far beyond the basic requirements of annual financial reporting, and the City should be commended for going beyond the minimum and providing such a report.

**Recognition and Award**

Once completed, the fiscal year 2015 CAFR was submitted to the Government Finance Officers Association (GFOA) for determination if the report would merit the GFOA's Certificate of Achievement for Excellence in Financial Reporting. We are happy to inform everyone that the GFOA did indeed review the CAFR and awarded the City with the sought after Certificate.

The GFOA Certificate has been made a part of the City's 2016 fiscal year CAFR, and is included in the Introductory Section. The City has received this prestigious award for the past **35** years.

**CITY OF PENSACOLA, FLORIDA**  
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**REQUIRED COMMUNICATIONS**

**The Auditor's Responsibility Under *Government Auditing Standards*  
and Auditing Standards Generally Accepted in the United States of America**

Our audit of the financial statements of the City of Pensacola, Florida (the "City") for the year ended September 30, 2016, was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe our audit accomplishes that objective.

In accordance with *Government Auditing Standards*, we have also performed tests of controls and compliance with laws and regulations that contribute to the evidence supporting our opinion on the financial statements. However, they do not provide a basis for opining on the City's internal control or compliance with laws and regulations.

In accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General—Local Government Entity Audits, we performed tests of controls and compliance that could have a direct and material effect on each of the City's major Federal programs or State financial assistance projects identified in the Schedule of Findings and Questioned Costs. We believe that our audit provides a reasonable basis for opining on the City's compliance with those major Federal programs and State projects.

**Accounting Policies**

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City. There are new accounting standards which will be required to be implemented in the coming years. These are discussed later in this document.

In considering the qualitative aspects of the City's accounting policies, we did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. The City's policies relative to the timing of recording of transactions are consistent with GAAP and typical government organizations.

**CITY OF PENSACOLA, FLORIDA**  
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**Management Judgments and Accounting Estimates**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed us they used all the relevant facts available to them at the time to make the best judgments about accounting estimates and we considered this information in the scope of our audit. We considered this information and the qualitative aspects of management's calculations in evaluating the City's significant accounting policies. Estimates significant to the financial statements include such items as the estimated lives of depreciable assets, the estimated allowance for uncollectible accounts, and the assumptions used in the actuarial valuations for the other post-employment benefit plans and self-insurance plans.

**Financial Statement Disclosures**

The footnote disclosures to the financial statements are also an integral part of the financial statements. The process used by management to accumulate the information included in the disclosures was the same process used in accumulating the financial statements, and the accounting policies described above are included in those disclosures. The overall neutrality, consistency and clarity of the disclosures was considered as part our audit and in forming our opinion on the financial statements.

**Significant Difficulties Encountered in Performing the Audit**

We encountered no difficulties in dealing with management relating to the performance of the audit.

**Audit Adjustments**

During our audit of the City's basic financial statements as of and for the year ended September 30, 2016, there were several adjustments prepared and proposed by management to the funds of the City after the initial receipt of the trial balance. All adjustments have been recorded in the City's accounting records.

**Uncorrected Misstatements**

We had no passed adjustments.

**CITY OF PENSACOLA, FLORIDA**  
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**Disagreements with Management**

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

**Representation from Management**

We requested written representations from management relating to the accuracy of information included in the financial statements and the completeness and accuracy of various information requested by us, during the audit. Management provided those written representations without delay and in an organized manner.

**Management's Consultations with Other Accountants**

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

**Significant Issues Discussed with Management**

There were no significant issues discussed with management related to business conditions, plans or strategies that may have affected the risk of material misstatement of the financial statements. We are not aware of any consultations management had with us or other accountants about accounting or auditing matters. No major issues were discussed with management prior to our retention to perform the aforementioned audit.

**Independence**

We are independent of the City, and all related organizations, in accordance with auditing standards promulgated by the American Institute of Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Other Information in Documents Containing Audited Financial Statements**

We are not aware of any other documents that contain the audited basic financial statements. If such documents were to be published, we would have a responsibility to determine that such financial information was not materially inconsistent with the audited statements of the City.

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**OVERVIEW OF FINANCIAL STATEMENTS**

The City's basic financial statements include three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements.

The **government-wide financial statements** provide a broad overview of all of the City's activities. The *Statement of Net Position* presents information on all assets and liabilities of the City, with the difference between the two reported as net position. The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. Revenues are categorized as program revenues or general revenues. Expenses are categorized by function.

The **fund financial statements** more closely resemble the financial statements as presented prior to the adoption of GASB Statement No. 34.

**RECOMMENDATIONS FOR IMPROVEMENT**

During our audit of the financial statements as of and for the year ended September 30, 2016, we noted areas within the accounting and internal control systems that we believe can be improved. Additionally, we noted certain items management should consider as part of its decision making process. Our recommendations (also, commonly referred to as management points) are presented in the following paragraphs. We believe consideration of these recommendations will help provide proper control over financial activities, and add effectiveness and efficiency to overall operations.

Due to the following being only operational recommendations, these are only reported within this annual audit agenda.

**Grant Management**

During our documentation of internal controls and review of grant activity, we noted that there is no central person monitoring the City's compliance with the applicable grant compliance requirements. The department awarded each grant is responsible for most of the requirements; the city purchasing is responsible for procurement; and the financial services department is responsible for accounting. It is our recommendation that someone familiar with the grant compliance requirements oversee all grant activity of the City to ensure all applicable compliance requirements are being addressed.

ACCOUNTING RELATED MATTERS

Other Matters for Communication to the City Council and Management

During our audit of the financial statements as of and for the year ended September 30, 2016, we noted other matters which we wish to communicate to you in an effort to keep the City abreast of accounting matters that could present challenges in financial reporting in future periods.

1. New Governmental Accounting Standards Board (GASB) Pronouncements



As has been the case for the past ten years, GASB has issued several other new pronouncements which will be effective in future years. The following is a brief summary of the new standards:

- a. **Statement No 72, *Fair Value Measurement and Application*** is effective for fiscal years beginning after June 15, 2015, resulting in the City's current fiscal year ended September 30, 2016.

This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes, and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

This statement generally requires investments to be measured at fair value. An *investment* is defined as a security or other asset that: (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Investments not measured at fair value continue to include, for example, money market investments, 2a7-like external investment pools, investments in life insurance contracts, common stock meeting the criteria for applying the equity method, unallocated insurance contracts, and synthetic guaranteed investment contracts. A government is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value per share (or its equivalent) of the investment.

This statement requires measurement at acquisition value (an entry price) for donated capital assets, donated works of art, historical treasures, and similar assets and capital assets received in a service concession arrangement. These assets were previously required to be measured at fair value.

**CITY OF PENSACOLA, FLORIDA**  
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This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Governments should organize these disclosures by type of asset or liability reported at fair value. It also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent).

- b. Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68*** was issued in June of 2015. The provisions of this standard are two (2) tiered. Amendments to GASB No 68 are required to be reported with the close of September 30, 2016. The elements of this pronouncement dealing with defined benefit pensions that are not within the scope of Statement No. 68 will be have disclosure requirements effective as of September 30, 2016, and financial reporting requirements effective as of September 30, 2017.

The requirements of this statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and non-employer contributing entities.

This statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68. It also amends certain provisions of Statement No. 67, and Statement No. 68 for pension plans and pensions that are within their respective scopes.

The requirements of this statement extend the approach to accounting and financial reporting established in Statement No. 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement No. 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement No. 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and non-employer contributing entities.



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This statement also clarifies the application of certain provisions of Statements No.'s 67 and 68 with regard to the following issues:

- **Information** that is required to be presented as notes to the 10-year schedules of required supplementary information about investment-related factors that significantly affect trends in the amounts reported.
  - **Accounting** and financial reporting for separately financed specific liabilities of individual employers and non-employer contributing entities for defined benefit pensions.
  - **Timing** of employer recognition of revenue for the support of non-employer contributing entities not in a special funding situation.
- c. **Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*** was issued in June of 2015, and is effective for financial statements for periods beginning after June 15, 2016 resulting in the City's fiscal year ending September 30, 2017. This statement could easily be described as the GASB No. 67 for postemployment benefit plans due to the fact that it will closely follow the provisions of GASB No. 67 for pension plans.

The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This statement replaces Statements No. 43, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement No. 43, and Statement No. 50, *Pension Disclosures*.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

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The scope of this statement includes OPEB plans (defined benefit and defined contribution) administered through trusts that meet the following criteria:

- Contributions from employers and non-employer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the OPEB plan administrator. If the plan is a defined benefit OPEB plan, plan assets also are legally protected from creditors of the plan members.

The requirements of this statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. The new information will enhance the decision-usefulness of the financial reports of those OPEB plans, their value for assessing accountability, and their transparency by providing information about measures of net OPEB liabilities and explanations of how and why those liabilities changed from year to year.

The net OPEB liability information, including ratios, will offer an up-to-date indication of the extent to which the total OPEB liability is covered by the fiduciary net position of the OPEB plan. The comparability of the reported information for similar types of OPEB plans will be improved by the changes related to the attribution method used to determine the total OPEB liability.

The contribution schedule will provide measures to evaluate decisions related to the assessment of contribution rates in comparison with actuarially determined rates, if such rates are determined. In addition, new information about rates of return on OPEB plan investments will inform financial report users about the effects of market conditions on the OPEB plan's assets over time and provide information for users to assess the relative success of the OPEB plan's investment strategy and the relative contribution that investment earnings provide to the OPEB plan's ability to pay benefits to plan members when they come due.

- d. **Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*** was issued in June of 2015, and is effective for financial statements for periods beginning after June 15, 2017, resulting in the City's fiscal year ending September 30, 2018. This statement could easily be described as the GASB No. 68 for postemployment benefit plans due to the fact that it will closely follow the provisions of GASB No. 68 for pension plans.

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The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The scope of this statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. 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 that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

In addition, this statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This statement also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity.

In this statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

- Contributions from employers and non-employer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, non-employer contributing entities, the OPEB plan administrator, and the plan members.

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The requirements of this statement will improve the decision-usefulness of information in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information.

- e. **Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*** was issued in June of 2015, and is effective for financial statements for periods beginning after June 15, 2015, resulting in the City's fiscal year ending September 30, 2016. This statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

The objective of this statement is to identify (in the context of the current governmental financial reporting environment) the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

The requirements in this statement improve financial reporting by: (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in non-authoritative literature. As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments.

- f. **Statement No. 77, *Tax Abatement Disclosures*** was issued in August of 2015, and is effective for financial statements for periods beginning after December 15, 2015, resulting in the City's fiscal year ending September 30, 2017.

Tax abatements are widely used by state and local governments, particularly to encourage economic development. For financial reporting purposes, this statement defines tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

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This statement requires disclosure of tax abatement information about: (1) a reporting government's own tax abatement agreements; and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

This statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients.
- The gross dollar amount of taxes abated during the period.
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements.
- The specific taxes being abated.
- The gross dollar amount of taxes abated during the period.

- g. Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*** was issued in December of 2015, and is effective for financial statements for periods beginning after December 15, 2015, resulting in the City's fiscal year ending September 30, 2017.

This new pronouncement amends the scope and applicability of GASB No. 68 to **exclude** pensions provided via a cost-sharing multiple-employer defined benefit plan that meets the following:

- Plan is **not** a state or local government pension plan;
- Plan is used to provide defined benefit pensions to **both** governmental and private sector employees; and,
- Plan has **no predominant state or local governmental employer** (individually or collectively).

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For plans described above, this standard establishes requirements for measurement and recognition of:

- Pension expense;
- Expenditures;
- Liabilities;
- Note disclosures; and,
- Required supplementary information (RSI).

We do not expect this pronouncement to affect the financial reporting of the City.

- h. Statement No. 79, *Certain External Investment Pools and Pool Participants*** was issued in December of 2015, and is effective for financial statements for periods beginning after June 15, 2015, resulting in the City's fiscal year ending September 30, 2016.

This pronouncement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

This new standard also establishes additional note disclosures for the pool and the pool participants. Specifically, the new disclosures address:

- How the external investment pool transacts with participants;
- Requirements for portfolio maturity, quality, diversification, and liquidity;
- Calculation and requirements of a shadow price (the amortized value rather than the assigned market value which is normally a nominal value of \$1.00 per share).

If a pool does not meet the above specifics, then pool participants should measure their investments in that pool at fair value (and not at amortized cost), as provided by GASB No. 31. We do not expect this pronouncement to affect the financial reporting of the City.

- i. Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*** was issued in January of 2016, and is effective for financial statements for periods beginning after June 15, 2016, resulting in the City's fiscal year ending September 30, 2017.

This new standard amends the blending requirements established by paragraph 53 of GASB No. 14. This statement requires blending of not-for-profit component units whose primary government is the sole corporate member. This statement does not apply to component units included in the provisions of GASB No. 39. We do not expect this pronouncement to affect the financial reporting of the City.

**CITY OF PENSACOLA, FLORIDA**  
**AUDITOR'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2016**

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- j. **Statement No. 81, Irrevocable Split-Interest Agreements** was issued in March of 2016, and is effective for financial statements for periods beginning after December 15, 2016, resulting in the City's fiscal year ending December 31, 2018.

Irrevocable split-interest agreements (which are prevalent at colleges and universities) whereby split-interest agreements in which an asset is given to a government in trust. During stated term of the trust the income generated by the trust goes to the donor and when the trust ends then the assets become the governments. We do not expect this pronouncement to affect the financial reporting of the City.

- k. **Statement No. 82, Pension Plans** was issued in April 2016, and is effective for the first reporting period in which the City's pension plan's measurement date is on or after June 15, 2017. Significant matters noted in this standard which addresses:

- Presentation of payroll-related measures in the Required Supplementary Information of the annual audited financial report. Covered payroll is defined as the payroll on which contributions are based.
- Selection of actuarial assumptions. Any deviation from guidance of Actuarial Standards Board is not in conformity with GASB No. 67 & 68.
- Classification of payments made by employers to satisfy contribution requirements:
  - Payments made by employer to satisfy contribution requirements that are identified as plan member contributions should be classified as "plan member contributions" for GASB No. 67, and as "employee contributions" for GASB No. 68.
  - Expense to be classified as other compensation elements.

- l. **Other Pending or Current GASB Projects.** As noted by the numerous pronouncements issued by GASB over the past decade, the GASB continues to research various projects of interest to governmental units. Subjects of note include:

- **Capital leases or operating leases** continues to be a hot topic. Looking into whether all leases should be treated the same way. Final standard expected in 2016.
- **Asset retirement obligations** in which the GASB is considering standards for reporting liabilities related to obligations to perform procedures to close certain capital assets, such as nuclear power plants. This concept would not change existing standards such as GASB 18 (landfills) or GASB 49 (pollution remediation). Final standard expected in 2016.
- **Fiduciary responsibilities** and new definitions for fiduciary funds and use of whether a government has "control" and who benefits to determine accounting as fiduciary. Final standard expected in 2016.

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- **Re-Examination of the Financial Reporting Model.** GASB has added this project to its technical agenda to make improvements to the existing financial reporting model (established via GASB 34). Improvements are meant to enhance the effectiveness of the model in providing information for decision-making and assessing a government's accountability. GASB anticipates issuing an initial due process document on this project by the end of 2016.
- **Conceptual Framework** is a constant matter being looked at by GASB. Current measurement focus statements (for governmental funds) to change to near-term financial resources measurement. May dictate a period (such as 60 days) for revenue and expenditure recognition. May expense thing such as supplies and prepaid assets at acquisition. Will look into which balances (at all statement levels) are measured at acquisition and which need to be re-measured at year-end. Project placed on hold for now.
- **Economic Condition Reporting** is another long-term matter being looked into by GASB. Includes presentation of information on fiscal sustainability (including projections). Tabled for now pending resolution to issues raised on GASBs scope.



## COMPLIMENTARY CONTINUING EDUCATION AND NEWSLETTERS FOR GOVERNMENTAL CLIENTS

**Complimentary Continuing Education.** We provide complimentary continuing education for all of our governmental clients. Annually, we pick a couple of significant topics tailored to be of interest to governmental entities. We provide these complimentary services typically in the summer months over a two day period and typically see 40 to 50 people. We obtain the input and services of experienced outside speakers along with providing the instruction utilizing our in-house professionals. We hope City staff and officials have been able to participate in this opportunity, and that it has been beneficial to you. Examples of subjects addressed in the past include:

- Accounting for Debt Issuances
- American Recovery & Reinvestment Act (ARRA) Updates
- Best Budgeting Practices, Policies and Processes
- CAFR Preparation (several times including a two (2) day hands-on course)
- Capital Asset Accounting Processes and Controls
- Collateralization of Deposits and Investments
- Evaluating Financial and Non-Financial Health of a Local Government
- GASB No. 51, Intangible Assets
- GASB No. 54, Governmental Fund Balance (subject addressed twice)
- GASB No. 60, Service Concession Arrangements (webcast)
- GASB No. 61, the Financial Reporting Entity (webcast)
- GASB No.'s 63 & 65, Deferred Inflows and Outflows (webcast)
- GASB No.'s 67 & 68, New Pension Stds. (presented several occasions)
- GASB Updates (ongoing and several sessions)
- Grant Accounting Processes and Controls
- Internal Controls Over Accounts Payable, Payroll and Cash Disbursements
- Internal Controls Over Receivables & the Revenue Cycle
- Internal Revenue Service (IRS) Issues, Primarily Payroll Matters
- Legal Considerations for Debt Issuances & Disclosure Requirements
- Policies and Procedures Manuals
- Segregation of Duties
- Single Audits for Auditees
- Uniform Grant Reporting Requirements and the New Single Audit

**Governmental Newsletters.** We produce newsletters tailored to meet the needs of governments. The newsletters have addressed a variety of subjects and are intended to be timely in their subject matter. The newsletters are authored by Mauldin & Jenkins partners and managers, and are not purchased from an outside agency. The newsletters are produced and delivered periodically (approximately six times per year), and are intended to keep you informed of current developments in the government finance environment.

**Communication.** In an effort to better communicate our complimentary continuing education plans and newsletters, please email Lauren Payne at [LPayne@mjcpa.com](mailto:LPayne@mjcpa.com) and provide to her

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individual names, mailing addresses, email addresses, and phone numbers of anyone you wish to participate and be included in our database.

**CLOSING**

We believe the implementation of these suggestions will enhance both the control environment and the financial reporting process, making both more effective. We also believe these recommendations can be easily implemented. If you have any questions regarding any comments, suggestions or recommendations set forth in this memorandum, we will be pleased to discuss it with you at your convenience.

This information is intended solely for the use of the City's management, and others within the City's organization and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to serve the City of Pensacola, Florida and look forward to serving the City in the future. Thank you.

# Financial Condition Assessment Overview

Listing of Financial Indicators  
FY 2016

# 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 2016 Financial Condition Assessment for the City of Pensacola.

Beginning in fiscal year 2001, the Florida State Statutes and the Auditor General have 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 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.

# Financial Condition

## Assessment Overview (Continued)

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

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.

# Financial Condition Assessment Overview (Continued)

The City of Pensacola's overall rating is inconclusive which means "leading to no conclusion or definite result" for fiscal year 2016. The City of Pensacola's rating has been inconclusive for thirteen of the last fifteen fiscal years. For fiscal year 2009 and 2012 the rating was unfavorable; however, the City's condition would have remained inconclusive if there were no unspent Airport bond proceeds in fiscal years 2008 and 2009.

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 2016</u>		<u>Fiscal Year 2015</u>		<u>Fiscal Year 2014</u>	
Favorable	35%	9	38%	10	38%	10
Unfavorable	46%	12	23%	6	35%	9
Inconclusive	19%	5	38%	10	27%	7
Total Applicable	<u>100%</u>	26	<u>100%</u>	26	<u>100%</u>	26
N/A		3		3		3
Total		<u>29</u>		<u>29</u>		<u>29</u>
Overall Rating	<b>Inconclusive</b>		<b>Inconclusive</b>		<b>Inconclusive</b>	

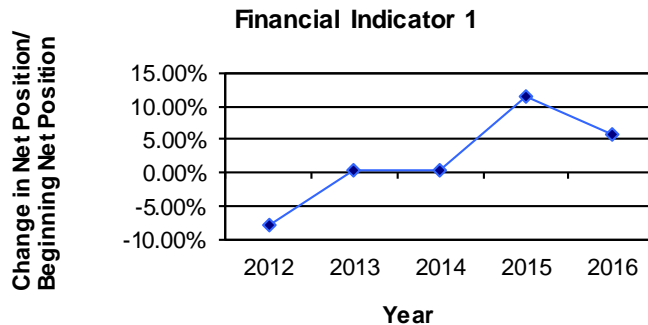
City Council and management are responsible for monitoring financial condition. While the five-year trend indicates an inconclusive position, the Chief Financial Officer has stated that the City is in good financial condition. This will continue as long as the City budget is structured so that on-going 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.



# Financial Indicator 1

## Change in Net Position / Beginning Net Position



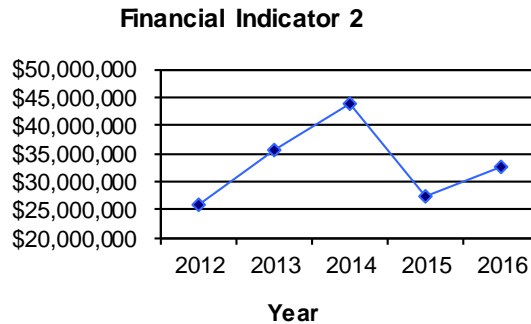
Unfavorable = ▼		Favorable = ▲	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	173%	Y5 Entity	5.75%
Y2 to Y5 Diff	3047%	Y5 Bench	3.70%
Y3 to Y5 Diff	1416%	Y5 Entity to Bench Diff	56%
<b>Trend:</b>	<b>Favorable</b>	<b>Benchmark Comparison:</b>	<b>Favorable</b>
<b>Overall Rating:</b>		<b>Favorable</b>	

- 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 2012. The 2012 indicator was negative as the City recognized a \$19.5 million long-term contribution to Emerald Coast Utilities Authority for the Main Street Waste Water Treatment Plant Relocation project.
- The increase in 2015 can be attributed to unspent settlement proceeds and decreased functional expenses due to the deferral of current year pension cost required for the implementation of GASB Statement No. 68. While City settlement proceeds and pension cost did not have much of an affect in 2016, there was still a \$7.9 million increase in the City's net position.

# Financial Indicator 2

## Unassigned and Assigned FB + Unrestricted NP

Unassigned and Assigned  
FB + Unrestricted NP  
(Constant \$)



Unfavorable = ▼

Favorable = ▲

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	25%	Y5 Entity	\$ 32,421,377
Y2 to Y5 Diff	-9%	Y5 Bench	\$ 43,070,104
Y3 to Y5 Diff	-26%	Y5 Entity to Bench Diff	-25%

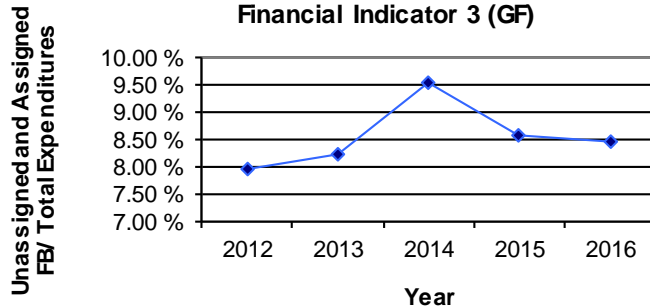
  

<b>Trend:</b>	Inconclusive	<b>Benchmark Comparison:</b>	Inconclusive
<b>Overall Rating:</b>		Inconclusive	

- 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 few 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 \$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 = ▼

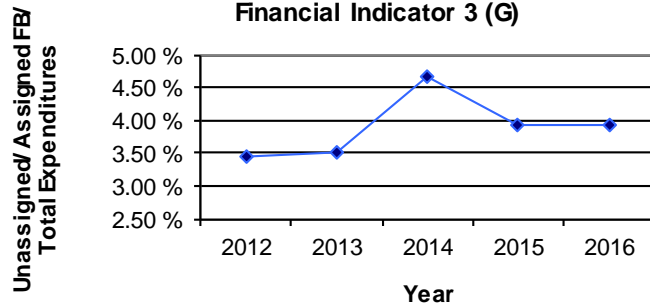
Favorable = ▲

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	6%	Y5 Entity	8.46%
Y2 to Y5 Diff	3%	Y5 Bench	41.82%
Y3 to Y5 Diff	-11%	Y5 Entity to Bench Diff	-80%
<b>Trend:</b>	<b>Unfavorable</b>	<b>Benchmark Comparison:</b>	<b>Unfavorable</b>
<b>Overall Rating:</b>		<b>Unfavorable</b>	

- 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 unfavorable as the City's general fund unassigned and assigned fund balance has decreased over the past few years. While unassigned and assigned fund balance decreased, total fund balance has increased. The increase can be attributed 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.

# Financial Indicator 3 (G)

## Unrestricted FB/Total Expenditures



Unfavorable = ▼

Favorable = ▲

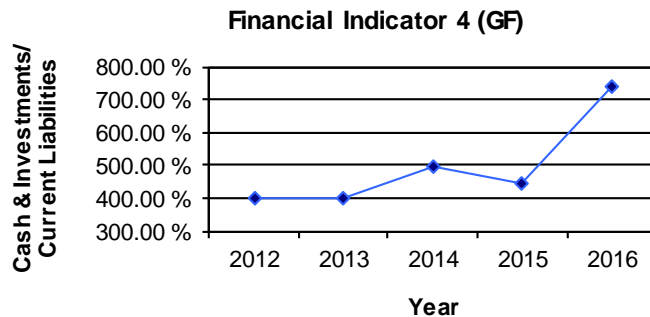
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	14%	Y5 Entity	3.93%
Y2 to Y5 Diff	12%	Y5 Bench	28.47%
Y3 to Y5 Diff	-16%	Y5 Entity to Bench Diff	-86%

<b>Trend:</b>	<b>Unfavorable</b>	<b>Benchmark Comparison:</b>	<b>Unfavorable</b>
<b>Overall Rating:</b>		<b>Unfavorable</b>	

- 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 unfavorable as the City's governmental funds unassigned and assigned fund balance has decreased over the past few years. While unassigned and assigned fund balance decreased, total fund balance has increased.

# Financial Indicator 4 (GF)

## Cash and Investments/Current Liabilities



Unfavorable = ▼ Favorable = ▲

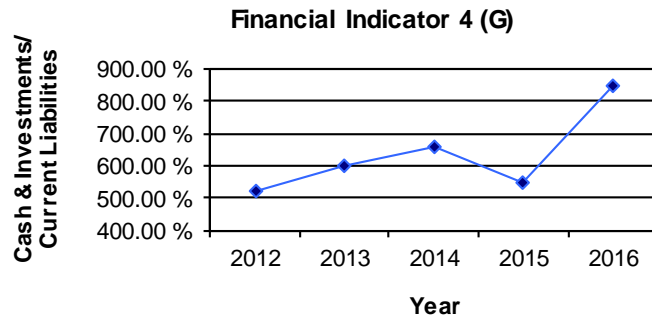
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	86%	Y5 Entity	741.97%
Y2 to Y5 Diff	87%	Y5 Bench	658.16%
Y3 to Y5 Diff	50%	Y5 Entity to Bench Diff	13%

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 decreasing in liabilities over the past few years while cash and investments have remained relatively consistent. Changes in liabilities have an adverse effect on the indicator. In 2016 the indicator increased due to decreases in wages and benefits payable.

# Financial Indicator 4 (G)

## Cash and Investments/Current Liabilities

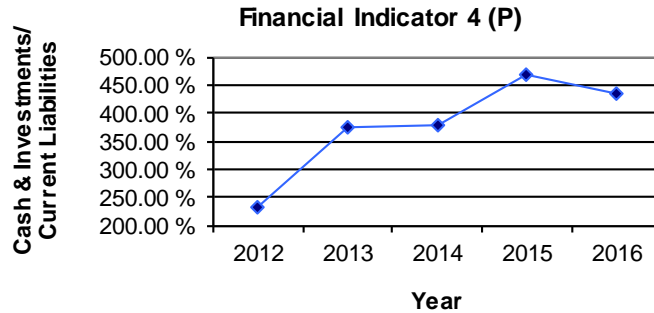


Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	63%	Y5 Entity	849.47%
Y2 to Y5 Diff	43%	Y5 Bench	1005.07%
Y3 to Y5 Diff	29%	Y5 Entity to Bench Diff	-15%
<b>Trend:</b>	<b>Favorable</b>	<b>Benchmark Comparison:</b>	<b>Inconclusive</b>
<b>Overall Rating:</b>		<b>Favorable</b>	

- 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 favorable due to decreasing liabilities over the past few years while cash and investments have remained relatively consistent. 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.

# Financial Indicator 4 (P)

## Cash and Investments/Current Liabilities



Unfavorable = ▼ Favorable = ▲

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	88%	Y5 Entity	435.00%
Y2 to Y5 Diff	16%	Y5 Bench	461.06%
Y3 to Y5 Diff	15%	Y5 Entity to Bench Diff	-6%

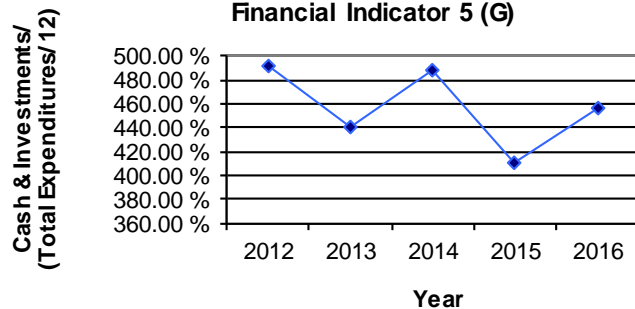
  

<b>Trend:</b>	<b>Favorable</b>	<b>Benchmark Comparison:</b>	<b>Inconclusive</b>
<b>Overall Rating:</b>		<b>Favorable</b>	

- 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 increases in cash and decreases in liabilities over the past few years. The incline in 2015 is based on increased cash and investments in the utility fund which is used to fund reserves.

# Financial Indicator 5 (G)

Cash and Investments/(Total Expenditures/12)



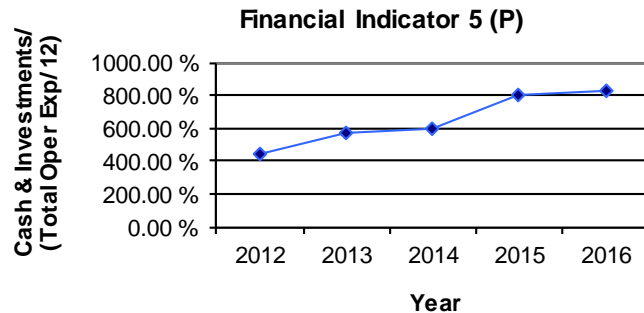
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	-7%	Y5 Entity	455.68%
Y2 to Y5 Diff	4%	Y5 Bench	840.44%
Y3 to Y5 Diff	-6%	Y5 Entity to Bench Diff	-46%
<b>Trend:</b>	<b>Inconclusive</b>	<b>Benchmark Comparison:</b>	<b>Inconclusive</b>
<b>Overall Rating:</b>		<b>Inconclusive</b>	

- 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 inconclusive due to an inconsistent trend over the past five years.
  - In 2013 cash and investments decreased while governmental expenditures remained constant. The decrease in cash and investments is attributable to the transfer of private donations held by the City on behalf of the CMPA returned to the CMPA.
  - In 2014 cash and investments slightly increased while governmental expenditures decreased. The decrease expenditures can be attributed to a reduction in debt service, a reduction in capital purchases and the disposition of the West Florida Public Library system.
  - In 2015 cash and investments decreased slightly while expenditures increased. The major increases in governmental funds' expenditures stems from increases in capital purchases and Housing Assistance funding.
  - In 2016 cash and investments increased while expenditures decreased slightly. The increases in cash and investments is attributable to capital bond proceeds from the issuance of the Local Option Gas Tax Revenue Bond, Series 2016 which were set aside to pay for future debt service payments.



# Financial Indicator 5 (P)

Cash and Investments/(Total Operating Expense/12)



Unfavorable = ▼ Favorable = ▲

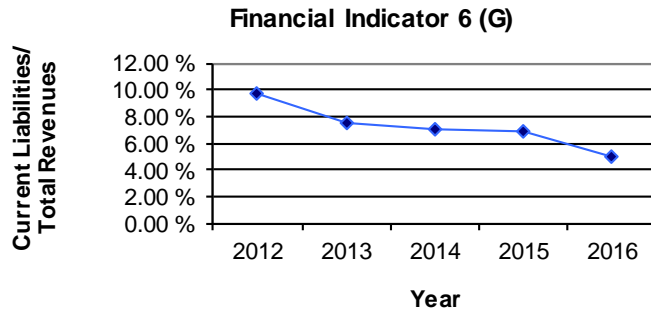
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	87%	Y5 Entity	827.31%
Y2 to Y5 Diff	44%	Y5 Bench	1396.80%
Y3 to Y5 Diff	38%	Y5 Entity to Bench Diff	-41%

<b>Trend:</b>	<b>Favorable</b>	<b>Benchmark Comparison:</b>	<b>Inconclusive</b>
<b>Overall Rating:</b>		<b>Favorable</b>	

- 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 incline in 2015 is based on increased cash and investments in the utility fund which is used to fund reserves.

# Financial Indicator 6 (G)

## Current Liabilities/Total Revenue



Unfavorable = ▲

Favorable = ▼

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	-49%	Y5 Entity	4.95%
Y2 to Y5 Diff	-33%	Y5 Bench	7.03%
Y3 to Y5 Diff	-29%	Y5 Entity to Bench Diff	-30%

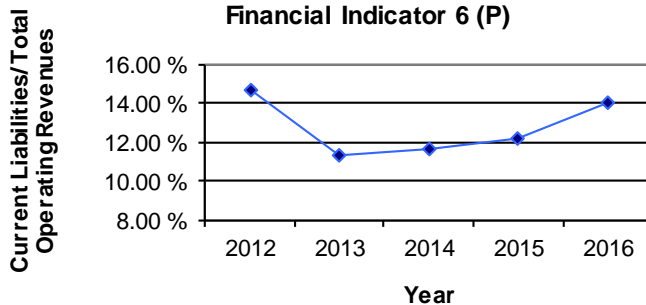
  

<b>Trend:</b>	<b>Favorable</b>	<b>Benchmark Comparison:</b>	<b>Inconclusive</b>
<b>Overall Rating:</b>		<b>Favorable</b>	

- General, Special Revenue, Debt Service and Capital Projects Funds.
- Increasing results may indicate liquidity problems, deficit spending or both.
- The rating is favorable due to a greater increase in total revenues than in current liabilities over the past few years. In 2016 the indicator decreased due to decreases in wages and benefits payable and contracts payable.

# Financial Indicator 6 (P)

## Current Liabilities/Total Operating Revenue



Unfavorable = ▲ Favorable = ▼

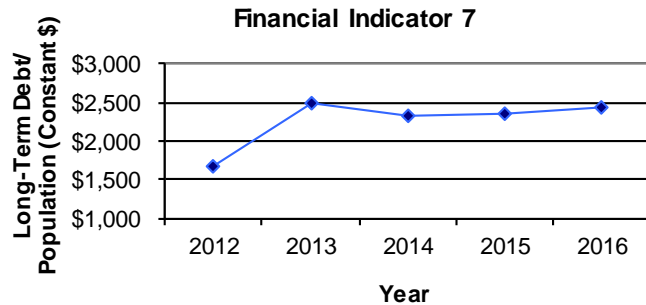
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	-4%	Y5 Entity	14.05%
Y2 to Y5 Diff	24%	Y5 Bench	19.13%
Y3 to Y5 Diff	21%	Y5 Entity to Bench Diff	-27%

<b>Trend:</b>	<b>Unfavorable</b>	<b>Benchmark Comparison:</b>	<b>Inconclusive</b>
<b>Overall Rating:</b>		<b>Unfavorable</b>	

- Proprietary Funds (Enterprise and Internal Service Funds).
- Increasing results may indicate liquidity problems, deficit spending or both.
- The rating is unfavorable due to the fluctuations in current liabilities and operating revenues over the past few years. In 2016 the indicator increased due to increases in the airport fund's contracts payable related to the VT MAE project.

# Financial Indicator 7 (G)

## LT Debt/Population

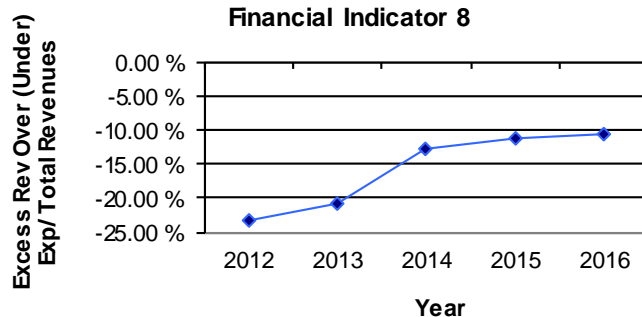


Unfavorable = ▲		Favorable = ▼	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	46%	Y5 Entity	\$ 2,433
Y2 to Y5 Diff	-2%	Y5 Bench	\$ 620
Y3 to Y5 Diff	4%	Y5 Entity to Bench Diff	292%
<b>Trend:</b>	<b>Unfavorable</b>	<b>Benchmark Comparison:</b>	<b>Unfavorable</b>
<b>Overall Rating: Unfavorable</b>			

- 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 due to the recognition of the \$19.5 million liability to ECUA for the relocation of the Main Street Wastewater Treatment Plant in 2012 and the 2013 change in accounting principal which requires the City to blend CMPA into the City's financials resulting in the addition of \$54.1 million in in long-term debt.

# Financial Indicator 8 (G)

## Excess Revenue Over (Under) Exp/Total Revenue



Unfavorable = ▼ Favorable = ▲

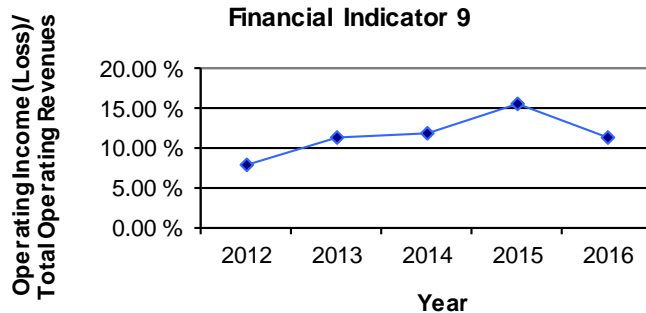
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	54%	Y5 Entity	-10.70%
Y2 to Y5 Diff	48%	Y5 Bench	-1.32%
Y3 to Y5 Diff	16%	Y5 Entity to Bench Diff	-710%

<b>Trend:</b>	<b>Favorable</b>	<b>Benchmark Comparison:</b>	<b>Unfavorable</b>
<b>Overall Rating:</b>		<b>Inconclusive</b>	

- 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 inconclusive rating is more related to the benchmark than the City itself as the trend data is favorable. The City's trend rating is favorable due to increases in revenues or decreases in expenses since 2012. The sharp increase in 2014 is due to a reduction in debt service, a reduction in capital purchases and the disposition of the West Florida Public Library system.

# Financial Indicator 9 (P)

## Operating Income (Loss)/Total Operating Revenue

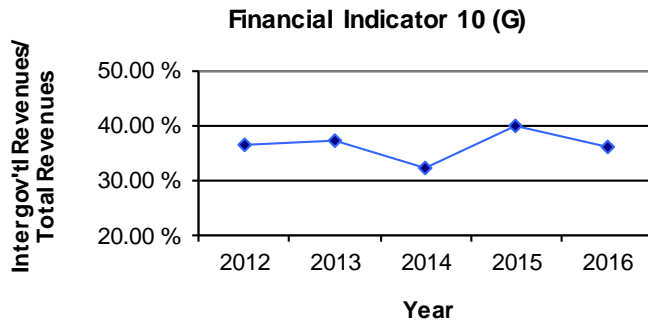


Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	43%	Y5 Entity	11.33%
Y2 to Y5 Diff	1%	Y5 Bench	17.19%
Y3 to Y5 Diff	-4%	Y5 Entity to Bench Diff	-34%
<b>Trend:</b>	<b>Inconclusive</b>	<b>Benchmark Comparison:</b>	<b>Inconclusive</b>
<b>Overall Rating:</b>		<b>Inconclusive</b>	

- 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 in operating income over the past few years. The increase in 2015 was a result of a \$1.6 million in reduced pension cost due to the implementation of GASB Statement No. 68. In 2016, the utility fund started a multi-year project to cut and cap dormant gas lines older than five years. The additional cost of this project was the primary factor for the decrease in 2016.

# Financial Indicator 10 (G)

## Intergovernmental Revenue/Total Revenue

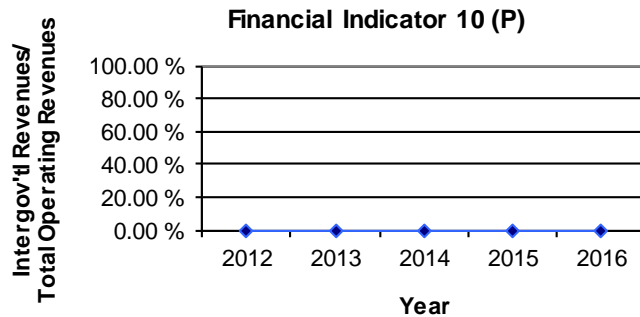


Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	-1%	Y5 Entity	36.02%
Y2 to Y5 Diff	-3%	Y5 Bench	22.48%
Y3 to Y5 Diff	12%	Y5 Entity to Bench Diff	60%
<b>Trend:</b>	<b>Inconclusive</b>	<b>Benchmark Comparison:</b>	<b>Unfavorable</b>
<b>Overall Rating:</b>		<b>Unfavorable</b>	

- 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 unfavorable rating is more related to the benchmark than the City itself. Other municipalities of similar population and taxable property values have less intergovernmental revenues in relation to total revenue. There are few municipalities that run a federally funded housing program. The 2015 increase in is attributable to increased Housing Assistance funding levels and reimbursements related to the Natural Disaster Fund.

# Financial Indicator 10 (P)

## Intergovernmental Revenue/Total Operating Revenue



Unfavorable = ▲ Favorable = ▼

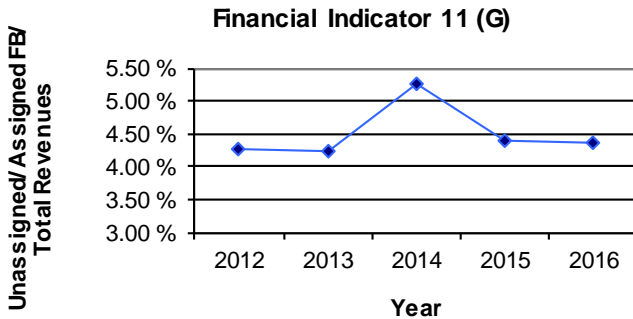
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff		Y5 Entity	0.00%
Y2 to Y5 Diff		Y5 Bench	0.29%
Y3 to Y5 Diff		Y5 Entity to Bench Diff	-100%
<b>Trend:</b>		<b>Benchmark Comparison:</b>	
<b>Overall Rating:</b>		<b>N/A</b>	

- 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

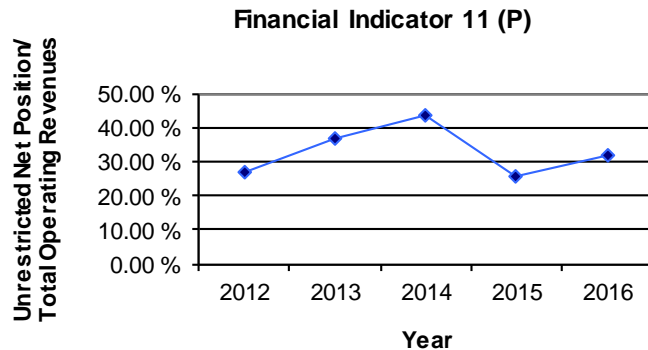


Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	2%	Y5 Entity	4.35%
Y2 to Y5 Diff	3%	Y5 Bench	31.01%
Y3 to Y5 Diff	-17%	Y5 Entity to Bench Diff	-86%
<b>Trend:</b>	<b>Unfavorable</b>	<b>Benchmark Comparison:</b>	<b>Unfavorable</b>
<b>Overall Rating:</b>		<b>Unfavorable</b>	

- 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 unfavorable as the City's governmental funds unassigned and assigned fund balance has decreased over the past few years. While unassigned and assigned fund balance decreased, total fund balance has increased. The spike in 2014 was the result of a decrease in intergovernmental revenues. Changes in revenues have an adverse effect on the indicator.

# Financial Indicator 11 (P)

## Unrestricted NP/Total Operating Revenue



Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	19%	Y5 Entity	32.05%
Y2 to Y5 Diff	-12%	Y5 Bench	70.88%
Y3 to Y5 Diff	-26%	Y5 Entity to Bench Diff	-55%

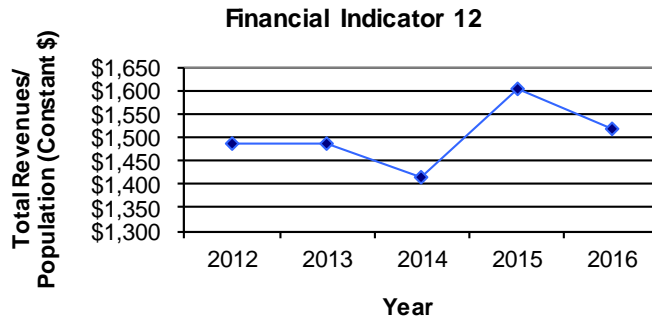
  

<b>Trend:</b>	<b>Inconclusive</b>	<b>Benchmark Comparison:</b>	<b>Unfavorable</b>
<b>Overall Rating:</b>		<b>Unfavorable</b>	

- 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 unrestricted net position has decreased over the past few 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 \$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	\$ 1,517
Y2 to Y5 Diff	2%	Y5 Bench	\$ 949
Y3 to Y5 Diff	7%	Y5 Entity to Bench Diff	60%

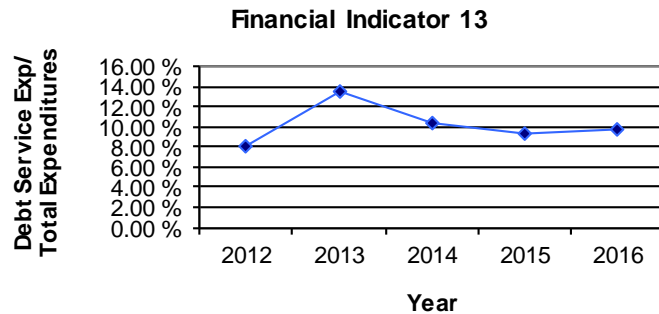
<b>Trend:</b>	<b>Inconclusive</b>	<b>Benchmark Comparison:</b>	<b>Favorable</b>
---------------	---------------------	------------------------------	------------------

**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 fluctuations in total revenue over the past few years. The 2015 increase in revenue is attributable to the increased Housing Assistance funding levels and reimbursements related to the Natural Disaster Fund.

# Financial Indicator 13 (G)

## Debt Service/Total Expenditures



Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	20%	Y5 Entity	9.68%
Y2 to Y5 Diff	-28%	Y5 Bench	5.68%
Y3 to Y5 Diff	-7%	Y5 Entity to Bench Diff	71%

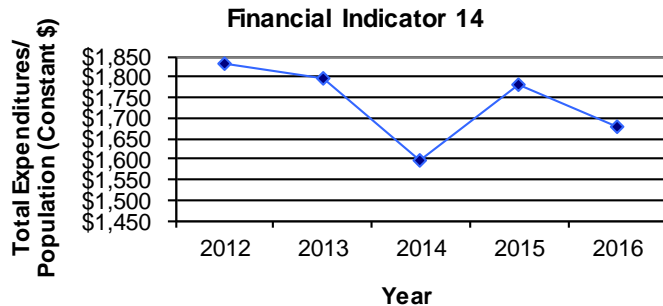
  

<b>Trend:</b>	<b>Inconclusive</b>	<b>Benchmark Comparison:</b>	<b>Unfavorable</b>
<b>Overall Rating:</b>		<b>Unfavorable</b>	

- General, Debt Service and Capital Projects Funds.
- Percentages increasing over time may indicate declining flexibility in responding to economic changes.
- The unfavorable rating is more related to the benchmark than the City itself as the trend data is favorable. In 2013, debt service expenditures increased 68% primarily due to the first full year of principal payments on the 2010A Capital Funding Revenue Bonds and the change in accounting principal which requires the City to blend CMPA into the City's financials resulting in additional debt service expenditures.

# Financial Indicator 14 (G)

## Total Expenditures/Population



Unfavorable = ▲

Favorable = ▼

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	-8%	Y5 Entity	\$ 1,679
Y2 to Y5 Diff	-7%	Y5 Bench	\$ 989
Y3 to Y5 Diff	5%	Y5 Entity to Bench Diff	70%

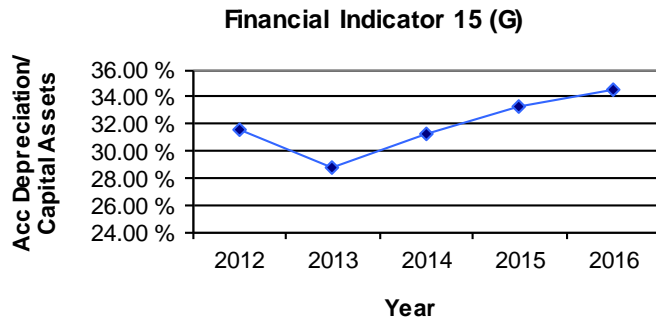
  

<b>Trend:</b>	Inconclusive	<b>Benchmark Comparison:</b>	Unfavorable
<b>Overall Rating:</b>	Unfavorable		

- 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 unfavorable rating is more related to the benchmark than the City itself. The majority of the entities used to develop the benchmark information do not have both a housing program or large capital fund such as the City's Local Option Sales Tax.

# Financial Indicator 15 (G)

## Accumulated Depreciation/Capital Assets



Unfavorable = ▲ Favorable = ▼

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	9%	Y5 Entity	34.49%
Y2 to Y5 Diff	20%	Y5 Bench	46.06%
Y3 to Y5 Diff	10%	Y5 Entity to Bench Diff	-25%

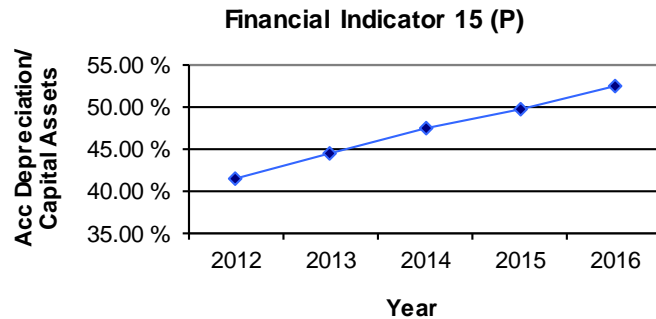
  

<b>Trend:</b>	<b>Unfavorable</b>	<b>Benchmark Comparison:</b>	<b>Inconclusive</b>
<b>Overall Rating:</b>		<b>Unfavorable</b>	

- 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. In 2013 a change in accounting principal required the City to blend CMPA into the City's financials resulting in the addition of \$53.9 million in capital assets. The additions of these assets have skewed the trends.

# Financial Indicator 15 (P)

## Accumulated Depreciation/Capital Assets



Unfavorable = ▲ Favorable = ▼

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	27%	Y5 Entity	52.45%
Y2 to Y5 Diff	18%	Y5 Bench	47.05%
Y3 to Y5 Diff	11%	Y5 Entity to Bench Diff	11%

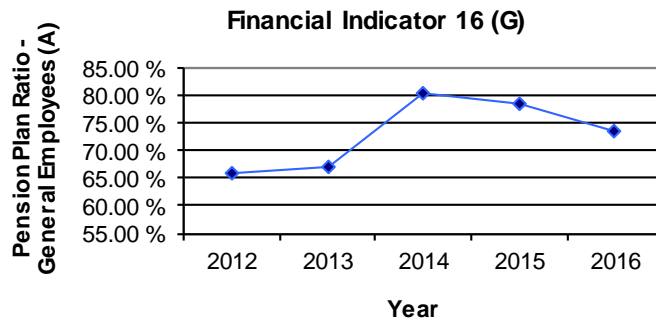
  

<b>Trend:</b>	<b>Unfavorable</b>	<b>Benchmark Comparison:</b>	<b>Inconclusive</b>
<b>Overall Rating:</b>	<b>Unfavorable</b>		

- 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 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 completion of the \$44 million airport terminal expansion in 2011, no major capital additions to Pensacola International Airport have been made thus skewing the trends.

# Financial Indicator 16 (G)

## Pension Plan Funded Ratio



Unfavorable = ▼

Favorable = ▲

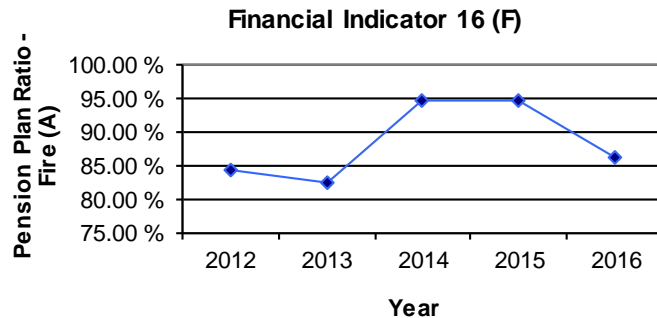
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	12%	Y5 Entity	73.67%
Y2 to Y5 Diff	10%	Y5 Bench	87.71%
Y3 to Y5 Diff	-9%	Y5 Entity to Bench Diff	-16%
<b>Trend:</b>	<b>Favorable</b>	<b>Benchmark Comparison:</b>	<b>Inconclusive</b>
<b>Overall Rating:</b>		<b>Favorable</b>	

- 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.
- The rating is favorable due to the decrease in the percentage funded in fiscal year 2016 as compared to fiscal year 2013. Had the Y3 to Y5 trend difference been greater than 10%, the rating would have been unfavorable. Funding percentages are heavily influenced by market trends.



# Financial Indicator 16 (F)

## Pension Plan Funded Ratio



Unfavorable = ▼

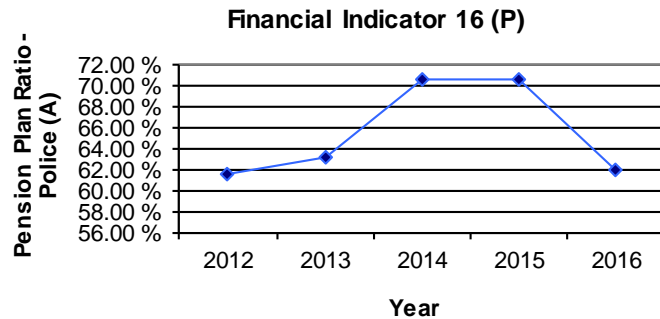
Favorable = ▲

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	2%	Y5 Entity	86.17%
Y2 to Y5 Diff	5%	Y5 Bench	81.54%
Y3 to Y5 Diff	-9%	Y5 Entity to Bench Diff	6%
<b>Trend:</b>	<b>Inconclusive</b>	<b>Benchmark Comparison:</b>	<b>Inconclusive</b>
<b>Overall Rating:</b>		<b>Inconclusive</b>	

- Firefighters.
- 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 inconclusive due to the decrease in the percentage funded in fiscal year 2016. Had the Y3 to Y5 trend difference been greater than 10%, the rating would have been unfavorable. 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	1%	Y5 Entity	62.00%
Y2 to Y5 Diff	-2%	Y5 Bench	76.52%
Y3 to Y5 Diff	-12%	Y5 Entity to Bench Diff	-19%

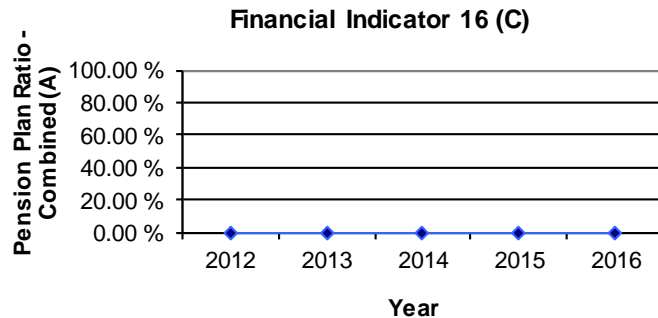
  

<b>Trend:</b>	<b>Unfavorable</b>	<b>Benchmark Comparison:</b>	<b>Inconclusive</b>
<b>Overall Rating:</b>		<b>Unfavorable</b>	

- 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 unfavorable due to the decrease in the percentage funded in fiscal year 2016 as compared to fiscal year 2014. Funding percentages are heavily influenced by market trends.

# Financial Indicator 16 (C)

## Pension Plan Funded Ratio - Combined

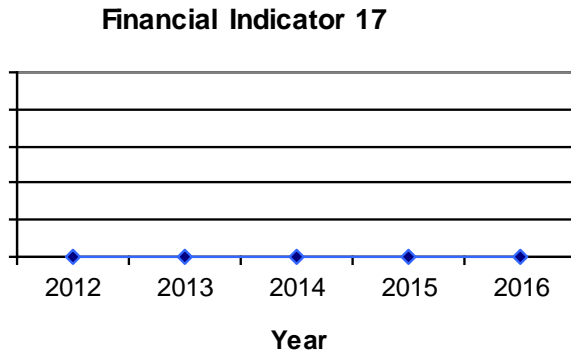


Unfavorable = ▼		Favorable = ▲	
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff		Y5 Entity	
Y2 to Y5 Diff		Y5 Bench	72.00%
Y3 to Y5 Diff		Y5 Entity to Bench Diff	
<b>Trend:</b>		<b>Benchmark Comparison:</b>	
<b>Overall Rating:</b>		<b>N/A</b>	

- 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



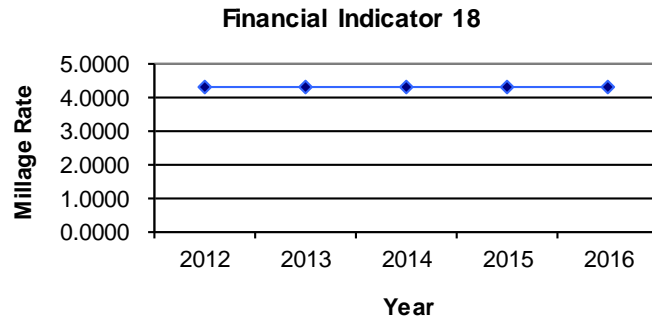
Unfavorable = ▼ Favorable = ▲

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
<b>Trend:</b>	<b>Benchmark Comparison:</b>
<b>Overall Rating: N/A</b>	

- 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

<b>Trend:</b>	<b>Inconclusive</b>	<b>Benchmark Comparison:</b>	<b>Favorable</b>
<b>Overall Rating:</b>		<b>Favorable</b>	

- 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

Favorable	35%	9
Unfavorable	46%	12
Inconclusive	19%	5
Total Applicable	<u>100%</u>	<u>26</u>
N/A		3
Total		<u>29</u>
Overall Rating	<b>Inconclusive</b>	



Memorandum

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File #: 17-00177

City Council

3/9/2017

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**LEGISLATIVE ACTION ITEM**

**SPONSOR:** Ashton J. Hayward, III, Mayor

**SUBJECT:**

SIX-CENT LOCAL OPTION FUEL (GASOLINE) TAX SETTLEMENT

**RECOMMENDATION:**

That City Council authorize the Mayor to take all actions necessary to settle the Six-Cent Local Option Fuel (Gasoline) Tax Appeal with Escambia County.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

On July 23, 2015, the Escambia County Board of County Commissioners (BCC) adopted Ordinance 2015-26 providing for an extension of the Six-Cent Local Option Fuel (Gasoline) Tax (LOGT) for a period of 10 years and four months commencing on September 1, 2016 through December 31, 2026. In accordance with Florida Statutes, an Interlocal Agreement is needed in order to determine a distribution of the funding. If the terms of an Interlocal Agreement cannot be reached, then a default formula of the past five year's transportation expenditures for each entity determines the distribution percentages.

On July 14, 2016, the BCC approved Resolution 2016-93 setting the distribution percentage for the City at 6.99%, a decrease of over 61% from the previously approved distribution formula in which the City received 18.22% of the LOGT proceeds. The County's calculation of the 6.99% distribution percentage for the City was based solely on the "Transportation" expenditure line item in the Comprehensive Annual Financial Report (CAFR) and not the broader definition of transportation expenditures as outlined in Section 336.025, F.S. Therefore, City Staff did not support or agree with the calculation. In addition, the reduction in the City's distribution percentage from 18.82% to 6.99% resulted in a decrease of approximately \$1 million of LOGT proceeds to the City annually or in excess of \$10.5 million over the term of the renewed Six-Cent LOGT based on Fiscal Year 2017 revenue estimates from the Florida Department of Revenue.

On August 3, 2016, the City Attorney filed an appeal with the Florida Administration Commission in order to preserve the City's rights to receive its fair share of the LOGT proceeds as provided by Florida Statutes. On January 26, 2017, the Florida Administration Commission referred the appeal to Florida Division of Administrative Hearings, initiating the appeal proceedings.

On February 16, 2017, the BCC unanimously approved offering the City a settlement of the LOGT Appeal providing the City with a 15.15% distribution percentage. In correspondence from the County Attorney's Office outlining the proposed settlement, it was stated that the settlement, once finalized, would be documented in a BCC resolution and settlement agreement.

In addition, the County Attorney's Office indicated that the BCC would want assurances from the City that the improvements identified in the City provided Fiscal Year 2017 Street Rehabilitation Plan would be completed. While the City Council has approved the award of bid for the Phase I projects contemplated in the Fiscal Year 2017 Street Rehabilitation Plan, the inclusion of the Plan in a settlement agreement is not required by Florida Statutes.

The pertinent LOGT distribution percentages are as follows:

Prior 10 Year 9/1/06-8/31/16		Current Appeal 9/1/16-12/31/26		Requested Settlement 9/1/16-12/31/26	
Escambia County	81.15%	Escambia County	92.20%	Escambia County	84.04%
City of Pensacola	18.22%	City of Pensacola	06.99%	City of Pensacola	15.15%
Town of Century	00.63%	Town of Century	00.81%	Town of Century	00.81%

**PRIOR ACTION:**

None

**FUNDING:**

Budget: \$1,337,100

Actual: \$1,384,900

**FINANCIAL IMPACT:**

The LOGT distribution proceeds are pledged to a City financing. At the 15.15% distribution rate, sufficient funds will be available from the LOGT proceeds and the established reserves to pay the debt service over the life of the financing.

**CITY ATTORNEY REVIEW:** Yes

2/24/2017

**STAFF CONTACT:**

Eric W. Olson, City Administrator  
Richard Barker, Jr., Chief Financial Officer

**ATTACHMENTS:**



None

**PRESENTATION:** No



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

File #: 17-00189

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** City Council Member Jewel Cannada-Wynn

**SUBJECT:**

MORATORIUM ON ENCUMBERING ANY FURTHER LOCAL OPTION SALES TAX (LOST) IV FUNDS

**RECOMMENDATION:**

That City Council place a moratorium on encumbering any further LOST IV funds until the City Council and the Mayor have set priorities for expenditures and/or projects for these funds.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

The fourth round of funding, LOST IV, begins in 2018. The City Council and the Mayor have yet to set a list of priorities and/or projects for the use of these funds; however a portion of these funds are being encumbered for upcoming projects and/or purchases prior to these priorities being set. LOST IV funds have been encumbered for building of Fire Station #3 (3.3 Million), the Bayview Resource Center (6.05 Million with current estimates at 8.25 Million), the purchase of two (2) fire apparatus (\$935,000), and a proposal for funds to be used for Osceola Golf Course Club House renovation project (\$700,000).

In the past, LOST dollars have been spent purchasing equipment for the police department, fire department and parks and recreation improvements; issues such as drainage, lighting and sidewalk repair and installation are important capital projects that need consideration as well.

Further LOST IV funds should not be expended until the City Council and the Mayor have the opportunity to set the priorities for the use of these funds.

**PRIOR ACTION:**

February 11, 2016 - City Council approved use of LOST IV funds for Fire Station #3 (3.3 Million)

February 11, 2016 - City Council approved use of LOST IV funds for Bayview Resource Center (6.05 Million)

February 9, 2017 - City Council approved use of LOST IV funds for the purchase of two (2) Fire Apparatus (\$935,000)

March 9, 2017 - PROPOSED - \$700,000 for Osceola Clubhouse Renovation Project

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

None

**STAFF CONTACT:**

Don Kraher, Council Executive

**ATTACHMENTS:**

1) None

**PRESENTATION:** No



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00167

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** City Council Member Sherri F. Myers

**SUBJECT:**

MORATORIUM ON THE CONTINUATION OF ANY AND ALL STREET RESURFACING PROJECTS CURRENTLY UNDERWAY OR BEGINNING IN THE NEAR FUTURE.

**RECOMMENDATION:**

That City Council place a moratorium of no more than 45 days on any street resurfacing projects currently underway or planned within the moratorium time frame pending plans to reconstruct certain streets that are experiencing severe storm water issues.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

On July 14, 2016, City Council passed a resolution authorizing a financing not to exceed \$15 million to finance street rehabilitation, street reconstruction and intersection / traffic improvements.

Currently there are streets within the City (Deviller's, Forte, Hillary, Clubbs and Intendencia) that are in need of rehabilitation or reconstruction to address severe storm water issues or which are not paved at all.

Prior to spending \$15 million strictly on resurfacing, the overall need for rehabilitation and reconstruction should be explored in an effort to address many of these issues.

This moratorium will give the administration time to explore the issues and provide a plan as to how the issues will be addressed.

**PRIOR ACTION:**

July 14, 2016 - City Council passed a resolution authorizing a financing not to exceed \$15 million to finance street rehabilitation, street reconstruction and intersection / traffic improvements.

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

None

**STAFF CONTACT:**

Don Kraher, Council Executive

**ATTACHMENTS:**

- 1) None

**PRESENTATION:** No



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00138

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** City Council Member Sherri F. Myers

**SUBJECT:**

PRESENTATION FROM THE CHAIRMAN OF THE BOARD OF TRUSTEES - COMMUNITY MARITIME PARK ASSOCIATES (CMPA)

**RECOMMENDATION:**

That City Council request a presentation be given at the April 13, 2017 City Council meeting by the Chairman of the Board of Trustees of the CMPA to update the Council on the financial and maintenance aspects of the park as well as an update on the marketing of the private parcels within the park.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

The Community Maritime Park is a multi-use, public-private park development on Pensacola's waterfront. The Board of Trustees of the CMPA oversees the development and management of the Community Maritime Park.

The purpose of this presentation is to provide information to the City Council regarding the financial and maintenance status of the park as well as an update on the marketing of the remaining private parcels located within the park.

**PRIOR ACTION:**

None

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

None

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**STAFF CONTACT:**

Don Kraher, Council Executive

**ATTACHMENTS:**

- 1) None

**PRESENTATION:** Yes



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00190

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** City Council Member Sherri F. Myers

**SUBJECT:**

REQUEST FOR LEGAL OPINION REGARDING ENFORCEMENT OF ANIMAL CONTROL ORDINANCES

**RECOMMENDATION:**

That City Council request a legal opinion from the City Attorney to the following question:

Are Escambia County's animal control ordinances enforceable within the City of Pensacola minus an interlocal agreement or an agreement of some type?

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

It currently appears that Escambia County is providing animal control services to the City of Pensacola. At one time, there was an interlocal agreement which covered this task and required payment from the City to the County. It further appears that this payment was stopped a few years back and there appears to be ambiguity as to whether the interlocal agreement is still viable.

The purpose of requesting this legal opinion is to ascertain if Escambia County's animal control ordinances are enforceable within the City limits minus some type of interlocal agreement.

**PRIOR ACTION:**

None

**FUNDING:**

N/A

**FINANCIAL IMPACT:**



None

**STAFF CONTACT:**

Don Kraher, Council Executive

**ATTACHMENTS:**

- 1) None

**PRESENTATION:** No



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 04-17

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** Ashton J. Hayward, III, Mayor  
City Council Member Sherri F. Myers

**SUBJECT:**

PROPOSED ORDINANCE NO. 04-17 - REPEALING SECTION 10-4-16(c) OF THE CITY CODE -  
INSTALLATION OF SERVICES

**RECOMMENDATION:**

That City Council approve Proposed Ordinance No. 04-17 repealing Section 10-4-16(c) of the city code on first reading.

AN ORDINANCE REPEALING SECTION 10-4-16(c) OF THE CODE OF THE CITY  
OF PENSACOLA, FLORIDA, INSTALLATION OF SERVICES; PROVIDING FOR  
SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

On October 6, 2008, the City Council voted to suspend Section 10-4-16 of the Code of the City of Pensacola regarding the installation of natural gas piping services.

On September 22, 2011 the City Council adopted Ordinance No. 21-11 reinstating installation services and a gas piping fee, while also proposing that Pensacola Energy develop a program in partnership with local plumbers to retain and grow customers through the promotion of natural gas appliances. The Plumbing Partnership Program was initiated in 2012.

The Mayor has directed Pensacola Energy to suspend services authorized under Section 10-4-16(c) until City Council has taken action on a proposed ordinance repealing Section 10-4-16(c). With City Council's approval to repeal Section 10-4-16(c), Pensacola Energy installation services for natural gas piping and appliances would no longer be authorized. Pensacola Energy will continue with the Pilot Lite Program as well as respond to emergency safety calls including calls when the odor of gas is detected. Pensacola Energy will take whatever measures would be necessary to ensure the immediate safety of their customers. Any major repairs or installations would be the responsibility of the customer. Therefore, Pensacola Energy would no longer be

authorized to provide these services.

**PRIOR ACTION:**

October 6, 2008 - City Council voted to suspend Section 10-4-16 of the City Code.

September 22, 2011 - City Council adopted Ordinance No. 21-11 reinstating installation services. and a gas piping fee.

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

Approval of the repeal of Section 10-4-16(c) would have minimal financial impact in Fiscal Year 2017.

**CITY ATTORNEY REVIEW:** Yes

*2/22/2017*

**STAFF CONTACT:**

Eric W. Olson, City Administrator

**ATTACHMENTS:**

- 1) Proposed Ordinance No. 04-17

**PRESENTATION:** No

PROPOSED  
ORDINANCE NO. 04-17

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE  
TO BE ENTITLED:

AN ORDINANCE REPEALING SECTION 10-4-16(c) OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA, INSTALLATION OF SERVICES; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

SECTION 1. Section 10-4-16 of the Code of the City of Pensacola, Florida, is hereby amended to read as follows:

Sec. 10-4-16. - Installation of services.

- (a) The city will install for any new customer of its gas service a service line measuring from the gas main to the proposed meter site. For such portion of any such service line, the customer shall pay an installation charge equal to the cost of such installation minus the estimated net first annual revenue to the city derived from the sale of gas at the service address, such estimate to be determined by a representative of Energy Services of Pensacola. There shall be no installation charge if the estimated net first annual revenue exceeds the cost of installation.
- (b) The city may perform work on its distribution system upon customer or contractor request. Where applicable, the customer or contractor will pay a charge to offset the labor and materials expense as determined by a representative of Energy Services of Pensacola.
- (c) ~~The city will offer installation services for natural gas piping and natural gas appliances. Services include but are not limited to gas piping installation for cell towers, natural gas generators, water heater replacements, water heater conversions, miscellaneous house piping, and subcontracting services to builders in the new home construction market throughout the ESP franchise area. Pricing is based on standard vehicle costs, labor costs including overhead plus a moderate markup over cost that will not exceed twenty (20) percent. Any applicable rebates will be deducted from the installation charge. Work may be done by outside contractor or ESP staff.~~

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

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File #: 17-00175

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSORS:** Ashton J. Hayward, III, Mayor  
City Council President Brian Spencer

**SUBJECT:**

CREATION OF SECTION 8-1-28 OF THE CITY CODE - PROHIBITING SOLICITATION OF DONATIONS UPON PUBLIC SIDEWALKS AND RIGHTS-OF-WAY IN THE DOWNTOWN VISITORS' DISTRICT

**RECOMMENDATION:**

That City Council adopt an ordinance creating Section 8-1-28 of the City Code - Prohibiting solicitation of donations upon public sidewalks and rights-of-way in the Downtown Visitors' District.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

The City has received complaints from members of the public and downtown businesses about the presence of individuals soliciting donations either verbally or by the use of signage. The solicitation of donations obstructs the free flow of pedestrian traffic in the downtown area and it negatively affects residents, visitors and businesses.

The Downtown Improvement Board asked the City to consider a regulation which would protect the public from this nuisance activity, preserve the significant investment of the businesses and the City in the Downtown Improvement District and enhance the experience of the public in the downtown business area.

**PRIOR ACTION:**

N/A

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

None

**CITY ATTORNEY REVIEW:** Yes

2/24/2017

**STAFF CONTACT:**

Eric W. Olson, City Administrator

Lysia H. Bowling, City Attorney

**ATTACHMENTS:**

- 1) Letter from John Peacock, DIB Chair, dated February 21, 2017 with Ordinance Boundary Map Attachment
- 2) Proposed Ordinance

**PRESENTATION:** No

February 21, 2017

Hon. Ashton J. Hayward III, Mayor  
Hon. Brian Spencer, City Council President, and  
Mr. Eric Olson, City Administrator  
222 W. Main Street  
Pensacola, FL 32502

RE: Proposed City Ordinance Addressing Soliciting, Begging & Panhandling in  
Downtown Pensacola

Dear Mayor Hayward, President Spencer and Mr. Olson:

This letter is a follow-up to my letter of October 21, 2016 to you and the City Council, as well as a follow-up to a recent meeting between the City's attorneys Ms. Bowling and Mr. Wells and the DIB's Executive Director, Curt Morse. The DIB fully supports of the implementation of the above proposed ordinance.

Downtown Pensacola is an essential part of the overall Pensacola tourism experience. Recently we've seen an alarming and consistent increase in the amount of nuisance activity, i.e., soliciting, begging and panhandling, along the streets, in the parks, and along the sidewalks and storefronts in the Downtown Improvement District. This activity adversely impacts tourism, economic development, and diminishes the overall experience of those that visit the area.

As we work to expand the commercial and residential base of the Downtown core of the City, the DIB believes the implementation of this ordinance and eliminating the nuisance activity is vital to providing a safe, pleasant, family friendly environment for all those who own businesses, work, live, dine, shop and otherwise enjoy the Downtown Improvement District. We also see the need to better communicate the availability of outreach services to those in need. As a result, the DIB is formulating a Downtown Ambassador program that will not only serve to assist tourists and other visitors to Downtown with helpful information, it can also serve to connect local services to those in need. This program, along with other clean and safe initiatives, will support growth and help to promote the ongoing prosperity of Downtown.

For your consideration, I am attaching a map of the Downtown Improvement District, which highlights in yellow boundaries which the DIB believes could be reasonably covered by the new ordinance.

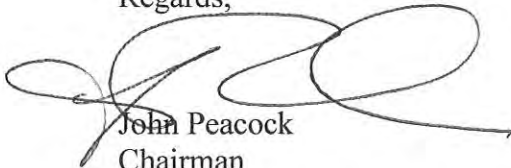


We would ask the City to consider referring to the highlighted area as the “Downtown Visitors District” which would be described as follows:

The geographic area defined by the boundaries of the following named streets, including both sides of each named street, public area adjacent to both sides of each named street and each corner of intersecting named streets: Beginning at the intersection of Wright Street and Spring Street (being the point of beginning); then continuing east to the intersection of Wright Street and Tarragona Street; then continuing south on Tarragona Street to the intersection of Tarragona Street and Main Street; then continuing west on Main Street to Commendencia Street; then continuing south on Commendencia Street until the terminus of Commendencia Street; then continuing directly west from the terminus of Commendencia street across the parking lot to the intersection of Jefferson Street; then continuing south on Jefferson Street to the beginning of Palafox Street including the loop of Palafox Street around Plaza de Luna; then continue north on Palafox Street to the intersection of Palafox Street and Main Street; then continue west on Main Street to the intersection of Main Street and Spring Street; then continue north on Spring Street to the point of beginning.

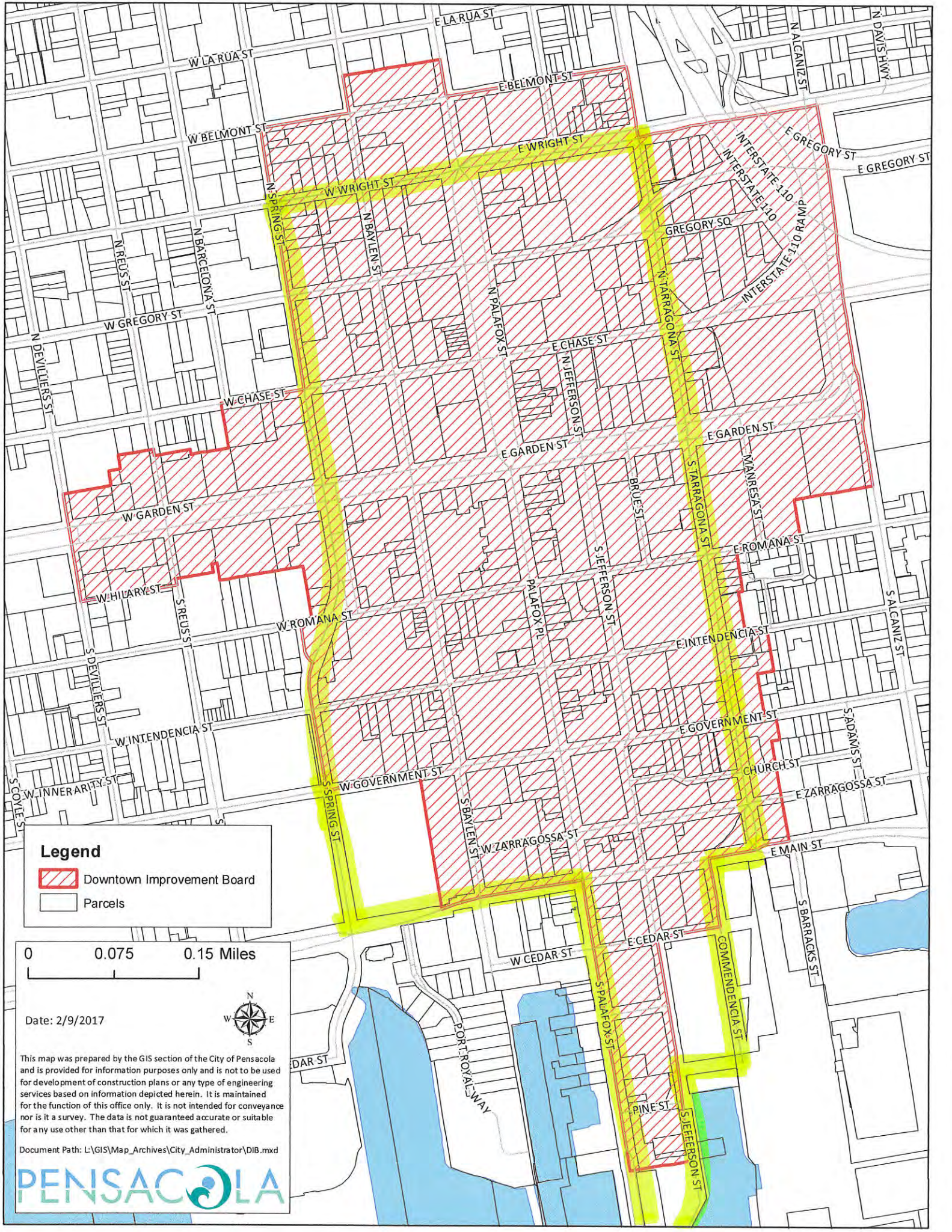
Again, recognizing the importance of the overall tourism experience and the economic development of Downtown Pensacola, the DIB Board asks that you implement a City ordinance that addresses nuisance activity such as soliciting, begging and panhandling in Downtown Pensacola at your earliest convenience. We at the DIB stand ready to assist in this effort in any way we can.

Regards,



John Peacock  
Chairman  
Downtown Improvement Board of Directors

MJS/CWM



**Legend**

- Downtown Improvement Board
- Parcels

0 0.075 0.15 Miles

Date: 2/9/2017

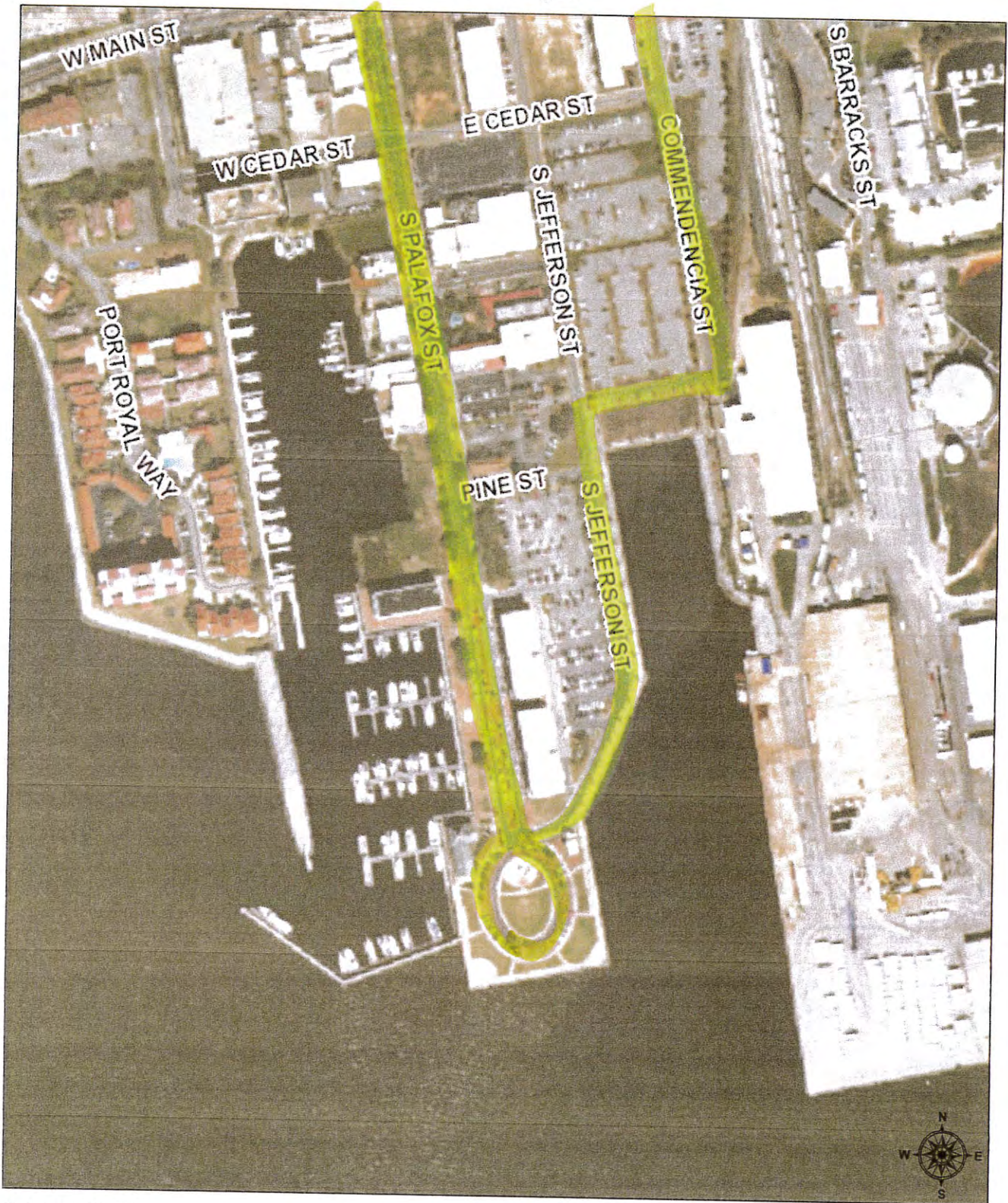


This map was prepared by the GIS section of the City of Pensacola and is provided for information purposes only and is not to be used for development of construction plans or any type of engineering services based on information depicted herein. It is maintained for the function of this office only. 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.

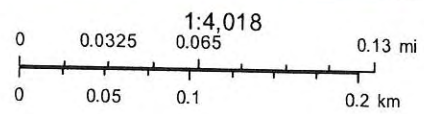
Document Path: L:\GIS\Map\_Archives\City\_Administrator\DIB.mxd



# GoMaps



February 23, 2017



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community

PROPOSED  
ORDINANCE NO. \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE CREATING SECTION 8-1-28 OF THE CODE OF THE CITY OF PENSACOLA FLORIDA; DEFINING THE DOWNTOWN VISITORS' DISTRICT AND REGULATING THE CONDUCT OF INDIVIDUALS ON SIDEWALKS AND PUBLIC RIGHTS-OF-WAY THEREIN; PROVIDING DEFINITIONS; PROHIBITING SOLICITATION OF DONATIONS; PROVIDING PENALTIES THEREFOR; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

SECTION 1. Section 8-1-28 of the Code of the City of Pensacola, Florida, is hereby created to read:

**Sec. 8-1-28. Regulation of Conduct In The Downtown Visitors' District.**

- (1) Legislative Findings. The City Council of the City of Pensacola hereby makes the following legislative findings and declares them to be true and accurate:
- a. The City of Pensacola has substantial governmental interests in promoting and protecting tourism, encouraging the expansion of the City's economic base by attracting and maintaining new investments, creating an attractive infrastructure that encourages quality development and protecting the City's economy.
  - b. The Downtown Visitors' District (defined herein) is located within a geographical area of unique historic and business districts in the City of Pensacola which are nationally and internationally recognized as premier tourist designations.
  - c. Tourism is one of Florida's most important economic industries and the City of Pensacola is one of the preeminent tourist destinations in the Florida Panhandle.
  - d. Over the last 20 years, public and private investment in the Downtown Visitors' District has resulted in the redevelopment and revitalization of the core downtown business district comprised of a multitude of dining and entertainment venues that include restaurants, sidewalk cafes and nightclubs, theaters, museums, cultural centers, City parks and retail establishments where residents, visitors and tourists visit, shop, dine, and attend area events.
  - e. The City of Pensacola has a significant governmental interest in providing its residents, visitors, and tourists with a pleasant, enjoyable, and safe environment free of nuisance activity.
  - f. Panhandling activities impede public use of the sidewalks and public rights-of-way, and adversely impact tourism in the revitalized Downtown Visitor's District. As well,

these activities threaten the economic vitality as well as the existence of a pleasant, enjoyable, and safe environment in the Downtown Visitors' District.

- g. Panhandlers often disrupt the daily activities that occur at outdoor cafes, restaurants, nightclubs, entertainment venues and other downtown commercial establishments by disrupting business and physically approaching, harassing, or intimidating residents, visitors, and tourists in places where it is difficult or not possible to exercise the right to decline to listen to them or avoid their requests.
- h. Panhandlers also obstruct the sidewalks and rights-of-way located within the Downtown Visitors' District causing pedestrians to step into moving traffic or to come in contact with other pedestrians, thus endangering their safety and the safety of others.
- i. The City of Pensacola and owners of retail establishments as well as residents, visitors and tourist have complained about panhandlers soliciting donations on sidewalks and rights-of-way in the Downtown Visitors' District.
- j. The City of Pensacola recognizes and acknowledges that panhandling is entitled to First Amendment protection and its regulation must be content neutral and narrowly tailored to serve a significant government interest while leaving open alternative channels of communication.
- k. The City of Pensacola has a significant governmental interest in adopting this regulation is to engage in a reasonable, limited, time, place and manner regulation in a manner approved by the courts.
- l. The City of Pensacola finds that there are ample alternative public venues for such expressive activities outside of the Downtown Visitors' District.
- m. The City of Pensacola further finds that without the regulations being adopted in this section of the City Code, the investment in redeveloping the Downtown Visitors' District from a deteriorated partially vacant commercial area into its current vibrant and popular resident, visitor and tourist venue will be jeopardized.
- n. The City of Pensacola finds that this regulation is a content-neutral, narrowly tailored regulation intended to address and curb the problems unique to the subject area and do not unreasonably interfere with constitutionally protected rights.
- o. The regulations set forth in this ordinance are further the City's afore-stated interests and are not intended to prohibit the exercise of a person's protected constitutional rights under the First Amendment.
- p. The City of Pensacola finds that this ordinance furthers the significant governmental interest of the City of Pensacola in providing its residents, visitors, and tourists with a pleasant, enjoyable, and safe environment free of nuisance activity and will preserve

and enhance the various economic and tourism interests of the City and is in the best interest of the public.

(2) Definitions.

- a. *The Downtown Visitors' District* is hereby defined as the streets, adjacent sidewalks and pedestrian city rights-of-way within the following area:

The geographic area defined by the boundaries of the following named streets, including both sides of each named street, public areas including sidewalks and rights of way adjacent to both sides of each named street and each corner of intersecting named streets: Beginning at the intersection of Wright Street and Spring Street (being the point of beginning); then continuing east to the intersection of Wright Street and Tarragona Street; then continuing south on Tarragona Street to the intersection of Tarragona Street and Main Street; then continuing west on Main Street to Commendencia Street; then continuing south on Commendencia Street until the terminus of Commendencia Street; then continuing directly west from the terminus of Commendencia Street across the parking lot to the intersection of Jefferson Street; then continuing south on Jefferson Street to the beginning of Palafox Street including the loop of Palafox Street around Plaza de Luna; then continue north on Palafox Street to the intersection of Palafox Street and Main Street; then continue west on Main Street to the intersection of Main Street and Spring Street; then continue north on Spring Street to the point of beginning.

- b. *Solicitation of donations* means any request made in person on a street, sidewalk or public right-of-way within the Downtown Visitors' District, for an immediate donation of money or other thing of value, including the purchase of an item or service for an amount far exceeding its value, under circumstances where a reasonable person would understand that the purchase is a donation, whether such solicitation is accomplished verbally, passively or through any manner of signage.

(3) Prohibited Conduct. The following conduct is prohibited upon the sidewalks and public rights-of-way within the Downtown Visitors' District:

- a. Solicitation of donations.

(4) Penalties. This sec. 8-1-28 of the Code of the City of Pensacola, Florida, shall be enforced in the manner provided in sec. 7-4-14, pertaining to violations of sec. 7-4-13 of the Code.

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 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: \_\_\_\_\_

Approved: \_\_\_\_\_  
President of the City Council

Attest:

\_\_\_\_\_  
City Clerk



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 09-17

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSORS:** Ashton J. Hayward, III, Mayor  
City Council President Brian Spencer

**SUBJECT:**

PROPOSED ORDINANCE NO. 09-17 - CREATING SEC. 8-1-28 OF THE CITY CODE - PROHIBITING SOLICITATION OF DONATIONS UPON PUBLIC SIDEWALKS AND RIGHTS-OF-WAY IN THE DOWNTOWN VISITORS' DISTRICT

**RECOMMENDATION:**

That City Council approve Proposed Ordinance No. 09-17 on first reading.

AN ORDINANCE CREATING SECTION 8-1-28 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; DEFINING THE DOWNTOWN VISITORS' DISTRICT AND REGULATING THE CONDUCT OF CITIZENS ON SIDEWALKS AND PUBLIC RIGHTS-OF-WAY THEREIN; PROVIDING DEFINITIONS; PROHIBITING SOLICITATION OF DONATIONS; PROVIDING PENALTIES THEREFOR; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

The City has received complaints from members of the public and downtown businesses about the presence of individuals soliciting donations either verbally or by the use of signage. The solicitation of donations obstructs the free flow of pedestrian traffic in the downtown area and it negatively affects residents, visitors and businesses.

The Downtown Improvement Board asked the City to consider a regulation which would protect the public from this nuisance activity, preserve the significant investment of the businesses and the City in the Downtown Improvement District and enhance the experience of the public in the downtown business area.

**PRIOR ACTION:**

N/A



**FUNDING:**

N/A

**FINANCIAL IMPACT:**

None

**CITY ATTORNEY REVIEW:** Yes

*2/24/2017*

**STAFF CONTACT:**

Eric W. Olson, City Administrator

Lysia H. Bowling, City Attorney

**ATTACHMENTS:**

- 1) Proposed Ordinance 09-17

**PRESENTATION:** No

PROPOSED  
ORDINANCE NO. \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE CREATING SECTION 8-1-28 OF THE CODE OF THE CITY OF PENSACOLA FLORIDA; DEFINING THE DOWNTOWN VISITORS' DISTRICT AND REGULATING THE CONDUCT OF INDIVIDUALS ON SIDEWALKS AND PUBLIC RIGHTS-OF-WAY THEREIN; PROVIDING DEFINITIONS; PROHIBITING SOLICITATION OF DONATIONS; PROVIDING PENALTIES THEREFOR; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

SECTION 1. Section 8-1-28 of the Code of the City of Pensacola, Florida, is hereby created to read:

**Sec. 8-1-28. Regulation of Conduct In The Downtown Visitors' District.**

- (1) Legislative Findings. The City Council of the City of Pensacola hereby makes the following legislative findings and declares them to be true and accurate:
- a. The City of Pensacola has substantial governmental interests in promoting and protecting tourism, encouraging the expansion of the City's economic base by attracting and maintaining new investments, creating an attractive infrastructure that encourages quality development and protecting the City's economy.
  - b. The Downtown Visitors' District (defined herein) is located within a geographical area of unique historic and business districts in the City of Pensacola which are nationally and internationally recognized as premier tourist designations.
  - c. Tourism is one of Florida's most important economic industries and the City of Pensacola is one of the preeminent tourist destinations in the Florida Panhandle.
  - d. Over the last 20 years, public and private investment in the Downtown Visitors' District has resulted in the redevelopment and revitalization of the core downtown business district comprised of a multitude of dining and entertainment venues that include restaurants, sidewalk cafes and nightclubs, theaters, museums, cultural centers, City parks and retail establishments where residents, visitors and tourists visit, shop, dine, and attend area events.
  - e. The City of Pensacola has a significant governmental interest in providing its residents, visitors, and tourists with a pleasant, enjoyable, and safe environment free of nuisance activity.
  - f. Panhandling activities impede public use of the sidewalks and public rights-of-way, and adversely impact tourism in the revitalized Downtown Visitor's District. As well,

these activities threaten the economic vitality as well as the existence of a pleasant, enjoyable, and safe environment in the Downtown Visitors' District.

- g. Panhandlers often disrupt the daily activities that occur at outdoor cafes, restaurants, nightclubs, entertainment venues and other downtown commercial establishments by disrupting business and physically approaching, harassing, or intimidating residents, visitors, and tourists in places where it is difficult or not possible to exercise the right to decline to listen to them or avoid their requests.
- h. Panhandlers also obstruct the sidewalks and rights-of-way located within the Downtown Visitors' District causing pedestrians to step into moving traffic or to come in contact with other pedestrians, thus endangering their safety and the safety of others.
- i. The City of Pensacola and owners of retail establishments as well as residents, visitors and tourist have complained about panhandlers soliciting donations on sidewalks and rights-of-way in the Downtown Visitors' District.
- j. The City of Pensacola recognizes and acknowledges that panhandling is entitled to First Amendment protection and its regulation must be content neutral and narrowly tailored to serve a significant government interest while leaving open alternative channels of communication.
- k. The City of Pensacola has a significant governmental interest in adopting this regulation is to engage in a reasonable, limited, time, place and manner regulation in a manner approved by the courts.
- l. The City of Pensacola finds that there are ample alternative public venues for such expressive activities outside of the Downtown Visitors' District.
- m. The City of Pensacola further finds that without the regulations being adopted in this section of the City Code, the investment in redeveloping the Downtown Visitors' District from a deteriorated partially vacant commercial area into its current vibrant and popular resident, visitor and tourist venue will be jeopardized.
- n. The City of Pensacola finds that this regulation is a content-neutral, narrowly tailored regulation intended to address and curb the problems unique to the subject area and do not unreasonably interfere with constitutionally protected rights.
- o. The regulations set forth in this ordinance are further the City's afore-stated interests and are not intended to prohibit the exercise of a person's protected constitutional rights under the First Amendment.
- p. The City of Pensacola finds that this ordinance furthers the significant governmental interest of the City of Pensacola in providing its residents, visitors, and tourists with a pleasant, enjoyable, and safe environment free of nuisance activity and will preserve

and enhance the various economic and tourism interests of the City and is in the best interest of the public.

(2) Definitions.

- a. *The Downtown Visitors' District* is hereby defined as the streets, adjacent sidewalks and pedestrian city rights-of-way within the following area:

The geographic area defined by the boundaries of the following named streets, including both sides of each named street, public areas including sidewalks and rights of way adjacent to both sides of each named street and each corner of intersecting named streets: Beginning at the intersection of Wright Street and Spring Street (being the point of beginning); then continuing east to the intersection of Wright Street and Tarragona Street; then continuing south on Tarragona Street to the intersection of Tarragona Street and Main Street; then continuing west on Main Street to Commendencia Street; then continuing south on Commendencia Street until the terminus of Commendencia Street; then continuing directly west from the terminus of Commendencia Street across the parking lot to the intersection of Jefferson Street; then continuing south on Jefferson Street to the beginning of Palafox Street including the loop of Palafox Street around Plaza de Luna; then continue north on Palafox Street to the intersection of Palafox Street and Main Street; then continue west on Main Street to the intersection of Main Street and Spring Street; then continue north on Spring Street to the point of beginning.

- b. *Solicitation of donations* means any request made in person on a street, sidewalk or public right-of-way within the Downtown Visitors' District, for an immediate donation of money or other thing of value, including the purchase of an item or service for an amount far exceeding its value, under circumstances where a reasonable person would understand that the purchase is a donation, whether such solicitation is accomplished verbally, passively or through any manner of signage.

(3) Prohibited Conduct. The following conduct is prohibited upon the sidewalks and public rights-of-way within the Downtown Visitors' District:

- a. Solicitation of donations.

(4) Penalties. This sec. 8-1-28 of the Code of the City of Pensacola, Florida, shall be enforced in the manner provided in sec. 7-4-14, pertaining to violations of sec. 7-4-13 of the Code.

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 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: \_\_\_\_\_

Approved: \_\_\_\_\_  
President of the City Council

Attest:

\_\_\_\_\_  
City Clerk



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00114

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** City Council President Brian Spencer

**SUBJECT:**

AMENDMENT TO CITY COUNCIL RULES AND PROCEDURES; SECTION 2.07 - CONSENT AGENDA

**RECOMMENDATION:**

That City Council amend Section 2.07 - Consent Agenda - of the City Council Rules and Procedures to allow the movement of items from the Regular Agenda to the Consent Agenda at the Agenda Conference.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

In July of 2016 the City Council adopted City Council Rules and Procedures, wherein Section 2.07 covered, "Consent Agenda."

Section 2.07 states:

The Council Executive may include in the consent agenda section of the preliminary agenda any items which are not controversial, are viewed as routine, which are procedural or have been thoroughly discussed previously that require formal Council approval. During the Agenda Conference, or during the consent agenda portion of a regular Council meeting, any single member shall have the unqualified privilege to move any item from the consent agenda to the regular agenda items section without explanation.

There are occasions where an item may meet the criteria as set out above for inclusion on the Consent Agenda but where Council Member's have questions about a particular item; in situation where these questions are adequately answered during the Agenda Conference, this amendment would allow for the placement of these items on the Consent Agenda with the approval of the majority of Council.

**PRIOR ACTION:**

January 12, 2017- City Council revised the current City Council Rules and Procedures

July 18, 2016 - City Council adopted the current City Council Rules and Procedures

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

None

**STAFF CONTACT:**

Don Kraher, Council Executive

**ATTACHMENTS:**

- 1) Proposed Amendment to Section 2.07 - Council Rules and Procedures

**PRESENTATION:** No

CITY OF PENSACOLA

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CITY COUNCIL

RULES AND PROCEDURES

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“The City Council shall determine its own rules of procedure and order of business...”

City Charter 4.03(b)

Adopted June 13, 2013  
Revised January 15, 2015  
Revised September 17, 2015  
Revised June 16, 2016  
Revised January 12, 2017



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## Article I. Council Meetings

### Section 1.01 Regular Meetings

Regular meetings of the City Council shall be held at least once each month beginning at 5:30 p.m. in the Council's Chamber, City Hall, First Floor, 222 West Main Street, Pensacola, Florida, or at such other temporary location selected by the President as may be required should its Chamber be unavailable. The Council shall generally adopt its regular meeting schedule for the following calendar year at a regular meeting held in December of each year. The Council may reschedule or cancel meetings so long as at least one noticed, regular meeting occurs each month. No scheduled meeting shall be rescheduled without a majority vote of council, except in cases of emergency or extreme hardship.

### Section 1.02 Leroy Boyd Fora

For a period not to exceed one-half hour near the beginning of each regular Council meeting, and again at some point near the conclusion of regular Council business during each regular Council meeting, the Council shall invite public comment upon any subject not on the agenda unless waived by a majority of the existing membership of Council. Public comment shall be limited to three (3) minutes per speaker. The time limit for public input may be reduced in the President's discretion to accommodate a larger number of speakers. A speaker's time may not be given to another.

### Section 1.03 Special Meetings

Special meetings may be held as provided in the City Charter, and shall be held in the Council's Chambers, or at such other location within the City of Pensacola as may be specified by the President and set forth in the notice of meeting. When practicable, seventy-two hours' notice of the meeting shall be given to the members and the media by email. The matters to be considered in the special meeting shall be included in the notice of meeting. No action unrelated to the noticed matters shall be taken.

### Section 1.04 Workshops

Council Workshops may be held as necessary to allow Council members to informally discuss matters of concern or interest. Workshops shall be held in the Hagler-Mason Conference Room, 222 West Main Street, Second Floor, City Hall, Pensacola, Florida, or at such other location as may be selected by the Council or the President. Any topic may be referred to a Workshop by the President, from the Agenda Conference, a Council Meeting or a Workshop by affirmative vote of a majority of the Council members present either specifying the date or leaving the date to the discretion of the President. Council Memoranda are not required for Workshop items and

topics, but Council may instruct that a Council Memorandum or other background information be obtained for a particular matter to be discussed at the Workshop.

The matters to be considered shall be included in the notice of the workshop. No other matters shall be considered without the consent of a majority of Council. When practicable, seventy-two hours' notice of the Workshop shall be given to the members and the media by email. No formal or binding action by the City Council may be taken in a workshop. Unofficial "straw votes" may be taken to determine a non-binding consensus on any matter. Public input may be allowed or denied during a workshop as shall be determined, and as may be revised, by the Council during the workshop. Unless imposed by majority vote of members present, the only limitation upon the number of times, or the duration, of a member's comments on a subject shall be at the discretion of the chair, exercised in a manner to permit all members to contribute within the time allotted.

The President shall initially preside over the workshop, but the first order of business after the roll call, shall be the selection of a member to chair the workshop, by consensus or motion. The president shall chair if no alternate selection is made. It is the intent of the Council that a member calling forth the topic for the workshop or particularly interested in the topic should chair the meeting. If more than one topic is to be discussed, the Council may, but shall not be required to select a separate chair for each topic.

#### **Section 1.05      President as Presiding Officer**

The President shall preside at every meeting or conference of the Council and have equal participation. The President will not be required to relinquish the chair when making motions and seconds or during debate. At the hour appointed, the President shall call the Council to order and, for a regular or special meeting determine whether a quorum is present. The President shall sign all ordinances, resolutions, subpoenas or other writs ordered by the Council.

The President shall preserve order, speak to points of order and decide all questions of order raised subject to appeal to the Council by any member. On appeal, no member may speak more than once and no more than one (1) minute. An appeal is settled by a majority plus one vote of the members present for or against the question "Shall the decision of the President be sustained." If not sustained, then the President shall make an alternate ruling subject to appeal to the Council by any member. In so doing the President shall attempt to ensure that matters are considered individually and in an orderly fashion, that members have a reasonable opportunity to express their views on matters before the Council and to respond to the views of others on that same matter, but not to the point of redundancy or personal attack. The President shall

have control of the Council Chamber or meeting room and the connecting halls and corridors, and in case of disturbance or disorderly conduct cause the same to be cleared.

Other duties of the President include:

- (a) Monitoring preparation of agenda and ultimate approval of scheduling of agenda items as elsewhere provided in these rules;
- (b) Annual evaluation of Council Executive and any other Council staff reporting directly to the Council;
- (c) Execution of City Council Minutes to evidence approval by the Council; and
- (d) Any other matter directed by Council.

The Vice President shall exercise all duties of the President during the President's absence or disability, and shall assume the Chair at the request of the President. In the event of the absence or disability of both the President and Vice President, not constituting a vacancy in either office, the Council may, but shall not be required to, elect one of its members Interim President until one of those officers returns to serve.

## Section 1.06 Order of Business

### (a) Regular Meetings

The order of business during regular Council meetings shall be:

- 1) Call to Order, Roll Call and Determination of Quorum.
- 2) Invocation and Pledge of Allegiance.
- 3) Rules of Decorum.
- 4) First LeRoy Boyd Forum.
- 5) Awards.
- 6) Approval of Minutes.
- 7) Approval of Agenda.
  - a. Call for transfer of any consent item to regular agenda.
  - b. Call for reordering of items.
  - c. Vote on Agenda
- 8) Consent Agenda.
  - a. Presentation of remaining consent agenda items.
  - b. Call for public input on remaining Consent Agenda Items.
  - c. Vote on consent agenda.

- 9) Regular Agenda.
- 10) Council Executive Report.
- 11) Mayor's Communication.
- 12) Council Communications.
- 13) Civic Announcements.
- 14) Second Leroy Boyd Forum.
- 15) Adjournment.

**(b) Special Meetings**

The order of business during special Council meetings shall be:

- 1) Call to Order, Roll Call and Determination of Quorum.
- 2) Invocation and Pledge of Allegiance.
- 3) Noticed Business in Agenda Order.
- 4) Adjournment.

**(c) Workshops**

- 1) Call to Order and Roll Call.
- 2) Selection of Chair.
- 3) Determination of Public Input.
- 4) Noticed Business.
- 5) Adjournment.

**(d) Quasi-Judicial Hearings**

**(e) Flexibility of Agenda**

At the time appointed for Approval of the Agenda, the Council may reorder the Agenda items. The designation of an item marked for discussion or information in a Regular Meeting shall not prohibit the Council from taking action on that item if the Council determines to do so after discussion or receipt of information.

**Section 1.07            Presentation of Agenda Items**

For each agenda item in turn, the President shall recognize initially the sponsor of the item or a City Administration or City Council staff member designated by the sponsor. The sponsor's presentation shall not be included in the limitations upon Council member input imposed by these rules.

### **Section 1.08 Public Input on Agenda Items**

A member of the public may address any action or discussion item on a Council meeting agenda by delivering a speaker's card to the City Clerk at the meeting prior to the end of consideration by Council, or in a public hearing required by law or designated as such by the Council prior to the closing of the hearing. All comments shall be directed to the President. No Council member shall address a member of the public without permission from the President. Public input shall be limited to three (3) minutes per speaker and must be germane to the item under consideration, in the opinion of the President. In order to accommodate a larger number of speakers, the time limit for public input may be reduced in the President's discretion. A speaker's time may not be given to another. Public input on a particular agenda item (or any Consent Agenda item) shall be received during Council consideration of that item (or the Consent Agenda) at a time recognized by the President. One speaker desiring to comment on multiple consent agenda items shall be allowed the allotted time for each item, but unused time may not be shifted from one item to the next. After public input is concluded, it may not be reopened without consent of the Council. In the interests of time and orderly deliberation, unless prohibited by law the Council reserves the right to deny public input on any item at any time except a public hearing, required by law. Conversely, the Council may choose to permit public input at any time.

### **Section 1.09 Council Member Input**

Prior to receiving public input, members shall speak no more than once so long as any member who has not spoken desires to speak. Prior to receiving public input, members shall speak no more than twice on any one subject and shall limit their comments to three (3) minutes each time. After receiving public input, members shall be permitted to speak no more than once on the subject and shall limit their comments to three (3) minutes. So long as a member does not object, the President may choose not to enforce these limitations. These limitations may be waived or suspended for a time certain by majority vote of the existing membership of the Council. The requirements of this Section shall not apply to workshops.

### **Section 1.10 Voting and Quorum**

The vote or abstention of each member present shall be recorded in the minutes of the meeting. Voting shall ordinarily be made by electronic tally device, but upon approval of a majority of the existing members of Council, voting may be by paper ballot or roll call. As provided in the Charter, and subject to limited exceptions expressed in the Charter, a majority of the existing membership of the Council shall constitute a quorum and no action by the Council shall be valid or binding unless adopted by the affirmative vote of a majority of the existing membership of Council.

### **Section 1.11 Parliamentary Procedure**

Robert's Rules of Order will serve as a guide for parliamentary procedures in the conduct of all Council meetings and Workshops. Any exceptions noted in these rules or by Resolution of the

Council shall take precedence. A violation of parliamentary procedure shall not call into question the validity of any decision or action of the Council so long as the requirements of state law and the City Charter have been met and the intent of the Council is clear from the minutes and the electronic recordings of the proceedings.

### **Section 1.12 Postponing an Item**

A member who has the floor at a regular meeting and who feels that he or she does not have enough information to act on an item may request that the sponsor of that item postpone the item. The request shall take precedence. If the sponsor refuses, a motion, second and affirmative vote of a majority of the existing members of Council to postpone the item will result in it being placed on a subsequent Agenda Conference and the sponsor shall have the opportunity to add additional information to the related Council Memorandum.

### **Section 1.13 Ending Debate**

A motion for the previous question may not interrupt a speaker who has the floor, must be made and seconded, is not debatable, cannot be amended, requires an affirmative, majority plus one vote of members present to pass and in this assembly cannot be reconsidered. Additionally, in order to protect the democratic process, any Council Member or member of the public who is on record to speak before the motion is made will be permitted to speak before the vote is taken on the motion for the previous question.

### **Section 1.14 Reconsideration**

A member on the prevailing side may move to reconsider a question in the same meeting. The motion must pass with the same vote formality as required to pass the main motion, and if passed reopens the main motion to debate.

## **Article II. Agendas**

### **Section 2.01 Submission of Items**

Agenda items may be sponsored and submitted by an individual Council Member or by the Mayor. In order to be included in the next regularly scheduled meeting, a Council Memorandum must be delivered to the Office of the City Council no later than close of business, fourteen days prior to the Agenda Conference. The sponsor of an item may unilaterally withdraw that item at any time prior to the commencement of Council voting on that item in a regular or special Council meeting.



## Section 2.02 Council Memoranda

Every agenda item shall be accompanied by a Council Memorandum, offered and supported by the sponsor of the item and containing, at a minimum, the following information or stating not applicable if that be the case.

### (a) Proposed Legislative Items

- 1) Sponsor's name.
- 2) Short Name of Item (to be listed on Agenda).
- 3) Recommendation.
- 4) Subject matter background and purpose of submission, including any prior actions by City (Council, Mayor, Administration, Planning Board, etc.) relevant and material to the current issue.
- 5) Staff Input.
- 6) Whether an initial presentation will be made by someone other than the sponsor.
- 7) Whether a public hearing or quasi-judicial hearing is required.
- 8) Related documentation must be attached to the fullest extent feasible (examples: form of proposed ordinance, form of proposed contract and bid summary).
- 9) Whether item budgeted and description of financial impact.

### (b) Presentations

- 1) Sponsor's Name.
- 2) Short name of Presentation (to be listed on Agenda).
- 3) Recommendation.
- 4) Subject matter background and purpose of presentation.
- 5) Related documentation.
- 6) Council staff input.

### (c) Council Discussion Items and Administrative Items

- 1) Sponsor's name.
- 2) Short Name of Item (to be listed on Agenda).
- 3) Recommendation.
- 4) Action, Discussion or Information.
- 5) Whether an initial presentation will be made by someone other than the sponsor.
- 6) Subject matter background and purpose of submission.
- 7) Related documentation.

- 8) Whether item budgeted and description of financial impact.
- 9) Whether an initial presentation will be made.
- 10) Council Staff input.

### **Section 2.03 Preliminary Agenda Preparation**

The Council staff shall assign a sequential number to each Council Memorandum presented, prepare a preliminary agenda and shall have the flexibility to order and group items in a logical way. If two matters are related or appear to have a bearing upon one another, the Council staff may place those items in consecutive sequence. In addition, the President shall be authorized to review the agenda proposed by the Council staff and make such changes, including re-positioning or postponing an item, as he or she deems appropriate in consideration of the length of the agenda and the nature, complexity and urgency of all the matters at hand. As a general practice, action items will precede discussion or information items. The Council staff shall furnish a copy of the preliminary agenda and all related Council Memoranda and attachments to the City Clerk by 12 Noon on Tuesday of the week prior to the regular Council Meeting. The Clerk shall prepare and furnish a digital copy of the agenda to each Council member, the Mayor, the City Administrator, the City Attorney and the Council Executive by email on or before 6:00 p.m. that same Tuesday. The Clerk shall be responsible for placing the preliminary agenda upon the City's website and notifying the media.

### **Section 2.04 Agenda Conference - General**

An Agenda Conference of Council Members shall be held the Monday before each regular Council meeting, at 3:30 p.m. in the Hagler-Mason Conference Room, 222 West Main Street, 2<sup>nd</sup> Floor, City Hall, Pensacola, Florida, or at such other time and place as may from time to time be set by the President or the Council. The Agenda Conference will serve as an opportunity for the City Council, as a collegial body, to fully discuss agenda items being brought forth for the upcoming Regular Meeting of the City Council to ensure such items are complete and ready for a discussion of the merits of the item. This will allow Council Members to request additional information from the Sponsor, staff and/or administration. If an item is deemed incomplete or in need of further review prior to the Regular Council meeting, the item may be removed from the Agenda and directed to the appropriate staff for follow-up. During the Agenda Conference, the City Council may vote on administrative or ministerial matters, such as requesting a legal opinion, or moving items from the regular agenda to the consent agenda. The Agenda Conference shall also be the meeting where stand-alone presentations are heard (those presentations that are not part of a Legislative Action Item); as well as the City Administrator's report, the Police Chief's report, the Finance Director's report and any other such report as requested on behalf of staff or the Mayor's Office. Public input shall be accepted for items listed on the agenda.

### **Section 2.05 Agenda Conference – Order of Business**

- 1) Roll Call.

- 2) Presentations.
- 3) Review of consent agenda items.
- 4) Review of regular agenda items.
- 5) Consideration of any add-on items.
- 6) Approval of final agenda.
- 7) City Administrator's Communication.
- 8) City Attorney's Communication.
- 9) Police Chief's Report.
- 10) Finance Director's Report.
- 11) Council Communication.
- 12) Adjournment.

### **Section 2.06            Agenda Conference – Approval of Final Agenda**

A majority of the members present at the agenda conference shall approve the final agenda to be presented to Council at the next regular meeting. If no members attend the agenda conference, the preliminary agenda shall become the final agenda. Only the affirmative vote of a majority of the existing membership of the Council shall be entitled to remove an item from the agenda. An item removed may be placed upon the next preliminary agenda. An item removed twice from the preliminary agenda shall be deemed rejected in its then current form. The City Clerk shall be responsible for placing the final agenda and accompanying Memoranda upon the City's website and notifying the media.

### **Section 2.07            Consent Agenda**

The Council Executive may include in the consent agenda section of the preliminary agenda any items which are not controversial, are viewed as routine, which are procedural or have been thoroughly discussed previously that require formal Council approval. During the Agenda Conference, or during the consent agenda portion of a regular Council meeting, any single member shall have the unqualified privilege to move any item from the consent agenda to the regular agenda items section without explanation.

At the Agenda Conference, where an agenda item meets the criteria as set out above and any remaining questions have been answered; the Council President, with the consent of a majority of the City Council, may move an item from the Regular Agenda for placement on the Consent Agenda.

### **Section 2.08            “Add-On” Items**

During the Agenda Approval portion of a regular meeting, or during the “Add-On” portion of the

Agenda Conference, any person entitled to submit an agenda item may request that a new item of business, that is either time sensitive or requires action prior to the next scheduled meeting, with an appropriate Council Memorandum, be added to the agenda. The request shall be granted only by the affirmative vote of a majority plus one of the existing membership of Council. If granted, a duplicate copy of all materials supporting the item must be provided to each member before discussion.

### **Section 2.09 Presentations**

Requests for Presentations shall be sponsored by a City Council Member or the Mayor. Such a request shall be accompanied by a Council Memorandum for use during the presentation review at the Agenda Conference. As a ministerial matter, the Council will vote on the proposed presentation; if passed, the presentation will be conducted immediately following the Approval of the Final Agenda. A sponsor of a presentation may request that the presentation be conducted at a Regular or Special Council Meeting, subject to approval by the majority of Council. As a ministerial matter, the Council will vote on the presentation; if passed, the presentation will take place during the Awards/Presentation portion of the next regularly scheduled Council Meeting. Any request for presentation being submitted after the deadline will be treated as are all other agenda items.

### **Section 2.10 Suspension of the Rules**

By motion to suspend all or part of a particular rule for a particular purpose, a majority of Council may suspend any provision of these rules which would limit or prohibit the discussion of any matter amongst the Council members. Failure of any member to raise as a point of order any violation of these rules before or during any discussion, action or presentation shall be deemed a waiver of the application of any rule limiting or prohibiting that discussion, action or presentation prior to the point of order being raised. Once the first vote is cast it shall be too late to raise a point of order concerning the earlier application of these rules to the matter upon which the voting is occurring.

## **Article III. Elections and Appointments by Council**

### **Section 3.01 Election of Officers**

Nominations for the offices of President and Vice President of City Council shall be submitted in writing to the City Clerk by individual members in November each year no later than five (5) days prior to the Council meeting held to elect those officers as provided in the City Charter. Provided a nomination has been duly made, nominations shall then be closed. The Clerk shall distribute the names of each nominee and the member making the nomination to all members no later than four (4) days prior to the scheduled meeting. A member may nominate himself or herself.

A member may be nominated for both offices. If a single nomination was duly made, that member may be elected by acclamation or the Council may open the floor for nominations. If no member was duly nominated in writing, the floor shall be opened for nominations. If more than one member is nominated, voting shall be by written ballot and if one member does not receive the affirmative vote of a majority of the existing membership of Council, the member receiving the lowest number of votes shall be eliminated and balloting shall continue until the officer is elected by such a majority.

### **Section 3.02 Council Vacancies**

The City Clerk shall notify members in writing of a Council vacancy and solicit nominations within 5 days after becoming aware of the vacancy. Written nominations by individual members shall be returned to the City Clerk by a date certain specified in the notice, which date shall be no less than [7] nor more than [10] days after distribution of the notice. Provided a nomination has been duly made, nominations shall then be closed. The Clerk shall distribute the names of each nominee and the member making the nomination to all members no later than four (4) days prior to the scheduled meeting. The election shall be held at the next regular or special Council meeting. If a single nomination was duly made, the vacancy may be filled by a vote of acclamation or the Council may open the floor for further nominations. If no person was duly nominated in writing, the floor shall be opened for nominations. If more than one person is nominated, voting shall be by written ballot and if one person does not receive the affirmative vote of a majority of the existing membership of Council, the person receiving the lowest number of votes shall be eliminated and balloting shall continue until the vacancy is filled.

### **Section 3.03 Council Appointments**

The City Clerk shall notify members in writing of coming expirations or vacancies in a Council appointment and provide a nomination form to include a brief description of the nominee's qualifications for appointment. All nominees must complete the City's Application for City Council Appointed Boards, Authorities and Commissions, or similar superseding form, which must be attached to the completed nomination form. All nominations shall be filed with the City Clerk prior to the deadline for the Agenda Conference specified in the Clerk's notice. The names of incumbents indicating a willingness to serve an additional term and who shall have completed a current Application for City Council Appointed Boards, Authorities and Commissions, or similar superseding form, shall be placed on the ballot for consideration without the necessity of a written nomination. Voting shall be by written ballot. If more than one person is nominated, and one person does not receive the affirmative vote of a majority of the existing membership of Council, the person receiving the lowest number of votes shall be eliminated and balloting shall continue until the appointment is made.

### **Section 3.04 Council Established Boards**

City Council established Boards, Commissions or Authorities shall supply a yearly report to the City Council outlining the year's achievements, accomplishments and up-coming year's goals. This mandatory reporting requirement shall be reflected within each Board, Commission or Authorities bylaws. This report shall be submitted to the Council Executive no later than January 31<sup>st</sup> of each year.

Board members shall be provided and must complete annual ethics and sunshine law training conducted by a member of Council staff or the City Attorney's Office. Proof of completion must be submitted to the Council Executive no later than April 1<sup>st</sup> of each year. Upon the appointment to a Board, Commission or Authority, individuals will be provided ethics and sunshine law training within that 30-day timeframe unless an extension of time is granted by the Council Executive.

Removal of Board members shall be in accordance with State Statute and/or the policy and procedures set forth by the City Council.

## **Article IV. Code of Ethics**

In addition to the Code of Ethics established and incorporated by Chapter 2-6 of the Code of Ordinances of the City, as amended from time to time, and as authorized by the Charter of the City and contemplated by Sec. 2-6-3 of the Code of Ordinances, Council members shall adhere to the requirements of this Article. Further, each member of City Council must complete four (4) hours of ethics training each calendar year which addresses, at minimum, the Code of Ethics for public officials and employees and the public records and public meeting laws of the State of Florida.

### **Section 4.01 Financial Dealings with the City**

Each Council member shall discharge his or her debts with all City agencies and departments in a timely manner the same as every citizen is expected to act. No advances will be granted on salaries due to a Council member. Failure to comply may result in public censure of the delinquent member by the Council.

### **Section 4.02 Travel and Training for City Business**

During the budget process each year, the City Council will budget and allocate sufficient funds for Council's travel and training requirements in an amount permitting each member to have available the amount of at least \$4,000 for travel and at least \$4,000 for training, plus an additional total amount of \$10,000 for unscheduled or unanticipated travel or training

requirements available for Council. These expenses shall include training mandated by Florida law for local elected officials.

Travel expenses incurred by a Council member traveling on City business shall not be incurred by the City or reimbursed to the member unless such travel is approved by the President or Vice President of the Council. Travel by either the President or the Vice President must be approved by the other. Approval by the President or Vice President may be reviewed and overturned or limited by the Council provided a written request to review is filed by a Council member with the City Clerk within ten (10) days after the accounting for all expenses of the travel has been completed. Accounting of all travel will be completed within ten (10) days of the termination of the trip, and in any event prior to the initiation of any subsequent travel.

Pursuant to the authority conferred by F.S. 166.021(9), the meal and incidental expenses (M&IE) per diem reimbursement amount for all authorized persons traveling on behalf of the City of Pensacola shall be the then-current meal and incidental expenses (M&IE) per diem amounts published online by the federal General Services Administration (GSA), as those amounts are determined by location of the travel destination and updated from time-to-time by the GSA.

#### **Section 4.03      Voting Conflicts**

Notwithstanding the provisions of Sec. 112.3143, Florida Statutes, or subsequent superseding legislation, a Council member required to abstain from a vote by Florida law shall make his or her disclosure at the commencement of the discussion of the conflicted item and shall not participate in the discussion except to answer a question directed to him or her by another Council member, unless the Council waives this rule to permit such discussion. Nothing in this section shall lessen the abstention and disclosure requirements imposed upon Council members by Florida law.



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00186

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** City Council Member Jewel Cannada-Wynn

**SUBJECT:**

BUDGET ANALYST TO THE CITY COUNCIL

**RECOMMENDATION:**

That City Council begin the process of hiring a Budget Analyst in accordance with Section 4.02(6) of the City Charter.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

In 2014, a Charter amendment was passed which authorized the City Council to establish the Office of the City Council, with the authority to hire certain staff:

“The City Council shall establish an Office of the City Council and shall have as its staff the following who shall be responsible to the City Council through the President of the Council.” 4.02(6) *City Charter*

“...The City Council, by ordinance, shall define the qualifications, pay and responsibilities of said employee in accordance with the City’s position classification code.” 4.02(6) *City Charter - Budget Analyst*

In 2015, City Council began the staffing process with the addition of a Council Executive and in early 2016 added an Executive Assistant to the City Council as well as a Council Assistant. In a continuation of the staffing efforts, and in keeping with the language set forth in the City Charter as approved by the electorate in a special referendum, the position to be filled is that of Budget Analyst.

Currently, the position of Budget Analyst is classified at a GE-09 with a salary range of \$26,270 - \$43,868.

Attached is a proposal for qualifications, salary, and responsibilities.

**PRIOR ACTION:**



December 8, 2016 - Action item brought before City Council, failing on a 3-3 vote

October 13, 2016 - Discussion Item presented to City Council, no action taken

August 19, 2016 - Legal Opinion rendered by the City Attorney regarding the hiring of a Budget Analyst

July 14, 2016 - Update provided to City Council regarding contact with potential firms to fill this position

May 12, 2016 - During a discussion item, Council discussed the process for hiring a Budget Analyst and requested that staff look at firms that may be able to fill that role on a contract basis

April 14, 2016 - Ordinance for Budget Analyst passed on second reading

March 17, 2016 - Ordinance for Budget Analyst presented for first reading

February 11, 2016 - Action item to direct Council Executive to begin search for a Budget Analyst failed on a 3-4 vote

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

None at this point

**STAFF CONTACT:**

Don Kraher, Council Executive

**ATTACHMENTS:**

- 1) Proposal - Budget Analyst Rev (002)
- 2) Job Description - Budget Analyst
- 3) Legal Opinion - Budget Analyst

**PRESENTATION:** No

## **BUDGET ANALYST**

### **PROPOSAL – Councilwoman Jewel Cannada-Wynn**

The purpose of the Budget Analyst is to provide independent analysis of the yearly budget.

#### **Qualifications:**

Minimum Bachelor's Degree, Master's Degree preferred in finance, economic, business or other relevant field; in addition at least five (5) years of experience in municipal finance.

A qualified candidate cannot have been convicted of any felony under the laws of Florida, or another state in the United States.

#### **Salary: To be determined by City Council**

The Council Budget Analyst shall be appointed for a term of one (1) year, but may be removed prior to the expiration of that term, at any time, with or without cause, by a two-thirds vote of all Council members.

The Budget Analyst shall serve as a full-time employee.

Council shall provide staff to assist the analyst in carrying out the scope of work and funding in its budget for the position.

#### **Responsibilities:**

- A financial analysis of the Mayor's proposed annual budget
- Provide financial advice to the City Council
- Examine past budgets
- Estimate future financial needs based on Council requests and project priorities
- Draft budget related legislation based on Council discussions and budget review
- Conduct training regarding best practices in budget development and procedures
- Assist in budget preparations, formulation and execution
- Help evaluate Council's request for funding in relationship to the resources available to support funding projects as well as a review of possible program trade-offs
- Evaluate program changes as a result of budget adjustments
- Identify possible sources of funding for projects based on the assessment of the budget
- An annual budget options report of potential cost-savings reforms and efficiencies
- A review of all public/private partnerships and leases
- A review of the current financial policies established by Council

- Annual report/review of the Council's financial activities and make recommendations

This above list of responsibilities does not limit Council's authority to request the budget analyst to review budgetary matters not on the list.

Job Classification:  
Job Code:

**Budget Analyst to City Council  
(4011)**

**Minimum Preparation for Work:**

- ✓ Graduation from an accredited college or university with a degree in accounting, finance, budget analyst, or closely related field; and
- ✓ One (1) year experience in accounting, finance, or budget analysis. Two (2) years of pertinent experience may be substituted for each year of college lacking.

**Necessary Special Requirements:**

- ✓ Possession of an appropriate driver license for equipment operated and any license, training or certification required by law or regulation to complete assigned tasks.

**Nature of Work:**

This is technical budget analysis work in the development and implementation of the City Council budget as well as providing information regarding the City Budget to the City Council. This position is set forth with the City Charter as approved by the electorate in a special referendum.

An employee in this class is responsible for evaluating budget requests, performing detail analysis work in budget formulation and administration, and assisting in budget monitoring and control functions. Utilizes microcomputers and computer terminals.

**Examples of Work:**

- Analyzes budget data prepared by departments for completeness, accuracy and conformance to prevailing policies and procedures.
- Assists in the development of the City Council budget.
- Reviews and analyzes budget for the City Council.
- Participates in conference and hearings regarding budgetary requirements of the City.
- Prepares various financial schedules, analyses, reports, and other documents, either manually or with computer assistance.
- Assists Council Staff in the maintenance of proper appropriations and allotment accounts.
- Providing a formal, comprehensive review and analysis of the proposed annual budget.
- Gathering, organizing, and analyzing data and information relative to budgetary issues.

- Providing comparative studies of other cities as they relate to municipal finance.
- Engaging in fiscal forecasting and planning.
- Analyzing the city's past, current, and proposed revenues and expenditures.
- Reviewing existing and potential tax revenues.
- Analyzing federal, state, and local programs to determine sources of funding and appropriate expenditure options.
- Reviewing the economic effects of proposed legislation.
- Preparing fiscal and economic project analysis as directed by the City Council.
- Providing policy research and fiscal analysis on proposed legislation.
- Preparing such other reports relating to budgetary and legislative policy concerns directed by the City Council.
- Making recommendations to the City Council in connection with the analysis, studies, and reports described herein.

### **Knowledge, Skills and Abilities:**

- Knowledge of budgeting practices and principles.
- Knowledge of laws, ordinances, and regulations governing municipal financial matters.
- Knowledge of computer fundamentals and operation.
- Ability to organize and present clear and concise oral and written reports.

### Budget Analyst (continued)

- Ability to establish and maintain effective working relationships with associates and the general public.
- Ability to analyze quantifiable data to produce statistically valid conclusions and recommendations.

*The mental and physical demands and the work environment characteristics described below are representative of those that must be met by an employee to successfully*

*perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.*

### **Mental and Physical Requirements:**

While performing the duties of this job, the employee is regularly required to use hands and fingers to hold or feel, reach with hands and arms, walk, talk and hear. The employee is occasionally required to stand, sit, climb, balance, stoop, and crouch. Specific vision abilities include close, distance, color, and peripheral vision, and depth perception.

The employee regularly lifts and/or moves up to 25 pounds and occasionally lifts and/or moves up to 45 pounds.

### **Work Environment:**

The noise level in the work environment is usually moderate. Some jobs may require an employee to be exposed to outside weather conditions, wet and/or humid conditions, and risk of electrical shock.


*This description is not intended to be, nor should it be construed as an all-inclusive list of responsibilities, skills or working conditions associated with the position. It is intended to accurately reflect the activities and requirements of the position, but duties may be added, deleted, or modified as necessary. This description does not constitute a written or implied contract of employment.*

Est.: 11/10/88

Edited: 2/28/96bjs

Rev.: 2/28/01 tmm, 2/10/04 tkw, 11/10/10 tkw, 9/26/13 tkw

OFFICE of the CITY ATTORNEY

TO: Council President Bare and Members of City Council  
FROM: Lysia H. Bowling, City Attorney   
DATE: August 19, 2016  
RE: Council Budget Analyst – Charter Section 4.02(a)(6)

This memorandum is prepared in response to the City Council's request for a legal opinion regarding whether City Charter Section 4.02(a)(6) requires the hiring of a Budget Analyst.

Following referendum approval of the Charter amendment which created Sec. 4.02(a)(6) in November 2014, the City Council has taken several actions relative to acquiring a Council staff. A workshop was conducted on January 26, 2015, at which various opinions and options were discussed among the members of Council. Council adopted Ordinance No. 05-15 on March 12, 2015, creating sec. 2-2-10 of the City Code and establishing the Office of the City Council, pursuant to the Charter amendment. On August 14, 2016, Council adopted Ordinance 10-16, which created sec. 2-4-52 of the City Code, authorizing the creation of the position of Budget Analyst and providing the qualifications, salary range and duties and responsibilities for the position created.

With respect to the position of Budget Analyst, the Charter provides:

(6) The City Council shall establish an Office of the City Council and shall have as its Staff the following who shall be responsible to the City Council through the President of the Council: (a) Budget Analyst. The City Council is authorized to employ a Budget Analyst or an individual with similar qualifications, pursuant to the City's position classification Code, to assist the budgetary matters of the City Council. The City Council, by ordinance, shall define the qualifications, pay and responsibilities of said employee in accordance with the City's position classification code. The employee shall be subject to termination by a majority vote of the City Council.

Sec. 4.02(a)(6)(a). Looking closely at this section, I will advise that the word "shall" is usually regarded as mandatory, but the phrase "is authorized" is not. At its workshop following the adoption of the Charter provision, Council was advised by staff at that time that the language was not clear as to whether the employment of a budget analyst was required or was discretionary. In its ordinances establishing the Office of City Council and the Budget Analyst position, Council utilized the phrase "is authorized" rather than any clearly mandatory or directory language.

August 19, 2016  
Page two

The decision to hire a Budget Analyst and to assign specific tasks to that person is uniquely and exclusively a City Council decision. To the extent that there is any perceived ambiguity within the language contained in the Charter pertaining to this position, it would be the prerogative of the Council to resolve that ambiguity by the exercise of its sound judgment. Only the Council can determine its budgetary requirements and the extent of assistance that it may require. Whether the position would be a full time or part time position is within the Council's complete discretion; however, the Charter does specify that if the position is filled, the position must be filled by an "employee" and not by a vendor or an independent contractor.





# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00184

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** City Council Member Jewel Cannada-Wynn

**SUBJECT:**

SCHEDULE A WORKSHOP REGARDING A PROPOSED ORDINANCE ESTABLISHING A BUSINESS LICENSING PROCESS FOR PERMITTING OF ALL RENTAL PROPERTY.

**RECOMMENDATION:**

That City Council schedule a workshop for June 2017 for the purpose of establishing an ordinance allowing for establishing a business licensing process for permitting of all rental property within the city limits. The Council also authorizes the Council staff to provide assistance in the research of this topic.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

Pensacola continues to grow and be a vibrant community. Current housing trends focus on rental opportunities. Residents currently complain of landlords not maintaining properties therefore with a growing market this could be an opportunity to look at the following: Creating a permitting process for all or some rental properties within the city limits. An opportunity to review what already exists on the topic as well as review any concerns citizens may have in their neighborhoods in reference to rental properties and renters who are having problems with their landlords. A permitting process would provide documentation of resident's rights regarding safety and health standards of a dwelling as well as document the number of rental units for the purpose of neighborhood management. Many cities have adopted permitting standards such as Philadelphia, Tacoma and Lancaster to name a few.

**PRIOR ACTION:**

None

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

None

**STAFF CONTACT:**

Don Kraher, Council Executive

**ATTACHMENTS:**

- 1) None

**PRESENTATION:** No



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00185

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** City Council Member Jewel Cannada-Wynn

**SUBJECT:**

SCHEDULE WORKSHOP REGARDING THE REVIEW OF ORDINANCES AND POLICIES GOVERNING ABANDONED DWELLINGS, VACANT LOTS AND UNKEPT PROPERTIES.

**RECOMMENDATION:**

That City Council schedule a workshop for June 2017 to review all ordinances and policies that govern abandoned dwellings, vacant lots and unkempt properties within the city limits. The review would include state statutes that protect the property rights of citizens.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

The purposed of this workshop is to improve blighted neighborhoods in our community and provide current best practices in dealing with abandoned buildings and vacant lots. For example, one of the procedures for vacant buildings is to board them up, however the policy of boarding up buildings creates a neighborhood that is in distress and adds to the blight.

**PRIOR ACTION:**

None

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

None

**STAFF CONTACT:**

Don Kraher, Council Executive

**ATTACHMENTS:**

- 1) None

**PRESENTATION:** No



Memorandum

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File #: 17-00143

City Council

3/9/2017

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**LEGISLATIVE ACTION ITEM**

**SPONSOR:** Ashton J. Hayward, III, Mayor

**SUBJECT:**

SOUTH PALAFOX RESIDENTIAL CONDOMINIUM BUILDING DEVELOPMENT PLAN

**RECOMMENDATION:**

That the City Council conceptually approve a proposed South Palafox residential condominium building development plan and authorize the Mayor to enter into negotiations for a long term lease for such development.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

The City has received a proposal from Marina Management Corp. requesting:

- (i) the City conceptually approve the development of a residential condominium building on City-owned land located on South Palafox as shown on Attachment 1 hereto;
- (ii) the City relocate all 124 parking spaces currently used by Marina Management Corp., its sub-lessees and assignees, from the project site to other City-owned property within 1000ft of the project site; and that
- (iii) the City begin negotiations for long term lease for that development and authorize Marina Management Corp. access to the project site for the purpose of conducting surveys, appraisals, and other due diligence as necessary.

Marina Management Corp. has represented to staff that the proposed residential condominium project, depicted on Attachment 2 hereto, would have eight habitable floors built over the parking on the ground floor, and that all parking requirements necessitated by the residential units will be provided for within that structure. Marina Management Corp. intends to seek approval for a variance regarding the height of the structure.

The majority of the proposed project site is currently licensed to Marina Management Corp. for the limited purpose of parking during limited hours. The current license requires Marina Management Corp. to make those parking spaces available to the general public for parking from 6 p.m. to 6 a.m. each day without charge, and

reserves for the City the right to relocate the parking in certain circumstances. To proceed with the project, the licenses to Marina Management Corp. for the parking spaces would need to be amended to reflect a license to park within 1000ft of the project site, and the City would need assurances or consents from Marina Management Corp., its sub-lessees and assignees, of their intent to be relocated to spaces within 1000ft of the project site.

A smaller portion of the proposed project site falls outside of the licensed area, and would need to be declared surplus by City Council prior to inclusion in a lease agreement.

City Ordinance 14-15 prohibits the sale of City-owned properties south of Main Street. Any negotiated lease agreement would be submitted to City Council for review.

**PRIOR ACTION:**

June 12, 1997 - The City initially entered into the 100 year South Palafox Marina Lease Agreement, licensing a portion of the subject property, and there have been several amendments to the original lease since that time, and several assignments related thereto.

November 30, 1998 - The City initially entered into the 100 year South Palafox Commercial Lease Agreement, licensing a portion of the subject property, and there have been several amendments to the original lease since that time, and several assignments related thereto.

March 13, 2014 - City Council approved an assignment of the Amended and Restated Lease for certain property to Downtown Property Group USA, LLC, as well as execution of an Amendment to the Amended and Restated Lease and a Lessor Estoppel Certificate to facilitate the transaction.

July 14, 2015 - City Council approved an assignment of the Icehouse property located at 815 South Palafox Street, from Icehouse Property, L.L.C. to Palafox Icehouse Partners, LLC.

July 14, 2015 - City Council consented to assignment of the sublease for Units 200S and 202S of Palafox Pier & Yacht Harbour, a Condominium, located at 850 South Palafox Street, from Quarter Portions, Inc. to PENCASK, LLC., and approved a non-disturbance agreement and estoppel certificate pertaining to the same transaction.

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

None.

**CITY ATTORNEY REVIEW:** Yes

2/20/2017

**STAFF CONTACT:**

Eric W. Olson, City Administrator

Stephanie Tillery, Contract and Lease Counsel to Chief Financial Officer

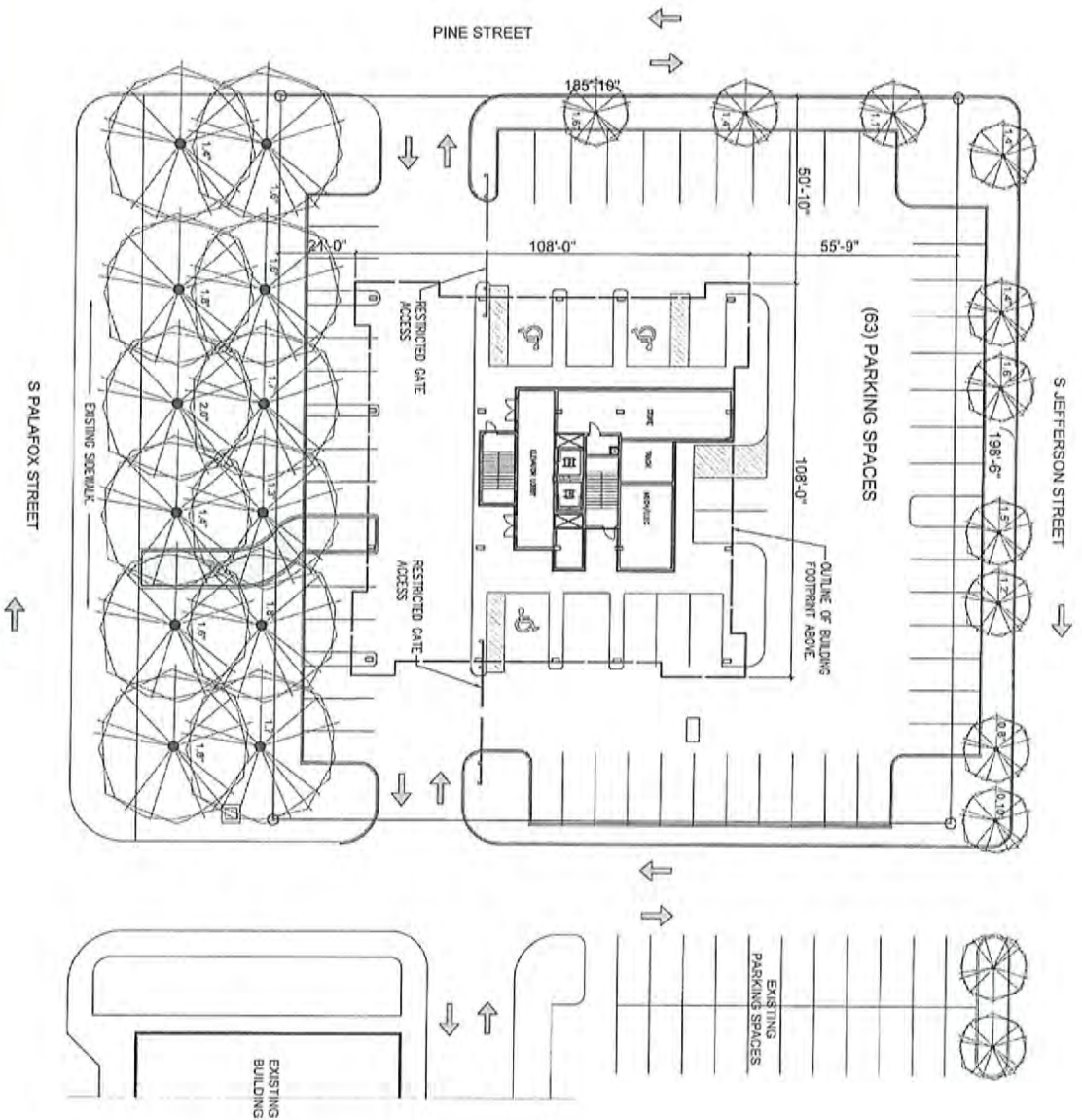
**ATTACHMENTS:**

- 1) Proposed Building Site dated 2 February 2017
- 2) Proposed Building Plans dated 2 February 2017

**PRESENTATION:** No



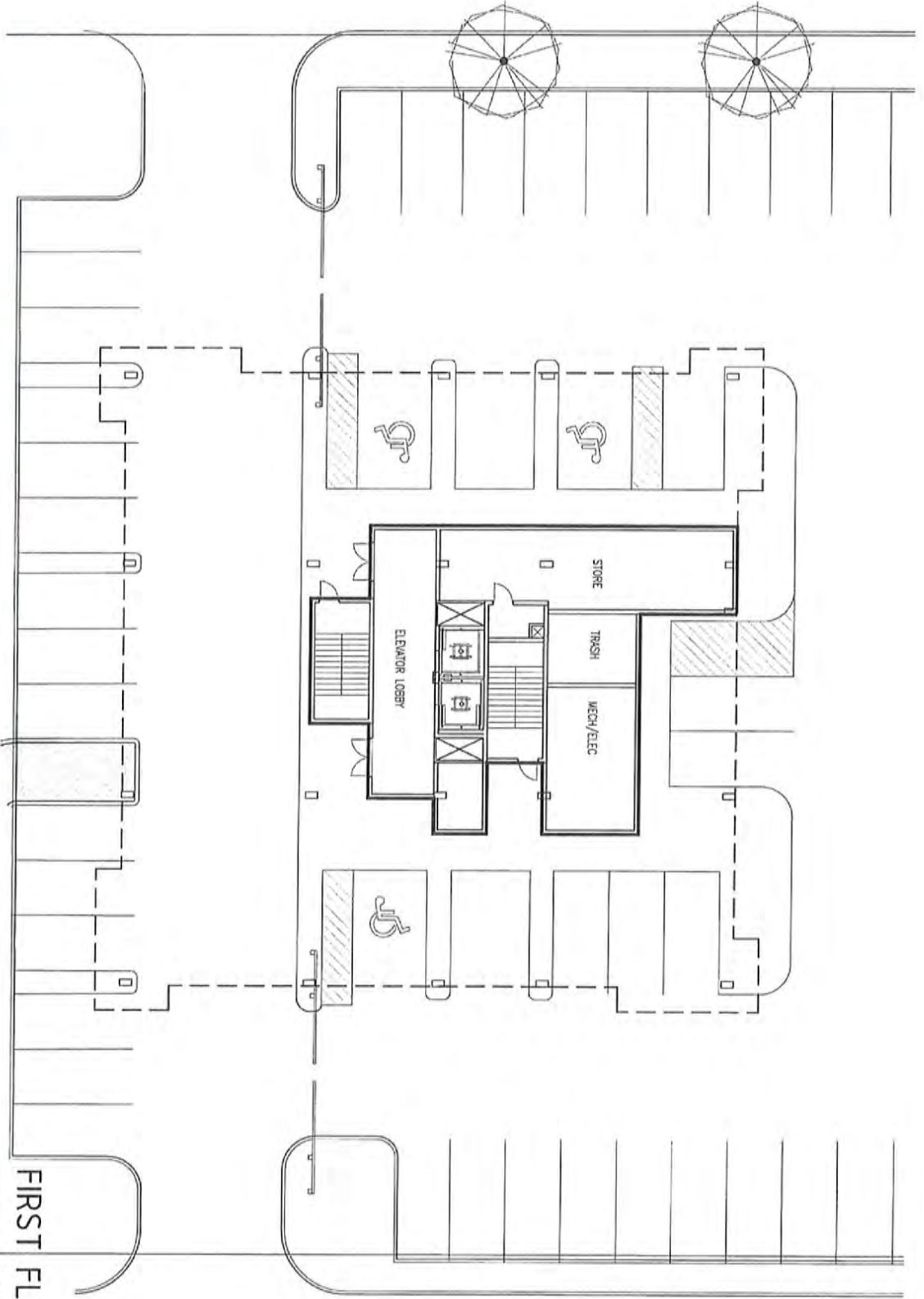




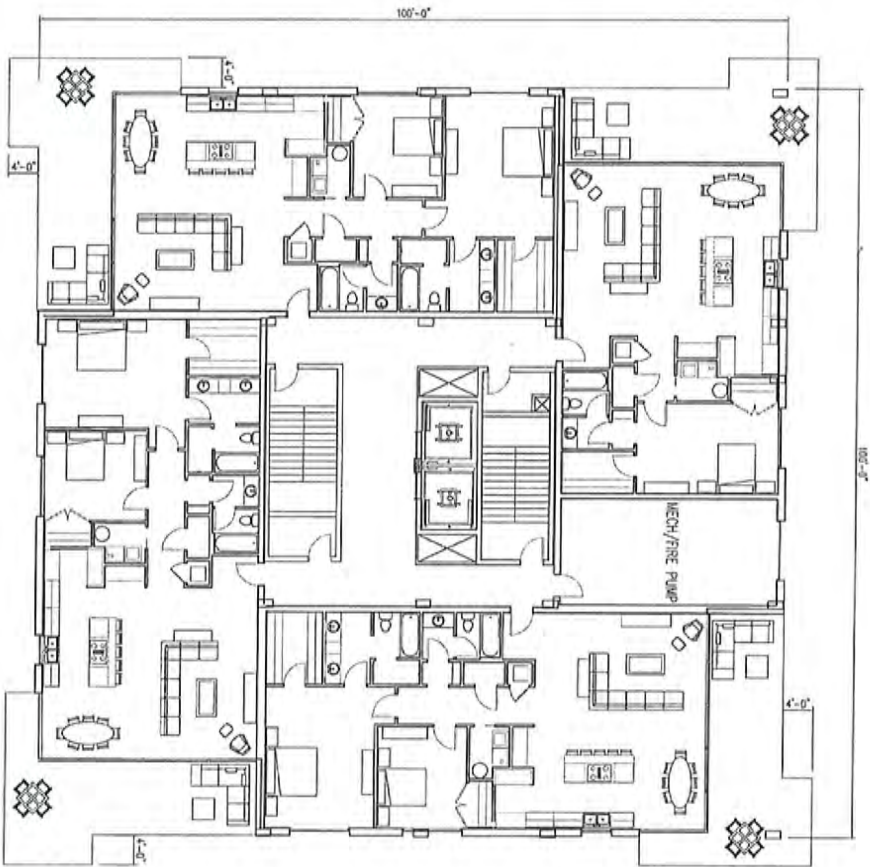
**SITE PLAN**

Scale = 1/32" = 1'-0"

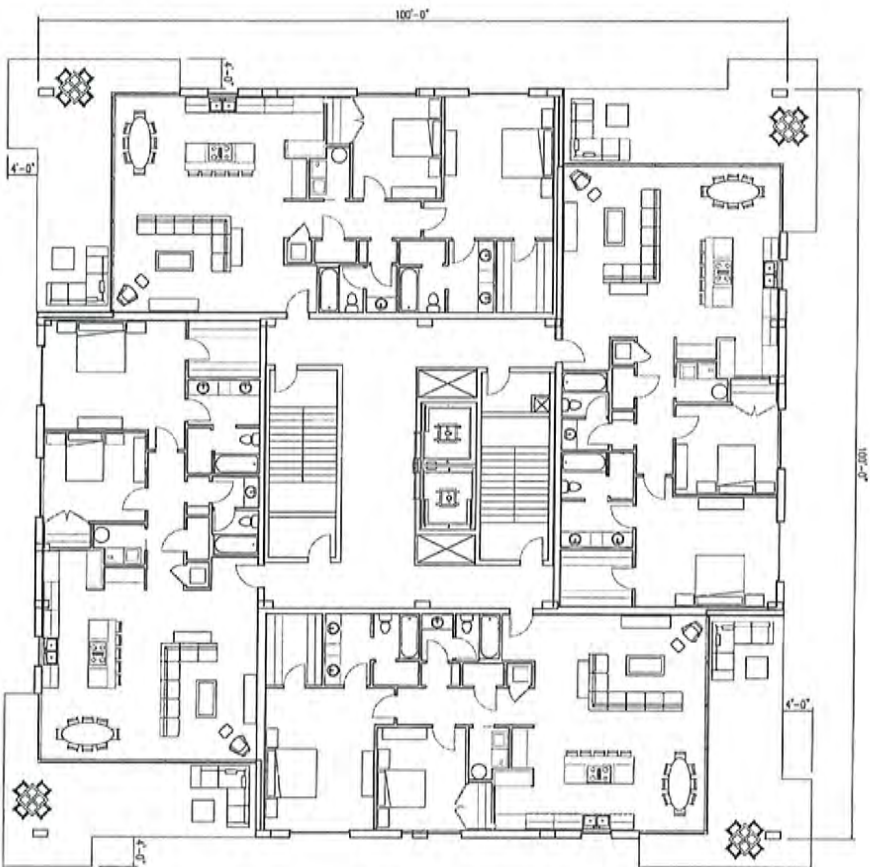




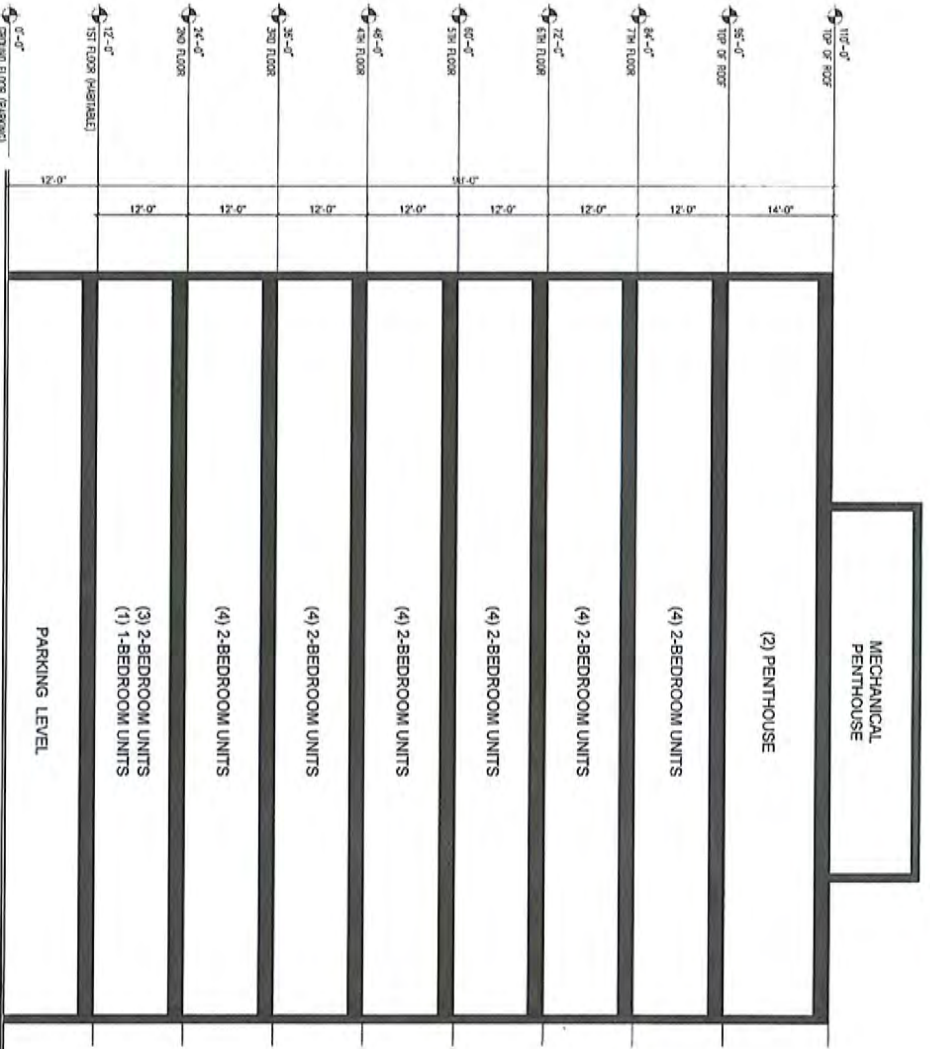
FIRST FLOOR PLAN  
Scale = 1/16" = 1'-0"



SECOND FLOOR PLAN  
Scale = 1/16"=1'-0"



TYPICAL FLOOR PLAN  
 (Floors 3 thru 8)  
 Scale = 1/16"=1'-0"



**BUILDING SECTION**  
 Scale = 1/16"=1'-0"

FLOOR	PARKING (63 spaces)	1-BEDROOM	2-BEDROOM	PENTHOUSE	UNITS/FLOOR
GROUND					
2		1	3		4
3			4		4
4			4		4
5			4		4
6			4		4
7			4		4
8			4		4
9				2	2
<b>TOTAL UNITS</b>					<b>30 UNITS</b>



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-17

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** City Council Member Jewel Cannada-Wynn

**SUBJECT:**

SUPPLEMENTAL BUDGET RESOLUTION NO. 17-17 - APPROPRIATING FUNDING FOR ADDITIONAL PARKING AT CHAPPIE JAMES PROJECT

**RECOMMENDATION:**

That City Council adopt Supplemental Budget Resolution No. 17-17 appropriating funding for additional parking at the General Daniel “Chappie” James Jr., Museum & Youth Flight Academy.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017; PROVIDING FOR AN EFFECTIVE DATE.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

At the February 6, 2017 Community Redevelopment Agency (CRA) meeting the CRA Board adopted CRA Supplemental Budget Resolution No. 2017-02 CRA which reallocated \$440,000 from Principal Payment to Capital Outlay in order to provide funding for the development of additional parking at the General Daniel “Chappie” James Jr. Museum & Flight Academy Project. Additionally, the CRA Board authorized that any balance remaining after the development of additional parking be transferred back to the City’s General Fund for Affordable Housing Initiatives.

In order to be compliant with Florida Statutes, budget resolutions involving any TIF District are to be brought before the CRA prior to approval by City Council. With the CRA approval on February 6, 2017, this resolution is now being brought before City Council for approval.

**PRIOR ACTION:**

September 15, 2016 - City Council authorized the Mayor to enter into a loan from the City’s Insurance Retention Fund of up to \$500,000 to the CRA’s Eastside Tax Increment Financing District for the construction of the General Daniel “Chappie” James Jr. Museum & Flight Academy Project.

January 12, 2017 - City Council approved the transfer of \$440,000 from the City’s General Fund to the Eastside

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TIF Fund, specifically for the General Daniel “Chappie” James Jr. Museum & flight Academy Project.

January 12, 2017 - City Council approved a supplemental budget resolution transferring \$440,000 from the City’s General Fund to the CRA for the principal payment on the Chappie James Museum & Flight Academy Project loan.

**FUNDING:**

Budget:	\$ 813,362.00	Current Project Budget
	500,000.00	Loan from Insurance Retention Fund
	<u>440,000.00</u>	Transfer from General Fund
	<u>\$1,753,362.00</u>	
Actual:	\$ 820,554.66	Construction Contract - Base Bid
	209,000.00	Construction Contract - Bid Alternative #1
	144,144.80	14% Contingency
	96,800.00	Architectural & Engineering Design/Permitting - Consultant
	5,516.00	Concept Plans
	30,646.54	Land Purchase
	700.00	Engineering Management Services
	4,000.00	Construction Testing and Misc.
	2,000.00	Public Education - Stormwater Best Management Practices
	<u>440,000.00</u>	Additional Parking *
	<u>\$ 1,753,362.00</u>	Total

\* Estimated - Remaining balance will be transferred back to the City’s General Fund for Affordable Housing Initiatives.

**FINANCIAL IMPACT:**

Approval of the supplemental budget resolution will provide funding for the development of additional parking for the General Daniel “Chappie” James Jr. Museum & Flight Academy Project. Additionally, any remaining balance will be transferred back to the City’s General Fund for Affordable Housing Initiatives.

**STAFF CONTACT:**

Eric W. Olson, City Administrator  
 Richard Barker, Jr., Chief Financial Officer  
 M. Helen Gibson, AICP, CRA Administrator

**ATTACHMENTS:**

- 1) Supplemental Budget Resolution No. 17-17
- 2) Supplemental Budget Explanation No. 17-17

**PRESENTATION:** No



**RESOLUTION  
NO. 17-17**

A RESOLUTION  
TO BE ENTITLED:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR  
THE FISCAL YEAR ENDING SEPTEMBER 30, 2017; 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. EASTSIDE TIF FUND**

As Reads:	Principal Payment	440,000
Amended		
To Read:	Principal Payment	0
As Reads:	Capital Outlay	1,189,480
Amended		
To Read:	Capital Outlay	1,629,480

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**

**MARCH 2017 - SUPPLEMENTAL BUDGET RESOLUTION - CHAPPIE JAMES ADDITIONAL PARKING - NO. 17-17**

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FUND	AMOUNT	DESCRIPTION
<b>EASTSIDE TIF FUND</b>		
Appropriations		
Principal Payment	(440,000)	Decrease appropriaton for Principal Payment (Chappie James Loan Repayment)
Capital Outlay	440,000	Increase appropriation for Capital Outlay
Total Appropriations	<u>0</u>	



## Memorandum

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File #: 17-00011

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** Ashton J. Hayward, III, Mayor

**SUBJECT:**

AWARD OF CONTRACT FOR INVITATION TO BID (ITB) #17-015 OSCEOLA CLUBHOUSE RENOVATION PROJECT

**RECOMMENDATION:**

That City Council award a contract to Joy Gordon Construction, LLC for ITB #17-015 Osceola Clubhouse, for \$590,652.00 plus a 15% contingency of \$88,597.80 for a total amount of \$679,249.80. Further that City Council approve the supplemental budget resolution appropriating LOST IV funding for this project. Finally that City Council authorize the Mayor to execute all contracts, related documents, and take all related actions necessary to complete the project.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

On January 13, 2017, the City issued an invitation to bid on the Osceola Clubhouse Renovation Project. The project will consist of structural improvements to the building as follows: replacement to the wooden structural components of the building including glass; upgrades to the kitchen ventilation system; test and balance the HVAC system of the entire building; flooring repairs and replacement; lighting upgrades, and painting. Five firms responded to the ITB, A.E. New, Jr., Inc.; Berkshire Johnstone, LLC; Dominguez Design-Build, Inc., Emerald Coast Constructors, Inc.; and Joy Gordon Construction, LLC. Joy Gordon Construction, LLC was the lowest responsible bid.

Sufficient funds for the Architectural and Engineering costs were available within the Penny for Progress (LOST III). However, in order to complete the necessary structural improvements, \$700,000 is proposed to be appropriated from the LOST IV plan. Based on the most recent LOST IV plan submitted to City Council on January 23, 2017, \$300,000 has been identified for the Osceola Golf Course and \$500,000 has been identified for General Athletic Facilities Improvements. With the adoption of the supplemental budget resolution, \$300,000 for Osceola Golf Course and \$400,000 from General Athletic Facilities Improvements would be appropriated for the completion of the Osceola Clubhouse Renovation Project in Fiscal Year 2017.

**PRIOR ACTION:**

None

**FUNDING:**

Budget:	\$ 85,310	Penny for Progress (LOST III)
	<u>700,000</u>	LOST IV (with the Adoption of Supplemental Budget Resolution)
	<u>\$785,310</u>	
Actual:	\$590,652	Construction Cost
	88,598	15% Contingency
	85,310	Architectural & Engineering Costs
	5,000	Miscellaneous (Permits, testing, etc.)
	<u>5,000</u>	Engineering Project Management
	<u>\$774,560</u>	Total Estimated Cost of Project

**FINANCIAL IMPACT:**

Within the Penny for Progress (LOST III) there was sufficient funding for the Architectural and Engineering costs. Approval of the supplemental budget resolution will appropriate funding in Fiscal Year 2017 to complete the project.

**CITY ATTORNEY REVIEW:** Yes

2/21/2017

**STAFF CONTACT:**

Eric W. Olson, City Administrator  
Brian Cooper, Parks and Recreation Director

**ATTACHMENTS:**

- 1) Tabulation Sheet
- 2) Final Vendor Reference List
- 3) Supplemental Budget Resolution
- 4) Supplemental Budget Explanation

**PRESENTATION:** No

**TABULATION OF BIDS**

BID NO: 17-015

TITLE: OSCEOLA CLUB HOUSE RENOVATIONS

OPENING DATE: February 14, 2017 OPENING TIME: 2:30 P.M.  DEPARTMENT: Parks & Rec	JOY GORDON CONSTRUCTION, LLC Cantonment, FL	A.E. NEW, JR, INC. Pensacola, FL	EMERALD COAST CONSTRUCTORS, INC. Pensacola, FL	BIRKSHIRE JOHNSTONE, LLC Pensacola, FL	DOMINGUEZ DESIGN-BUILD, INC. Pensacola, FL
Base Bid	\$590,652.00	\$630,000.00	\$638,864.00	\$690,000.00	\$718,000.00
M/WBE Participation Goal 5%	100%	0%	0%	0%	100%
Attended Prebid	Yes	Yes	Yes	Yes	Yes

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**FINAL VENDOR REFERENCE LIST  
OSCEOLA CLUB HOUSE RENOVATIONS  
PARKS & RECREATION**

Vendor	Name	Address	City	St	Zip Code	M/WBE
063996	3 KINGS MASONRY LLC	3303 WEST GONZALEZ STREET	PENSACOLA	FL	32505	N
004632	A E NEW JR INC	460 VAN PELT LANE	PENSACOLA	FL	32505	N
011816	AIR DESIGN SYSTEMS INC	P O BOX 18830	PENSACOLA	FL	32523	N
067490	ALL PRO PAINTING CONTRCTRS LLC	1200 NORTH "W" STREET	PENSACOLA	FL	32505	N
044957	ALL SEASONS CONSTRUCTION LLC	6161 BLUE ANGEL PARKWAY	PENSACOLA	FL	32526	N
000272	ALL SEASONS INC	89 E BLOUNT STREET	PENSACOLA	FL	32501	N
068495	ANDALA ENTERPRISES INC	641 BAYOU BOULEVARD	PENSACOLA	FL	32503	N
030832	AUTREY TILE COMPANY	2753 HOLLYWOOD AVE	PENSACOLA	FL	32505	N
061781	AZTECH SERVICES INC DBA ASI SERVICES	3395 FAIRMONT STREET	PENSACOLA	FL	32505	N
050729	BEVERWYCK SOUTH INC DBA PAUL DAVIS RESTORATN OF P'COLA-FWB	101 E BRAINERD ST STE A	PENSACOLA	FL	32501	N
053457	BIRKSHIRE JOHNSTONE LLC	11 CLARINDA LANE	PENSACOLA	FL	32505	N
003228	BLACKWELL HEATING & A/C INC	1110 NORTH "W" STREET	PENSACOLA	FL	32505	N
067318	BLUE WATER CONSTRUCTION & LANDSCAPING INC	8863 N EIGHT MILE CREEK ROAD	PENSACOLA	FL	32534	N
048546	BROWN BROS INC	PO BOX 1005	GONZALEZ	FL	32560	N
041503	BROWN, AMOS P JR DBA P BROWN BUILDERS LLC	4231 CHERRY LAUREL DRIVE	PENSACOLA	FL	32504	Y
049315	CEDAR GROVE TRI-STATE INC	631 MILESTONE BLVD	CANTONMENT	FL	32533	N
042045	CHAVERS CONSTRUCTION INC	1795 WEST DETROIT BLVD	PENSACOLA	FL	32534	N
044788	CHAVIS FLOORING	310 TEAKWOOD CIRCLE	PENSACOLA	FL	32506	N
049305	COLOR WHEEL PAINTS	312 EAST NINE MILE ROAD	PENSACOLA	FL	32514	N
032358	CONSTRUCTION SERVICES OF PENSACOLA DBA BAUGHN RENOVATIONS	2105 NORTH "S" ST	PENSACOLA	FL	32505	N
036146	CRONIN CONSTRUCTION INC	99 S ALCANIZ ST SUITE A	PENSACOLA	FL	32502	Y
070603	D+B BUILDERS	670 MOLINO ROAD	MOLINO	FL	32577	N
057581	DB CONSTRUCTION LLC DBA GLOBAL RESTORATION SERVICES	3960 WEST NAVY BLVD SUITE 41	PENSACOLA	FL	32507	N
062631	DOMINGUEZ-GREEN INC DBA DOMINGUEZ DESIGN BUILD INC	4340 DEVEREUX DRIVE	PENSACOLA	FL	32504	Y
059190	ECONOMY APPLIANCE HEAT&AIR INC	4610 SAUFLEY FIELD ROAD	PENSACOLA	FL	32526	N
050462	ELITE STONE SERVICES INC	5662 FRANK REEDER RD	PENSACOLA	FL	32526	N
049947	EMERALD COAST CONSTRUCTORS INC	56 SOUTH ALCANIZ STREET	PENSACOLA		32502	N
035627	FISHER CABINET COMPANY LLC	2475 INTERSTATE CIRCLE	PENSACOLA	FL	32526	N
001530	FLORIDA AIR CONDITIONING & HEATING INC	9310 BRIDLEWOOD ROAD	PENSACOLA	FL	32526	N
058107	FOUR FEATHERS CONSTRUCTION LLC	1820 CONDOR DRIVE	CANTONMENT	FL	32533	N
004424	GENE'S FLOOR COVERING INC	4021 NAVY BLVD	PENSACOLA	FL	32507	N
034504	GULF COAST AFRICAN AMERICAN CHAMBER OF COMMERCE	PO BOX 17844	PENSACOLA	FL	32522	N
018636	GULF COAST BUILDING CONTRACTORS INC	1010 N 12TH AVE	PENSACOLA	FL	32501	N
070385	HANTO & CLARKE GENERAL CONTRACTORS LLC	1401 EAST BELMONT STREET	PENSACOLA	FL	32501	N
048956	HERBERTS HOME & BUSINESS MAINTENANCE LLC	1713 LEPLEY ROAD	PENSACOLA	FL	32534	N
052866	HEWES & COMPANY LLC	390 SELINA ST	PENSACOLA	FL	32503	N
045671	HIGH-TECH PLUMBING & HEATING INC	8375 RALEIGH CIRCLE	PENSACOLA	FL	32534	N
044789	HOWARD YOUNG FLOORING INC	4430 AVALON BLVD	MILTON	FL	32583	N
056716	HOWELL, KENNETH C, JR DBA KEN JR CONSTRUCTION LLC	1102 WEBSTER DRIVE	PENSACOLA	FL	32505	N
002923	HUEY'S WORKS	1206 N "W" STREET	PENSACOLA	FL	32505	Y
048858	HUMPHREYS BUILDING CONTRACTING CO INC	470 TURNBERRY ROAD	CANTONMENT	FL	32533	N
036275	HUTTO, JAMES N DBA JAMES NEAMON HUTTO LLC	1317 JOHN CARROLL DRIVE	PENSACOLA	FL	32504	N
051546	JOSEPH TRANCHINA PAINTING CONTRACTOR	8457 MELIACEAE DRIVE	PENSACOLA	FL	32514	N
061665	JOY GORDON CONSTRUCTION LLC	1957 MEANDER CIRCLE	CANTONMENT	FL	32533	Y
024819	KEENAN & SONS INC	3250 W FAIRFIELD DR	PENSACOLA	FL	32505	N
050649	L A SYPERT JOHNSTON JR DBA LA BUILDERS LLC	8520 MERGER RD	PENSACOLA	FL	32514	N

**FINAL VENDOR REFERENCE LIST  
OSCEOLA CLUB HOUSE RENOVATIONS  
PARKS & RECREATION**

Vendor	Name	Address	City	St	Zip Code	M/WBE
010677	LARRY HALL CONSTRUCTION INC	P O BOX 2408	PACE	FL	32571	N
006212	LARRY TRONU MECHANICAL INC	3701 NORTH PACE BLVD	PENSACOLA	FL	32505	N
068161	LEA, DOUGLAS C DBA L&L CONSTRUCTION SERVICES LLC	9655 SOUTH TRACE ROAD	MILTON	FL	32583	N
049105	LEWIS, MICHAEL D DBA MICHAELS QUALITY PAINTING	141 YUCATAN DRIVE	PENSACOLA	FL	32506	N
048531	LOWERY INDUSTRIAL COATINGS INC	1814 BLACKBIRD LANE	PENSACOLA	FL	32534	N
058801	M & H CONSTRUCTION SVCS INC	1161 W 9 1/2 MILE RD	PENSACOLA	FL	32534	Y
059406	MADRIL BUILDERS LLC	1965 STOUT ROAD	CANTONMENT	FL	32533	N
043580	MASTER-TEC FLOORS INC	3832 W NAVY BLVD	PENSACOLA	FL	32507	N
039951	MATTAIR CONSTRUCTION CO INC	57 S COYLE ST	PENSACOLA	FL	32502	N
056592	METRANO PAINTING INC	P O BOX 1722	PENSACOLA	FL	32591	N
060998	MIXON, ALBERT DBA QUALITY SHEETROCK & PAINTG CNTRCTR LLC	116 SOUTH DONELSON STREET	PENSACOLA	FL	32502	Y
059032	MOONEYHAM HEATING & AIR CONDITIONING CO INC	4061 AVALON BLVD	MILTON	FL	32583	N
051747	PAEDAE PROPERTIES INC	5104 NORTH W STREET	PENSACOLA	FL	32505	N
049009	PARRIS CONSTRUCTION CO LLC	10 EAST FAIRFIELD DRIVE STE C	PENSACOLA	FL	32503	N
058953	PARSCO LLC	714 NORTH DEVILLIERS STREET	PENSACOLA	FL	32501	N
060344	PENSACOLA BAY AREA CHAMBER OF COMMERCE DBA GREATER PENSACOLA CHAMBER	117 W GARDEN ST	PENSACOLA	FL	32502	N
000225	PENSACOLA NEWS JOURNAL	P O BOX 13712	PENSACOLA	FL	32574	N
055889	PERDIDO HOME TILE CO LLC	11180 LILLIAN HIGHWAY	PENSACOLA	FL	32506	N
004675	PHOENIX COATINGS INC	900 INDUSTRIAL COURT	PENSACOLA	FL	32505	N
057890	PINNACLE CABINETS & CLOSETS LLC	9900 B NORTH PALAFOX STREET	PENSACOLA	FL	32534	N
034179	PIONEER WOODWORKING	10 SOUTH 3RD STREET	PENSACOLA	FL	32507	N
064219	POE, JAMIN DBA P3 CONSTRUCTION & ENERGY SOLUTIONS LLC	321 N DEVILLIERS ST STE 208	PENSACOLA	FL	32501	N
060734	PRICE MECHANICAL INC	5674 GULF BREEZE PARKWY UNIT 2	GULF BREEZE	FL	32563	N
041366	PROFESSIONAL MECHANICAL TECHNOLOGIES INC	2190 EAST NINE MILE ROAD	PENSACOLA	FL	32514	N
049845	QUALITY RENOVATION OF PENSACOLA INC	4039 TEAL WAY	PENSACOLA	FL	32507	N
018305	R D WARD CONSTRUCTION CO INC	15 EAST HERMAN STREET	PENSACOLA	FL	32505	N
035493	RENOVATION SERVICES	6991 SUNSHINE HILL RD	MOLINO	FL	32577	N
061761	RICHARD SWEETMAN HANDYMAN SVCS	4661 POINCIANA DRIVE	PENSACOLA	FL	32526	N
051375	RICKEY JOHNSON LLC	1613 NORTH "P" STREET	PENSACOLA	FL	32505	N
005573	ROBERTSON CURTIS INC	P O BOX 7548	PENSACOLA	FL	32534	N
057937	ROPER & ROPER GEN CNTRCTRS LLC	5042 SKYLARK COURT	PENSACOLA	FL	32505	N
037112	ROYSTER, KV DBA BUSY BEE BLDG BUILDING SERVICES	705 WEST BRAINERD ST	PENSACOLA	FL	32501	N
058753	SAILWIND CONSTRUCTION INC	7 GILMORE DRIVE	GULF BREEZE	FL	32561	N
025349	SANDERS BROTHERS ELECTRIC INC	8195 KIPLING STREET	PENSACOLA	FL	32514	N
057756	SAVAGE, TIMOTHY DBA ULTRA-GOD ENTERPRISES	PO BOX 18339	PENSACOLA	FL	32523	N
044550	SEA COAST & COMPANY	P O BOX 1422	GULF BREEZE	FL	32562	N
058816	SEASIDE MECHANICAL LLC	PO BOX 98	GONZALEZ	FL	32560	N
024992	SNELLGROVE CONSTRUCTION INC	P O BOX 34340	PENSACOLA	FL	32507	N
047266	SOLID ROCK BUILDING CONST INC	PO BOX 65	MOLINO	FL	32577	N
049256	SPECIALTY PRODUCTS INC	2325 WEST CERVANTES STREET	PENSACOLA	FL	32505	N
057076	SUNRISE CONTRACTING SVCS INC	1509 JOHN CARROLL DRIVE	PENSACOLA	FL	32504	Y
004537	T CHAVIS CONSTRUCTION CO	1411 ARIOLA DRIVE	PENSACOLA BEACH	FL	32561	N
052969	TALTON, SHARON DBA LBG REMODELING AND REPAIR	1355 WISHBONE ROAD	CANTONMENT	FL	32533	N
019561	TEDDER, DAVID DBA DAVID TEDDER PAINTING	9439 ABB PITTMAN RD	MILTON	FL	32570	N
037833	THE PENSACOLA VOICE	213 E YONGE ST	PENSACOLA	FL	32503	N
032230	THE WRIGHT COMPANY	P O BOX 1289	GULF BREEZE	FL	32562	N

Opening Date: 02/14/17

Bid No.: 17-015

**FINAL VENDOR REFERENCE LIST  
OSCEOLA CLUB HOUSE RENOVATIONS  
PARKS & RECREATION**

Vendor	Name	Address	City	St	Zip Code	M/WBE
053924	THOMPSON CONTRACTOR RESOURCES INC	196 E NINE MILE RD SUITE C	PENSACOLA	FL	32534	N
030430	TOMPKINS PAINTING INC	3516 N. "S" ST	PENSACOLA	FL	32505	N
068544	TRINITY HEATG & AIR CONDITIONG LLC	8521 HAPPY VALLEY TRAIL	PENSACOLA	FL	32514	N
052425	VINCENT DICKENS SPECIALIZED CONTRACTOR	5532 LYNWOOD RD	PENSACOLA	FL	32506	N
030096	W D ROGERS MECHANICAL CONTRACTOR	PO BOX 9607	PENSACOLA	FL	32513	N
048654	WALKER PAINT INC	6086-C GULF BREEZE PKWY	GULF BREEZE	FL	32563	N
051237	WATSON, ALFRED DBA ALFRED WATSON CONSTRUCTION LLC	4007 NORTH "W" STREET	PENSACOLA	FL	32505	Y
051855	WHITE CONSTRUCTION & RENOVATN INC	2000 MATHISON ROAD	CANTONMENT	FL	32533	N
029078	WILLIAMS TRANE OF FLORIDA INC DBA WILLIAMS SERVICE	162 COMMERCIAL DRIVE	CANTONMENT	FL	32533	N
045140	WIT CONSTRUCTION SVCS LLC	1161 WEST DETROIT BLVD	PENSACOLA	FL	32534	N
044856	WOLFE CONSTRUCTION	40 W NINE MILE ROAD #2 SUITE 212	PENSACOLA	FL	32534	N

Vendors: 103



**RESOLUTION  
NO. \_\_\_\_\_**

A RESOLUTION  
TO BE ENTITLED:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR  
THE FISCAL YEAR ENDING SEPTEMBER 30, 2017; 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. LOCAL OPTION SALES TAX FUND**

	Fund Balance	700,000
As Reads:	Capital Outlay	13,481,073
Amended		
To Read:	Capital Outlay	14,181,073

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**  
**MARCH 2017 SUPPLEMENTAL BUDGET RESOLUTION - LOST IV - OSCEOLA GOLF COURSE**

FUND	AMOUNT	DESCRIPTION
<b>A. LOCAL OPTION SALES TAX FUND</b>		
Fund Balance	<u>700,000</u>	Increase appropriated fund balance
Appropriations		
Capital Outlay	<u>700,000</u>	Increase appropriation for Capital Outlay
Total Appropriations	<u>700,000</u>	



Memorandum

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File #: 17-18

City Council

3/9/2017

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**LEGISLATIVE ACTION ITEM**

**SPONSOR:** Ashton J. Hayward, III, Mayor

**SUBJECT:**

SUPPLEMENTAL BUDGET RESOLUTION NO. 17-18 - OSCEOLA CLUB HOUSE RENOVATION PROJECT

**RECOMMENDATION:**

That City Council adopt Supplemental Budget Resolution No. 17-18.

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2017; PROVIDING FOR AN EFFECTIVE DATE.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

On January 13, 2017, the City issued an Invitation To Bid (ITB) on the Osceola Clubhouse Renovation Project. The project will consist of structural improvements to the building as follows: replacement to the wooden structural components of the building including glass; upgrades to the kitchen ventilation system; test and balance the HVAC system of the entire building; flooring repairs and replacement; lighting upgrades, and painting. Five firms responded to the ITB, A.E. New, Jr., Inc.; Birkshire Johnstone, LLC; Dominguez Design-Build, Inc., Emerald Coast Constructors, Inc.; and Joy Gordon Construction, LLC. Joy Gordon Construction, LLC was the lowest responsible bid.

Sufficient funds for the Architectural and Engineering costs were available within the Penny for Progress (LOST III). However, in order to complete the necessary structural improvements, \$700,000 is proposed to be appropriated from the LOST IV plan. Based on the most recent LOST IV plan submitted to City Council on January 23, 2017, \$300,000 has been identified for the Osceola Golf Course and \$500,000 has been identified for General Athletic Facilities Improvements. With the adoption of the supplemental budget resolution, \$300,000 for Osceola Golf Course and \$400,000 from General Athletic Facilities Improvements would be appropriated for the completion of the Osceola Clubhouse Renovation Project in Fiscal Year 2017.

**PRIOR ACTION:**

None

**FUNDING:**

Budget:	\$ 85,310	Penny for Progress (LOST III)
	<u>700,000</u>	LOST IV (with the Adoption of Supplemental Budget Resolution)
	<u>\$785,310</u>	

Actual:	\$590,652	Construction Cost
	88,598	15% Contingency
	85,310	Architectural & Engineering Costs
	5,000	Miscellaneous (Permits, testing, etc.)
	<u>5,000</u>	Engineering Project Management
	<u>\$774,560</u>	Total Estimated Cost of Project

**FINANCIAL IMPACT:**

Within the Penny for Progress (LOST III) there was sufficient funding for the Architectural and Engineering costs. Approval of the supplemental budget resolution will appropriate funding in Fiscal Year 2017 to complete the project.

**CITY ATTORNEY REVIEW:** Yes

2/21/2017

**STAFF CONTACT:**

Eric W. Olson, City Administrator  
Brian Cooper, Parks and Recreation Director

**ATTACHMENTS:**

- 1) Supplemental Budget Resolution No. 17-18
- 2) Supplemental Budget Explanation No 17-18

**PRESENTATION:** No

**RESOLUTION  
NO. 17-18**

A RESOLUTION  
TO BE ENTITLED:

A RESOLUTION AUTHORIZING AND MAKING REVISIONS AND APPROPRIATIONS FOR  
THE FISCAL YEAR ENDING SEPTEMBER 30, 2017; 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. LOCAL OPTION SALES TAX FUND**

	Fund Balance	700,000
As Reads:	Capital Outlay	13,481,073
Amended		
To Read:	Capital Outlay	14,181,073

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**  
**MARCH 2017 SUPPLEMENTAL BUDGET RESOLUTION - LOST IV - OSCEOLA GOLF COURSE**

FUND	AMOUNT	DESCRIPTION
<b>A. LOCAL OPTION SALES TAX FUND</b>		
Fund Balance	<u>700,000</u>	Increase appropriated fund balance
Appropriations		
Capital Outlay	<u>700,000</u>	Increase appropriation for Capital Outlay
Total Appropriations	<u>700,000</u>	



Memorandum

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File #: 05-17

City Council

3/9/2017

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**LEGISLATIVE ACTION ITEM**

**SPONSOR:** City Council President Brian Spencer

**SUBJECT:**

PROPOSED ORDINANCE NO. 05-17 - AMENDMENT TO THE LAND DEVELOPMENT CODE - SECTION 12-2-10 - HISTORIC & PRESERVATION LAND USE DISTRICT, (A)(4) PROCEDURE FOR REVIEW

**RECOMMENDATION:**

That City Council approve proposed Ordinance No. 05-17 on second reading.

AN ORDINANCE AMENDING SECTION 12-2-10 (A) (4) (f) OF THE CODE OF THE CITY OF PENSACOLA; AMENDING THE LAND DEVELOPMENT CODE, HISTORIC & PRESERVATION LAND USE DISTRICT; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

The Architectural Review Board (ARB), at its September 15, 2016, meeting approved for submission to the City Council an amendment to Section 12-2-10, Historic & Preservation Land Use District. (A)(4) Procedure for review by adding subsection (f) allowing for Conceptual review and approval.

The conceptual review step in the review process provides an opportunity for the ARB to review and comment on a project's concept or theme when it is still in the early stages of development before the applicant has committed to and invested in a design. At conceptual review, the ARB considers only broad issues such as site planning, general architectural style, the project's relationship to its site and the surrounding neighborhood, along with storm water site plan capacity compliance. This allows the applicant and the ARB the opportunity to informally discuss a project that will be subsequently submitted. Applicants are encouraged to bring sketches and/or conceptual drawings, including schematic sections and three-dimensional renderings, as well as completed site studies that address various aspects of site design (e.g. general massing of buildings, grading, access, landscaping concepts).

The ARB has approved for submission the following language:

(f) Conceptual approval is permitted by the Board only when the applicant specifies on their application that is the approval they are seeking. Conceptual approval applications shall be complete with the exception of final details such as material and color selections. Conceptual approval by the Board does not permit the issuance of a building permit.

**PRIOR ACTION:**

February 9, 2017 - City Council conducted the second of two public hearings.

January 12, 2017 - City Council conducted the first of two public hearings.

ARB Meeting September 15, 2016

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

None

**STAFF CONTACT:**

Don Kraher, Council Executive

**ATTACHMENTS:**

- 1) Proposed No. 05-17

**PRESENTATION:** No



PROPOSED  
ORDINANCE NO. 05-17

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE  
TO BE ENTITLED:

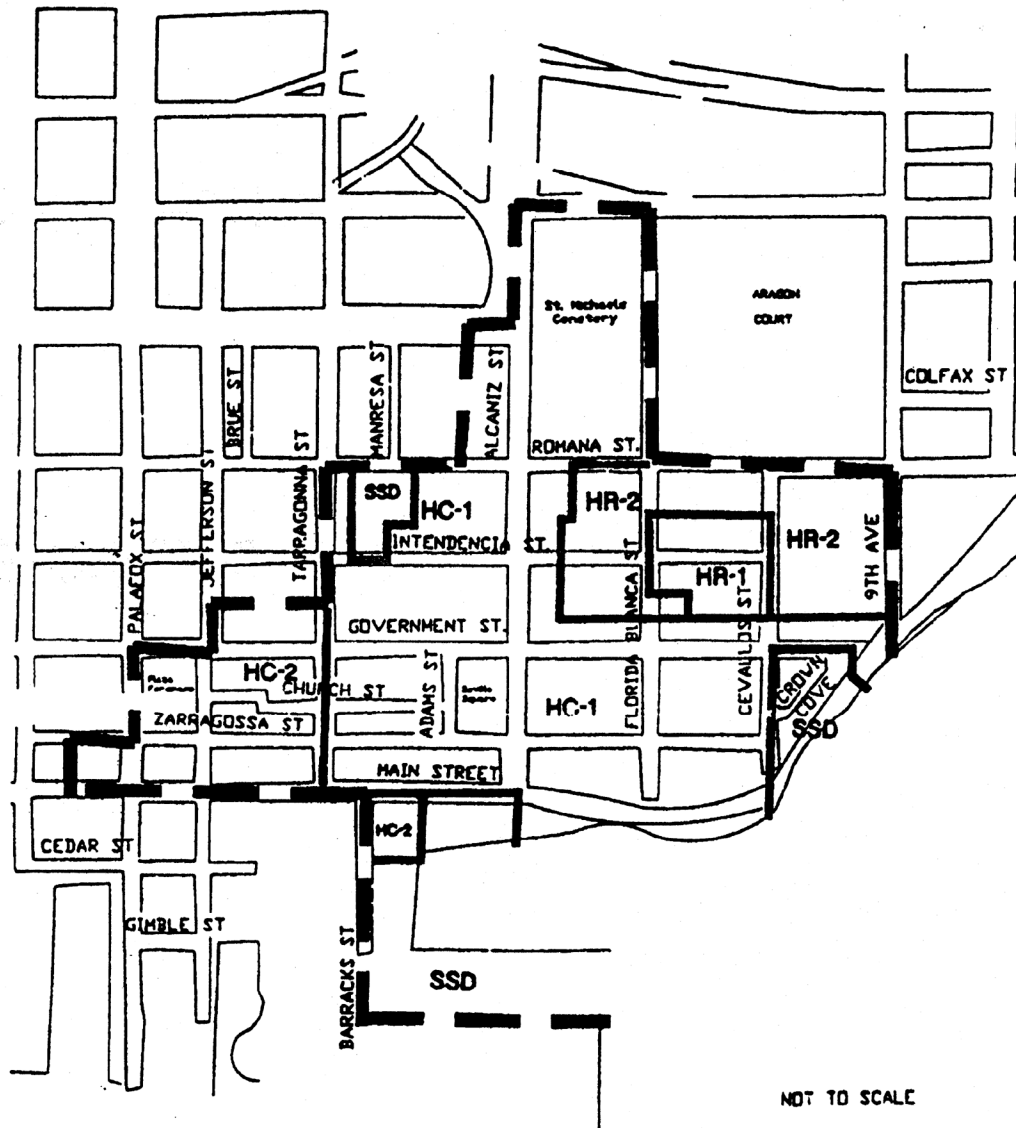
AN ORDINANCE AMENDING SECTION 12-2-10 (A) (4) (f) OF THE CODE OF THE CITY OF PENSACOLA; AMENDING THE LAND DEVELOPMENT CODE, HISTORIC & PRESERVATION LAND USE DISTRICT; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

SECTION 1. Section 12-2-10 (A) (4) (f) of the Code of the City of Pensacola, Florida, is hereby amended to read:

**Sec. 12-2-10 (A) (4) (f). - Historic and preservation land use district.**

The regulations in this section shall be applicable to the Pensacola Historic District, the North Hill Preservation District and the Old East Hill Preservation District: HR-1, HR-2, HC-1, HC-2, PR-1AAA, PR-2, PC-1, OEHR-2, OEHC-1, OEHC-2 and OEHC-3.



(A) *Historic zoning districts: HR-1, HR-2, HC-1 and HC-2.*

- (1) *Purpose.* The historic zoning districts are established to preserve the development pattern and distinctive architectural character of the district through the restoration of existing buildings and construction of compatible new buildings. The official listing of the Pensacola Historic District (which includes all areas designated as historic zoning districts) on the National Register of Historic Places and the authority of the architectural review board reinforce this special character.

Zoning regulations are intended to ensure that future development is compatible with and enhances the pedestrian scale of the existing structures and period architectural character of the districts.

- (2) *Character of the district.* The Historic District is characterized by lots with narrow street frontage (based on the original British city plan, c. 1765), and the concentration of Frame Vernacular, Folk Victorian and Creole homes which date from the early 19th Century and form a consistent architectural edge along the street grid. These buildings and historic sites and their period architecture make the district unique and worthy of continuing preservation efforts. The district is an established business area, residential neighborhood and tourist attraction, containing historic sites and museums, a variety of specialty retail shops, restaurants, small offices, and residences.
- (3) *Uses permitted.*
  - (a) HR-1, one- and two-family.
    1. Single-family and two-family (duplex) dwellings.
    2. Libraries, community centers and buildings used exclusively by the federal, state, county or city government for public purposes.
    3. Churches, Sunday school buildings and parish houses.
    4. Home occupations allowing: Not more than sixty (60) percent of the floor area of the total buildings on the lot to be used for a home occupation; Retail sales shall be allowed, limited to uses listed as conditional uses in subsection (b)6., below; Two (2) nonfamily members shall be allowed as employees in the home occupation; and a sign for the business not to exceed three (3) square feet shall be allowed.
    5. Publicly owned or operated parks and playgrounds.
    6. Community residential homes licensed by the Florida Department of Health and Rehabilitative Services with six (6) or fewer residents providing that it is not to be located within one thousand (1,000) feet of another such home. If it is proposed to be within one thousand (1,000) feet of another such home, measured from property line to property line, it shall be permitted with city council approval after public notification of property owners in a five-hundred-foot radius.
    7. Bed and breakfast subject to regulations in section 12-2-55.
    8. Conditional uses permitted:
      - a. Single-family attached dwellings (townhouses).
      - b. Multiple-family dwellings.
    9. Accessory buildings and uses customarily incidental to any of the above uses, including storage garages, when located on the same lot and not involving the conduct of business.

10. Family day care homes licensed by the Florida Department of Children and Family Services as defined in the Florida Statutes.
- (b) HR-2, multiple family and office.
1. Any use permitted in the HR-1 district, including conditional uses.
  2. Boarding and lodging houses.
  3. Offices under five thousand (5,000) square feet.
  4. Community residential homes licensed by the Florida Department of Health and Rehabilitative Services with seven (7) to fourteen (14) residents providing that it is not to be located within one thousand two hundred (1,200) feet of another such home in a multifamily district, and that the home is not within five hundred (500) feet of a single-family zoning district. If it is proposed to be within one thousand two hundred (1,200) feet of another such home in a multifamily district, measured from property line to property line, and/or within five hundred (500) feet of a single-family zoning district, measured from property line to district line, it shall be permitted with city council approval after public notification of property owners in a five-hundred-foot radius.
  5. Childcare facilities subject to regulations in section 12-2-58.
  6. Conditional use permitted:

The following uses limited to a maximum area of 3,000 square feet:

    - a. Antique shops.
    - b. Bakeries whose products are sold at retail and only on the premises.
    - c. Grocery stores.
    - d. Barbershops and beauty parlors.
    - e. Laundromats, including dry-cleaning pick-up stations.
    - f. Clothing and fabric shops.
    - g. Studios.
    - h. Vending machines when an accessory to a business establishment and located in the same building as the business.
    - i. Small appliance repair shops.
    - j. Floral gardens and shops.
    - k. Hand craft shops for custom work or making custom items not involving noise, odor, or chemical waste.
    - l. Secondhand stores.
    - m. Specialty shops.
  7. Accessory buildings and uses customarily incidental to any of the above uses, including storage garages, when located on the same lot.

(c) HC-1, historical commercial district:

1. Any use permitted in the HR-2 district, including the conditional uses, with no size limitations.
2. Small appliance repair shops.
3. Marinas.
4. Restaurants (except drive-ins).
5. Motels.
6. Commercial parking lots.
7. Accessory buildings and uses customarily incidental to any of the above uses, including storage garages, when located on the same lot.

(d) HC-2, historical commercial district:

1. Any use permitted in the HR-1 district.
2. Private clubs and lodges except those operated as commercial enterprises.
3. Health clubs, spas and exercise centers.
4. Tavern, lounges, nightclubs, cocktail bars.
5. Accessory buildings and uses customarily incidental to any of the above uses, including storage garages, when located on the same lot.
6. Adult entertainment establishments subject to the requirements of Chapter 7-3 of this Code when located within the dense business area as defined in Chapter 12-14, Definitions.

(4) *Procedure for review.*

- (a) Review and approval by the architectural review board: All activities regulated by this subsection shall be subject to review and approval by the architectural review board as established in section 12-13-3. The board shall adopt written rules and procedures for abbreviated review for paint colors, minor repairs and minor deviations in projects already approved by the board. This process may authorize the board to designate one of its members to undertake such abbreviated review without the necessity for review by the entire board, provided, however, such abbreviated review process shall require review by the staff of West Florida Historic Preservation, Inc. If agreement cannot be reached as it pertains to such request for abbreviated review by the board designee and West Florida Historic Preservation, Inc. staff, then the matter will be referred to the entire board for a decision.

(b) Decisions.

1. General consideration. The board shall consider plans for existing buildings based on their classification as contributing, non-contributing or modern infill as depicted on the map entitled "Pensacola Historic District" adopted herein, and shall review these plans based on regulations described herein for each of these building classifications. In their review of plans for both existing buildings and new construction, the board shall consider exterior design and appearance of the

building, including the front, sides, rear and roof; materials, textures and colors; plot plans or site layout, including features such as walls, walks, terraces, off-street paved areas, plantings, accessory buildings, signs and other appurtenances; and relation of the building to immediate surroundings and to the district in which it is located or to be located. The term "exterior" shall be deemed to include all of the outer surfaces of the building and exterior site work, including painting, and is not restricted to those exteriors visible from a public street or place. The board shall consider requests for design materials, alterations or additions, construction methods, paint colors or any other elements regulated herein, which do not meet the regulations as established in this subsection, when documentary proof in the form of photographs, property surveys, indication of structural foundations, drawings, descriptive essays and similar evidence can be provided. The board shall not consider interior design or plan. The board shall not exercise any control over land use or construction standards such as are controlled by this chapter and Chapter 7-13.

2. Rules governing decisions. Before approving the plans for any proposed building located or to be located in a district, the board shall find:
    - a. In the case of a proposed alteration or addition to an existing building, that such alteration or addition will not impair the architectural or historic value of the building.
    - b. In the case of a proposed new building, that such building will not, in itself or by reason of its location on the site, impair the architectural or historic value of buildings on adjacent sites or in the immediate vicinity. No plans for new building will be approved if that building will be injurious to the general visual character of the district in which it is to be located considering visual compatibility standards such as height, proportion, shape, scale, style, materials and colors.
  3. No provision of this section shall be interpreted to prevent the restoration or reconstruction of any historic building or feature (as listed by the Historic Pensacola Preservation Board) in its original style, dimensions or position on its original structural foundation.
- (c) Plan submission: Every activity which requires plans in order to erect, construct, demolish, renovate or alter an exterior of a building, sign or exterior site work, located or to be located in the historic zoning districts shall be accompanied with drawings or sketches. All drawings must be drawn to scale and be legible. The minimum size scale for site plans is 1" = 30'0"; the minimum scale for floor plans is 1/8" = 1'0"; and the minimum scale for exterior elevations is 1/8" = 1'0". The scale for other items, such as signs and details, shall be as large as necessary to fully define the detail of those items. Major projects with very large buildings may vary from the scale referenced above for ease of presentation.
1. Site plan:
    - a. Indicate overall property dimensions and building size and location on the property.

- b. Indicate relationship of adjacent buildings, if any.
  - c. Indicate layout of all driveways and parking on the site.
  - d. Indicate all fences, and signs with dimensions as required to show exact locations.
  - e. Indicate existing trees and existing and new landscaping.
2. Floor plan:
- a. Indicate locations and sizes of all exterior doors and windows.
  - b. Indicate all porches, steps, ramps and handrails.
  - c. For renovations or additions to existing buildings, indicate all existing conditions and features as well as the revised conditions and features and the relationship of both.
3. Exterior elevations:
- a. Indicate all four (4) elevations of the exterior of the building.
  - b. Indicate the relationship of this project to adjacent structures, if any.
  - c. Indicate exposed foundation walls, including the type of material, screening, dimensions, and architectural elements.
  - d. Indicate exterior wall materials, including type of materials, dimensions, architectural elements and color.
  - e. Indicate exterior windows and doors, including type, style, dimensions, materials, architectural elements, trim, and colors.
  - f. Indicate all porches, steps, and ramps, including type of materials, dimensions, architectural elements and color.
  - g. Indicate all porch, stair, and ramp railings, including type of material, dimensions, architectural elements, trim, and color.
  - h. Indicate roofs, including type of material, dimensions, architectural elements, associated trims and flashing, and color.
  - i. Indicate all signs, whether they are built mounted or freestanding, including material, style, architectural elements, size and type of letters, and color. The signs must be drawn to scale in accurate relationship to the building and the site.
4. Miscellaneous:
- a. Show enlarged details of any special features of either the building or the site that cannot be clearly depicted in any of the above-referenced drawings.
- (d) Submission of photographs.
1. Renovations/additions to existing buildings:
- a. Provide at least four (4) overall photographs per building so that all sides are clearly shown. In addition, photographs depicting the "streetscape" —

that is, the immediate vicinity and all adjacent buildings — should be supplied.

- b. If doors and/or windows are to be modified, provide a photograph of each door to be changed and at least one representative photograph of the type of window to be altered and replaced.
- c. Provide any additional photographs as required to show specific details of any site or building conditions that will be altered or modified in any way by the proposed construction.

2. New construction:

- a. Provide photographs of the site for the proposed new construction in sufficient quantity to indicate all existing site features, such as trees, fences, sidewalks, driveways, and topography.
- b. Provide photographs of the adjoining "streetscape," including adjacent buildings to indicate the relationship of the new construction to these adjacent properties.

(e) Submission of descriptive product literature/brochures:

1. Provide samples, photographs, or detailed, legible product literature on all windows, doors and shutters proposed for use in the project. The information must be sufficiently detailed to show style, dimensions, detailing, material type, and color.
2. Provide descriptive literature, samples, or photographs showing specific detailed information about signs and letters, if necessary to augment or clarify information shown on the drawings. The information must be sufficiently detailed to show style, dimensions, detailing, material type, and color.
3. Provide samples or descriptive literature on roofing material and trip to augment the information on the drawings. The information must indicate dimensions, details, material, color and style.
4. Provide samples or literature on any exterior light fixtures or other exterior ornamental features, such as wrought iron, railings, columns, posts, balusters, and newels. Indicate size, style, material, detailing and color.

(f) Conceptual approval is permitted by the Board only when the applicant specifies on their application that is the approval they are seeking. Conceptual approval applications shall be complete with the exception of final details such as material and color selections. Conceptual approval by the Board does not permit the issuance of a building permit.

- (5) *Regulations and guidelines for any development within the historic zoning districts.* These regulations and guidelines are intended to address the design and construction of elements common to any development within the Historic District which requires review and approval by the architectural review board. Regulations and guidelines which relate specifically to new construction and/or structural rehabilitation and repair to existing



buildings, applicable to building heights, setbacks, architectural elements and construction types, are established in paragraphs (6) through (8) below. Illustrations, photographs and descriptive examples of many of the design elements described in this subsection can be found in the document prepared by the Florida Northwest Chapter of the American Institute of Architects entitled "Seville Historic District Guideline Study."

(a) Building height limit. No building shall exceed the following height limit established by zone: HR-1 (one- and two-family), HR-2 (multiple-family), HC-1 (historic commercial), HC-2 (historic commercial)—thirty-five (35) feet.

1. Bayfront Parkway setback/height requirement. The following height/setback requirement shall be observed along Bayfront Parkway between Tarragona Street and 9th Avenue (Setback distance measured from northern right-of-way line) to create a scenic open space image along the parkway.

Building height	Building setback
20 feet	20 feet
25 feet	25 feet
30 feet	30 feet
35 feet (Maximum height)	35 feet

(b) Protection of trees. It is the intent of this section to recognize the contribution of shade trees and certain flowering trees to the overall character of the historic zoning districts and to ensure the preservation of such trees as described below:

1. Any of the following "specimen tree" species having a minimum trunk diameter of eight (8) inches (twenty-five and one-tenths (25.1) inches in circumference) at a height of one (1) foot above grade: Live Oak, Water Oak, Pecan, and Magnolia having a minimum trunk diameter of six (6) inches (eighteen and eight-tenths (18.8) inches in circumference) at a height of one (1) foot above grade, and;
2. Any of the following flowering trees with a minimum trunk diameter of four (4) inches (twelve and fifty-five one hundredths (12.55) inches in circumference) at a height of one (1) foot above grade: Redbud, Dogwood, and Crape Myrtle.

No person, organization, society, association or corporation, or any agent or representative thereof, directly or indirectly, shall cut down, destroy, undertake tree removal, or effectively destroy through damaging, any specimen or flowering tree, whether it be on private property or right-of-way within the district, without first having obtained a permit from the department of leisure services to do so. Refer to section 12-6-7 for tree removal permit application procedures and guidelines.

(c) Fences. The majority of original fences in the Historic District were constructed of wood with a paint finish in many varying ornamental designs. To a lesser extent,

fences may have been constructed of brick or wrought iron. The style of the fence and the materials used typically related directly to the style and type of materials used for the building on the property.

All developments in the historic zoning districts shall comply with fence regulations as established in section 12-2-40(A) through (D), applicable to maximum heights permitted. In addition, the following provisions apply:

1. Chain-link, concrete block and barbed-wire are prohibited fence materials in the Historic District. Approved materials will include but not necessarily be limited to wood, brick, stone and wrought iron.
  2. All wood or wrought iron fences shall be painted if the principal building is painted. Wood fences shall be constructed utilizing one of a variety of "picket" designs, especially a design which will reflect details similar to those on the building. It is recommended that the use of wrought iron or brick fences be constructed in conjunction with buildings which use masonry materials in their construction.
- (d) Signs. Those few signs that may have originally been used in the Historic District, including those which were used in the commercial areas, were typically smaller in scale than many signs in current use. Ordinarily, their style was complementary to the style of the building on the property. The support structure and trim work on a sign was typically ornamental, as well as functional.

Refer to sections 12-4-2 and 12-4-3 for general sign standards and criteria and for a description of sign area calculations. In addition to the prohibited signs listed below, all signs listed in section 12-4-7 are prohibited within the Historic District. The design, color scheme and materials of all signs shall be subject to approval by the architectural review board. All official signs within the District will be authorized, created, erected and maintained by the city of Pensacola or the Historic Pensacola Preservation Board using as their guide the document entitled "A Uniform System for Official Signs in the Seville Square Historical District." This document also includes recommendations for and descriptive drawings of commercial signs appropriate to the district.

1. Permitted signs.
  - a. Temporary accessory signs.
    - One (1) non-illuminated sign advertising the sale, lease, or rental of the lot or building, said sign not exceeding six (6) square feet in area.
    - One (1) non-illuminated sign not more than fifty (50) square feet in area in connection with new construction work and displayed only during such time as the actual construction work is in progress.
  - b. Permanent accessory signs.
    - One (1) sign per lot per street frontage for churches, schools, apartment buildings, boarding or lodging houses, libraries, community centers, commercial buildings (including retail and office buildings) or historic sites

serving as identification and/or bulletin boards not to exceed twelve (12) square feet in area and having a maximum height of eight (8) feet, provided, however that signs projecting from a building or extending over public property shall maintain a clear height of nine (9) feet six (6) inches above the public property and shall not exceed a height of twelve (12) feet six (6) inches. The sign may be mounted to the face of a wall of the building, hung from a bracket that is mounted to a wall of a building, hung from other ornamental elements on the building, or may be freestanding. Attached or wall signs may be placed on the front or one (1) side of the building. The sign may be illuminated provided the source of light is not visible beyond the property line of the lot on which the sign is located.

- One (1) non-illuminated nameplate designating the name of the occupant of the property; the nameplate shall not be larger than three (3) square feet and shall be attached flat against the wall of the building.

- Municipal or state installed directional signs, historical markers and other signs of a general public interest when approved by the mayor and board.

2. Prohibited signs.

a. Any sign using plastic materials for lettering or background.

b. Internally illuminated signs.

c. Portable signs.

d. Nonaccessory signs.

(e) Screening. The following uses must be screened from adjoining property and from public view with fencing and/or landscaping or a combination of the two (2) approved by the board:

1. Parking lots.

2. Dumpsters or trash handling areas.

3. Service entrances or utility facilities.

4. Loading docks or spaces.

(f) Landscaping. Within the original Historic District development, the majority of each site not covered by a building was typically planted in trees, shrubbery or ground cover. No formal landscape style has been found to predominate in the district. The following regulations apply for landscaping:

1. Within the front yard setback the use of grass, ground cover or shrubs is required and trees are encouraged in all areas not covered by a drive or walkway.

2. The use of brick or concrete pavers set on sand may be allowed in the front yard in addition to drives or walkways, with board approval based on the need and suitability of such pavement.
- (g) Driveways, sidewalks and off-street parking. Original driveways in the Historic District were probably unimproved or sidewalks were typically constructed of brick, cobblestones or small concrete pavers using two different colors laid at diagonals in an alternating fashion. Parking lots were not a common facility in the Historic District. The following regulations and guidelines apply to driveways, sidewalks and parking lots in the Historic District:
1. Driveways. Unless otherwise approved by the board, each building site shall be allowed one driveway, standard concrete ribbons, or access drive to a parking lot. No new driveways or access drives to parking lots may be permitted directly from Bayfront Parkway to any development where alternative access from the inland street grid is available.
    - a. Where asphalt or concrete is used as a driveway material, the use of an appropriate coloring agent is required.
    - b. From the street pavement edge to the building setback the only materials allowed shall be shell, brick, concrete pavers, colored asphalt and approved stamped concrete or #57 granite or marble chips.
  2. Sidewalks. Construction, repair and maintenance of sidewalks are all required on public rights-of-way within the district. Sidewalks shall be constructed of the following materials or combination of materials and approved by the board:
    - a. Brick pavers;
    - b. Concrete pavers;
    - c. Poured concrete stamped with an ornamental pattern and colored with a coloring agent;
    - d. A combination of concrete with brick or concrete paver bands along the edges of the sidewalk. This combination may also include transverse brick or concrete paver bands spaced at regular intervals.

Walkways shall be provided from the street side sidewalk to the front entrance as approved by the board.
  3. Off-street parking. Off-street parking is not required in the HC-1 and HC-2 zoning districts. Because parking lots have not been a common land use in the district, their location is encouraged behind the structures which they serve.
    - a. Parking lots shall be screened from view of adjacent property and the street by fencing, landscaping or a combination of the two approved by the board.
    - b. Materials for parking lots shall be concrete, concrete or brick pavers, asphalt, oyster shells, clam shells or #57 granite or marble chips. Where asphalt or concrete are used, the use of a coloring agent is required. The use of acceptable stamped patterns on poured concrete is also encouraged.

- (h) Paint colors. The architectural review board has adopted palettes of historic colors from several paint manufacturers that represent acceptable historic colors for use in the Historic District. Samples of these palettes can be reviewed at the Historic Pensacola Preservation Board and at the office of the building inspector.
  - (i) Residential accessory structures. Residential accessory structures shall comply with regulations set forth in section 12-2-31 except that the following shall apply: Accessory structures shall not exceed one story in height for a maximum in height of twenty-five (25) feet in order for the accessory structure to match the style, roof pitch, or other design features of the main residential structure.
  - (j) Additional regulations. In addition to the regulations established above in subsections 12-2-10(A)(5)(a) through (i), any permitted use within the Historic District where alcoholic beverages are ordinarily sold is subject to the requirements of Chapter 7-4 of this Code.
- (6) *Restoration, rehabilitation, alterations or additions to existing contributing structures in the Historic District.* The document entitled "Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings," published by the United States Department of Interior in 1983, shall form the basis for rehabilitation of existing contributing structures. The following regulations and guidelines for specific building elements are intended to further refine some of the general recommendations found in the Department of Interior's document to reflect local conditions in the rehabilitation of structures. In the case of a conflict between the Department of Interior's publication and the regulations set forth herein, the more restrictive shall apply. The "Seville Historic District Guideline Study" describes the building styles that are typical in the Historic District. This definition of styles should be consulted to insure that the proper elements are used in combination in lieu of combining elements that, although they may be typical to the district, are not appropriate for use together on the same building.

For all of the following elements, the documented building materials, types, styles and construction methods shall be duplicated when making repairs, alterations and/or additions to contributing structures. Any variance from the original materials, styles, etc. shall be approved only if circumstances unique to each project are found to warrant such variances. The following regulations and guidelines shall apply to renovations, repairs and alterations to contributing structures which may or may not have documentary proof of the original elements and to alterations or additions to a contributing structure which seek to reflect the original elements.

- (a) Exterior lighting. Exterior lighting in the district in its original development typically consisted of post mounted street lights and building mounted lights adjacent to entryways. Occasionally, post lights were used adjacent to the entry sidewalks to buildings. Lamps were typically ornamental in design with glass lenses and were mounted on ornamental cast iron or wooden posts.
  - 1. Exterior lighting fixtures shall be in a design typical to the district in a pre-1925 Era. They shall be constructed of brass, copper, or painted steel and have clear lenses.

2. If exterior lighting is detached from the building, the fixtures shall be post mounted and used adjacent to sidewalk or driveway entrances or around parking lots. If post mounted lights are used, they shall not exceed twelve (12) feet in height.
  3. The light element itself shall be a true gas lamp or shall be electrically operated using incandescent or high pressure sodium lamps. Fluorescent and mercury vapor lamps are prohibited.
  4. The use of pole mounted high pressure sodium utility/security lights is discouraged. If absolutely necessary, they will be considered, but only in the rear portions of the property.
- (b) Exterior walls. The two (2) building materials basic to the Historic District are clapboard style wood siding and brick masonry, the former being most prevalent. In general, the wood siding is associated with the residential-type buildings and the brick masonry is associated with more commercially-oriented buildings. Brick is used in predominantly wooden structures only for foundation piers and for fireplaces and chimneys.
1. Vinyl or metal siding is prohibited.
  2. Wood siding and trim shall be finished with paint, utilizing colors approved by the board. If documentary evidence is submitted showing that the original structure was unpainted, the board may not require a paint finish unless the condition of the wood warrants its use.
  3. Foundation piers shall be exposed brick masonry or sand textured plaster over masonry. If infill between piers was original then it must be duplicated. It is encouraged that infill of wood lattice panels is utilized.
- (c) Roofs. The gable roof is the most typical in the Historic District. On shotgun house types or buildings placed on narrow deep lots the gable-end is usually oriented toward the street. On the creole type houses or buildings having larger street frontages the gable-end is typically oriented towards the side yard. Some hip roofs are found in newer, typically larger than average buildings. Dormers are found typically in association with the creole type houses. The roof slope is at least six (6) on twelve (12), but can be found to slope as much as twelve (12) on twelve (12). Roofing materials typically consisted of wood shingles, tin and corrugated metal panels.
1. The combination of varying roof styles or shapes on a single building is prohibited. The only exception to this is when a three-sided hip roof is used over a porch on the front of a gable roofed building.
  2. In order to protect the architectural integrity of the district and structure, roof materials original to each structure should be used. Alternatives to the materials may be considered on a case-by-case basis, but shall match the scale, texture, and coloration of the historic roofing material. Unless original to the structure, the following materials shall be prohibited: less than thirty (30) year fiberglass or asphalt dimensional shingles, rolled roofing, and metal shingles. Thirty (30) year or forty (40) year dimensional shingles may be permitted. Provided,

however, existing flat-roofed commercial structures may retain the same style roof and continue to use built-up or single-ply roofing.

3. Eave metal and flashing shall be naturally weathered copper or galvanized steel, or may be painted.
  4. Gutters and downspouts are discouraged within the district except on brick commercial buildings.
- (d) Porches. The porch, consisting of raised floor platform, sheltering roof, supporting columns, handrails and balustrade, and connecting steps is typical to wood structures in the district.
1. Porches are required in any renovation or alteration of a contributing structure which originally had a porch, and are encouraged as additions when the style of the building will allow it.
  2. The original materials, method of construction and style of building elements shall be duplicated when making repairs, alterations or additions to existing porches.
  3. The size and design of all porch elements, i.e., the flooring, the columns, the handrails, the pickets, the roof beam, the floor support piers, and any other ornamentation shall be consistent with any one single style that is typical to the district. The elements shall maintain proper historical scale, dimensions and detailing.
- (e) Doors. Entrance doors made up of a solid wood frame, with an infill of raised wood panels below and glazed panels above, are historically correct for the district. Single doorways with a glazed transom above allowed for both light and ventilation to enter the entrance way or entrance foyer of the building. Double doors were usually associated with a larger home or building layout.

The placement of the doorway was not necessarily in the center of the front wall; in fact it was usually off to one side in most cases, specifically in the shotgun house types. The larger creole cottage, and french creole house type, normally had the front door centered, leading to a center hallway or stair hall.

1. Doors are to be fabricated of solid wood, with three (3) horizontal rails and two (2) vertical stiles. The lower infill panels shall be constructed of wood and shall be located below the locking device with glazed panels located above the locking device. The top of the upper glazed panels can be semi-circular/half rounded. Beveled glass is encouraged.
  2. Panel infill may vary slightly from that noted in Item a. above, but usually shall not exceed six (6) panels. Variations must be approved by the architectural review board.
  3. Trim or casing shall be used on all doors and sidelights and shall typically range in width between 5" and 8".
- (f) Windows. Traditionally the windows employed in the Seville Historic District were constructed of wood and were the double hung or triple hung type. The windows

opening toward the front porch of the building usually were triple hung with the sill close to or almost flush with the adjacent floors. This allowed for optimum flow of air, and for passage to and from the exterior space. The other windows of the building had the normal placement of the window sill at approximately thirty (30) inches above finished floor. Typical windows ranged in width from thirty-two (32) to thirty-six (36) inches and ranged in height from six (6) to seven (7) feet exclusive of trim dimensions. The taller windows, when double hung, frequently had the lower section greater in vertical dimension than the upper section, giving freer movement through to the adjacent porch or veranda.

1. Windows are to be fabricated of wood and must, in the judgement of the architectural review board, closely approximate the scale and configuration of the original window designs.
  2. The window proportions/dimensions will be decidedly vertical, following the historic appearance and character of those encountered throughout the district.
  3. Window sections shall typically be divided into two (2) to six (6) panes, and in the usual double hung window, the layout of window panes will be six (6) over six (6). All windows shall have true divided lites. Any variation to this division of the window opening shall be approved by the architectural review board.
  4. The window frame will be given a paint finish appropriate to the color scheme of the exterior of the building.
  5. Window trim or casing is to be a nominal five (5) inch member at the two (2) sides and the head.
  6. Other than the full height windows at the front porch and smaller windows at kitchens and bathrooms, all remaining windows shall be proportioned with the height between two (2) and two and one-half (2½) times the width. The sill height for standard windows shall be approximately thirty (30) inches above finished floor.
  7. Glass for use in windows shall typically be clear, but a light tinted glass will be given consideration by the architectural review board.
- (g) Shutters. Shutters are an exterior ornamental and functional architectural feature that have traditionally been used on windows, and occasionally, on doors within the Historic District. On renovation projects to existing contributing structures, it is recommended that shutters not be installed unless they were original to the structure.
1. If shutters are to be used on a project, they must be dimensioned to the proper size so that they would completely cover the window both in width and height if they were closed.
  2. The shutters must be installed in a manner that will appear identical to an original operable installation. Shutters installed currently are not required to be operational, but rather can be fixed in place; however, they must be installed with some space between the back of the shutter and the exterior wall surface material and must overlap the door or window trim in a fashion identical to an original operable installation.



3. The style of the shutters must be louvered, flat vertical boards or panelled boards, with final determination being based on compatibility with the overall building design.

- (h) Chimneys. Chimneys constructed of brick masonry, exposed or cement plastered, are typical to original construction in the district.

The chimney in the Historic District is that necessary element usually serving back-to-back fireplaces, and as such, would not be located on the exterior wall of the building. Consequently, the appropriate location for chimneys would be projecting through some portion of the roof of the building, in lieu of being placed on an exterior wall.

1. The chimney or chimneys are to be located within the slope of the roof, rather than being placed on an exterior wall, and shall extend above the roof ridge line.
2. The chimney or chimneys are to be constructed of masonry with the exposed surface to be brick or sand textured plaster. Rough texture stucco is prohibited.
3. The finished exposed surface of chimneys are to be left natural without any paint finish.
4. Flashing shall consist of galvanized steel, copper sheet metal or painted aluminum.
5. The extent of simplicity or ornamentation shall be commensurate with the overall style and size of the building on which the chimney is constructed.
6. The use in contributing structures of prefabricated fireplaces with steel chimneys is prohibited.

- (i) Trim and miscellaneous ornament. Most trim, except for window and door casings/trim, was used more for decorative than functional purposes. Trim and ornament was almost always constructed of wood, and was painted to match other elements (doors, windows, porches, et cetera) of the building. Ornament on masonry buildings was typically limited to corbling or other decorative use of brick at window openings, door openings, columns, parapet walls and on major facades above the windows and doors.

1. In renovation work, only that decorative trim or ornament historically significant to the specific building will be permitted.
2. The scale and profile/shape of existing ornament used within the district will dictate approval for all new proposals.
3. Trim and ornament, where used, is to be fabricated of wood.
4. Trim and ornament will be painted to match, or be coordinated with, door and window casings, porch railings, porch columns, and basic projecting elements of the building.

- (j) Miscellaneous mechanical equipment.

1. Air conditioning condensing units shall not be mounted on any roof where they are visible from any street.

2. Air conditioning condensing units that are mounted on the ground shall be in either side yards or rear yards. No equipment shall be installed in a front yard.
3. Visual screening consisting of ornamental fencing or landscaping shall be installed around all air conditioning condensing units to conceal them from view from any adjacent street or property owner.
4. Exhaust fans or other building penetrations as may be required by other authorities shall be allowed to penetrate the wall or the roof but only in locations where they can be concealed from view from any street. No penetrations shall be allowed on the front of the building. They may be allowed on side walls if they are properly screened. It is desirable that any penetrations occur on rear walls or the rear side of roofs.

(k) Accessibility ramps and outdoor stairs.

1. Whenever possible, accessibility ramps and outdoor stairways shall be located to the side or the rear of the property.
2. The design of accessibility ramps and outdoor stairs shall be consistent with the architectural style of the building.
3. Building elements, materials and construction methods shall be consistent with the existing structure.

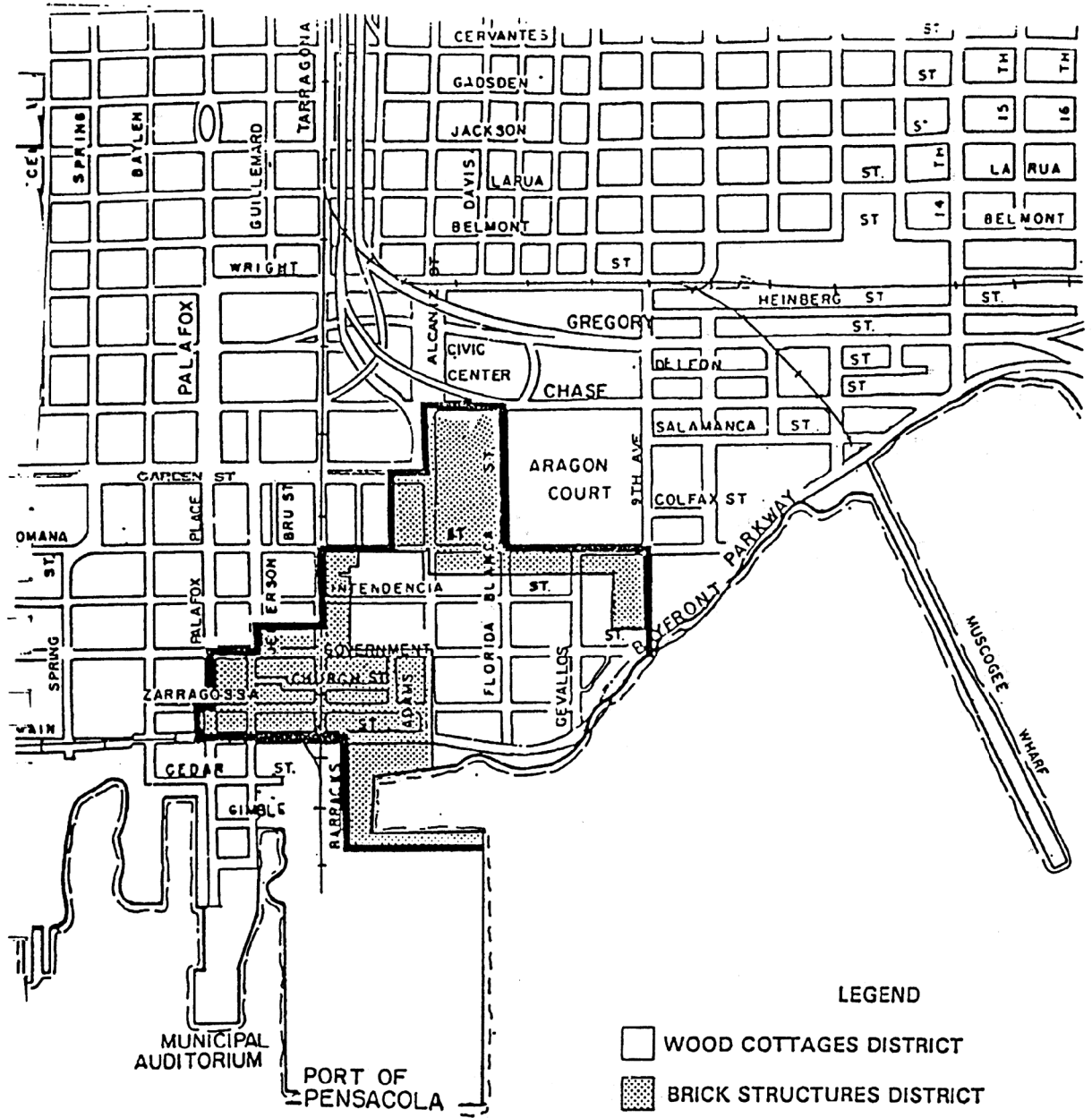
(7) *Renovation, alterations and additions to noncontributing and modern infill structures within the Historic District.* Many of the existing structures within the district do not meet the criteria established for contributing structures, even though they may be similar in style to the historic structures, and some structures are modern in style with no relation to the historic structures. All of these buildings shall be recognized as products of their own time. The regulations and guidelines established in paragraph (5), relating to streetscape elements, and paint colors described in paragraph (6)(c) shall apply to noncontributing and modern infill structures. In review of these structures the board may make recommendations as to the use of particular building elements which will improve both the appearance of the individual structure, its relationship with surrounding structures and the overall district character.

(8) *New construction in the Historic District.* This subsection does not intend to mandate construction of new buildings of historical design. New construction shall complement original historic buildings or shall be built in a manner which is complementary to the overall character of the district in scale, building materials, and colors.

For purposes of describing the scale and character required in new construction within the Historic District, the district is herein subdivided into two (2) general building style districts as shown on Map 12-2.1: the "residential" wood cottages district and the "commercial" brick structures district. Within the wood cottages district all new construction shall conform to the building types I and II, described herein, in scale, building materials and colors. Within the brick structures district all new construction shall conform to the building types I, II, or III (described herein) in scale, building materials and colors. The regulations for the two (2) building style districts will establish building heights and setbacks and will illustrate relationships between the streetscape, the building and exterior architectural elements of the building. The streetscape element

regulations established in paragraph (5), above, are applicable to all new construction in the Historic District, no matter what style building. If new construction is intended to match historical designs, then the building elements described in paragraphs (6)(a) to (l) should be utilized as guidelines. If it is to be a replica of a historic building, the building must be of a historic style characteristic of the Pensacola Historic District.

- (a) Figure 12-2.1 illustrates the scale and characteristics of building types I and II for the wood cottages district.
- (b) Figure 12-2.2 illustrates the scale and characteristics of building type III for the brick structures district.
- (c) Aragon subdivision Block "L" & "N" and lots within Privateer's Alley shall conform to Section 12-2-12(B)(5)(j), GRD-1 Architectural Review Standards, with the exception of section 12-2-12(B)(5)(j)5., Doors. Exterior doors shall comply with 12-2-10(A)(6)(e) of this section.

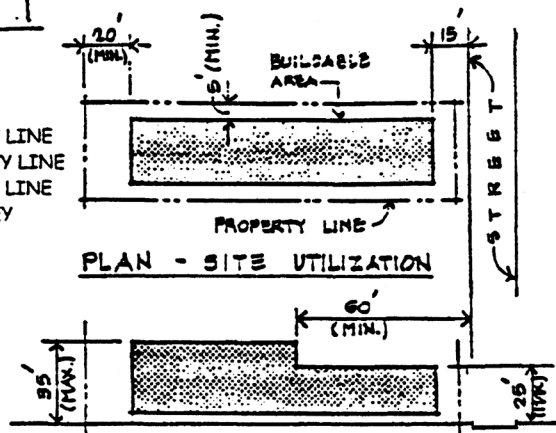


MAP 12-2.1—HISTORIC BUILDING STYLE DISTRICTS

# STREET SCAPE - TYPE 1

SETBACKS - FRONT - 15' FROM STREET EDGE  
 SIDE - 5' MIN. FROM PROPERTY LINE  
 REAR - 20' MIN. FROM PROPERTY LINE  
 5' MIN. FROM PROPERTY LINE  
 ADJACENT TO AN ALLEY

HEIGHT - 1 1/2 STORY (25' MAX.)  
 2 1/2 STORY (35' MAX.)



ELEVATION - SITE UTILIZATION

SECTION - SITE UTILIZATION

*ITEM	DIMENSION	MATERIAL	REMARKS
A - WALK	6'-0"	12" SQ. CONC.	PAVER UNITS
B - YARD	9'-0"	GRASS	LANDSCAPING
C - PORCH	6'-0"	1x WOOD	TONGUE & GROOVE
D - FOUNDATION	2'-8"	BRICK PIERS	WOOD LATTICE IN-FILL
E - RAIL	2'-8"	WOOD	
F - COLUMNS	9'-0"	WOOD	
G - ROOF RIDGE	10'-8"	WOOD	
H - ROOF RIDGE	10'-0"	WOOD	

\*SEE CHAPTER 3 & 4 FOR BUILDING ELEMENTS DESCRIPTION.

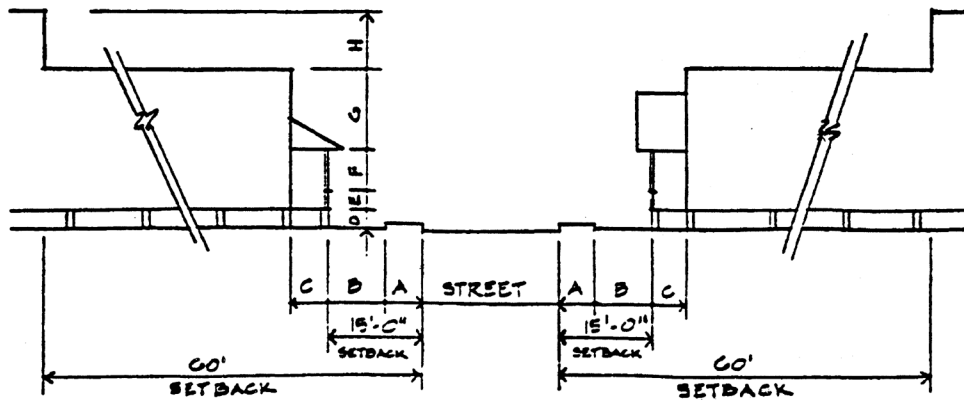


FIGURE 12-2.1—WOOD COTTAGES DISTRICT—Streetscape, Type 1

# STREETSCAPE - TYPE 1

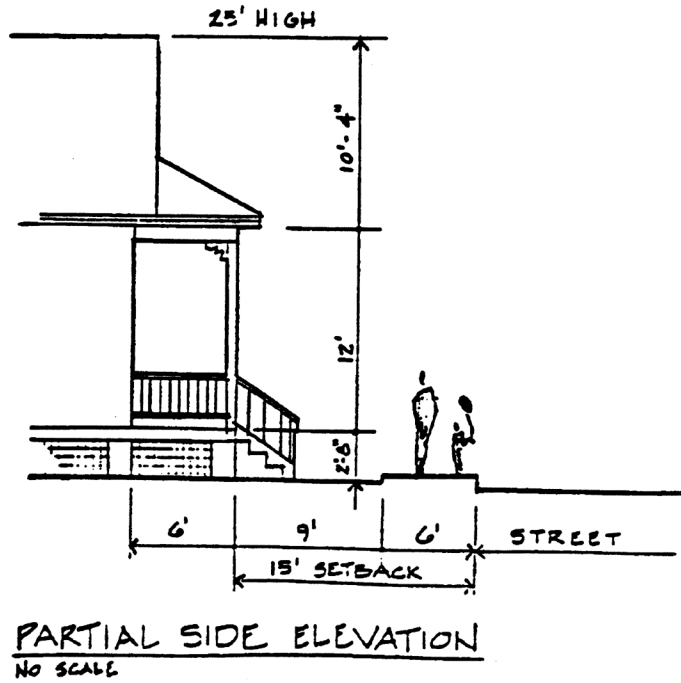
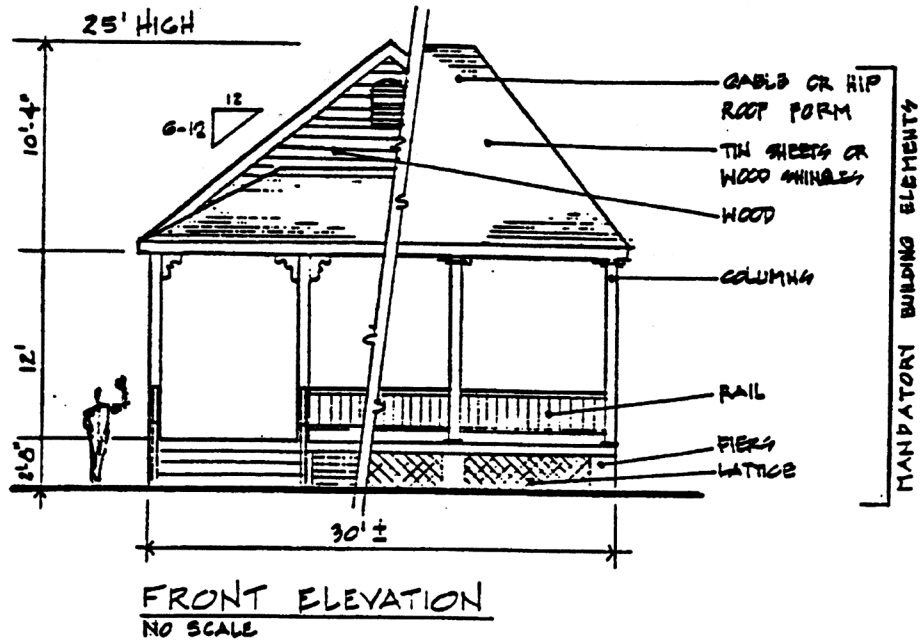
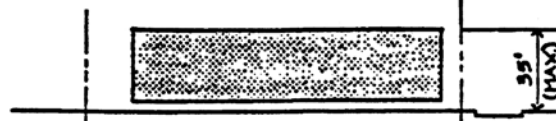
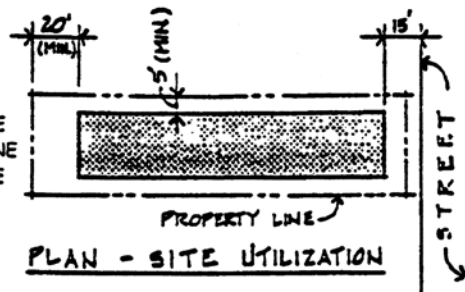


FIGURE 12-2.1—WOOD COTTAGES DISTRICT—Streetscape, Type 1

## STREETSCAPE - TYPE 2

SETBACKS - FRONT - 15' FROM STREET EDGE  
 SIDE - 5' MIN. FROM PROPERTY LINE  
 REAR - 20' MIN. FROM PROPERTY LINE  
 5' MIN. FROM PROPERTY LINE  
 ADJACENT TO AN ALLEY

HEIGHT - 2 1/2 STORY (35' MAX.)



ELEVATION - SITE UTILIZATION

SECTION - SITE UTILIZATION

ITEM #	DIMENSION	MATERIAL	REMARKS
A - WALK	4'-0"	12" SQ. CONC.	PAVER UNITS
B - YARD	11'-0"	GRASS	LANDSCAPING
C - PORCH	8'-0"	1 x WOOD	TONGUE & GROOVE
D - FOUNDATION	1'-4"	BRICK PIERS	
E - RAIL	2'-6"	WOOD	
F - COLUMNS	8'-0"	WOOD	
G - PORCH	1'-0"	WOOD	
H - RAIL	2'-6"	WOOD	
I - COLUMNS	6'-0"	WOOD	
J - ROOF RIDGE	10'-0"	WOOD	
			# SEE CHAPTER 3 & 4 FOR HISTORICAL BUILDING ELEMENT DESCRIPTIONS.

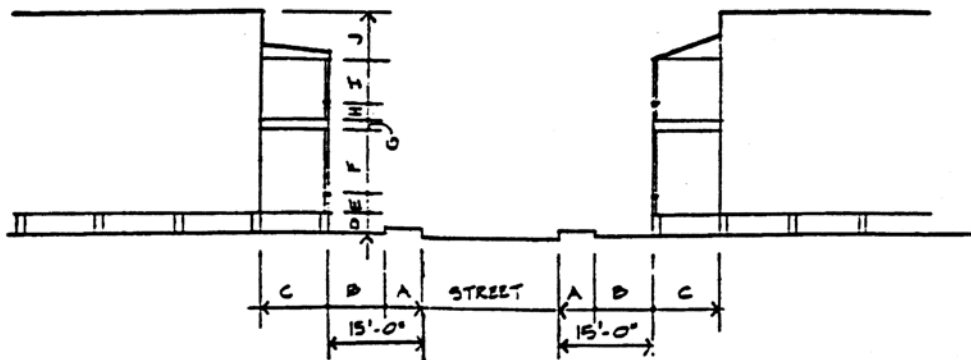


FIGURE 12-2.1—WOOD COTTAGES DISTRICT—Streetscape, Type 2

STREETSCAPE - TYPE 2

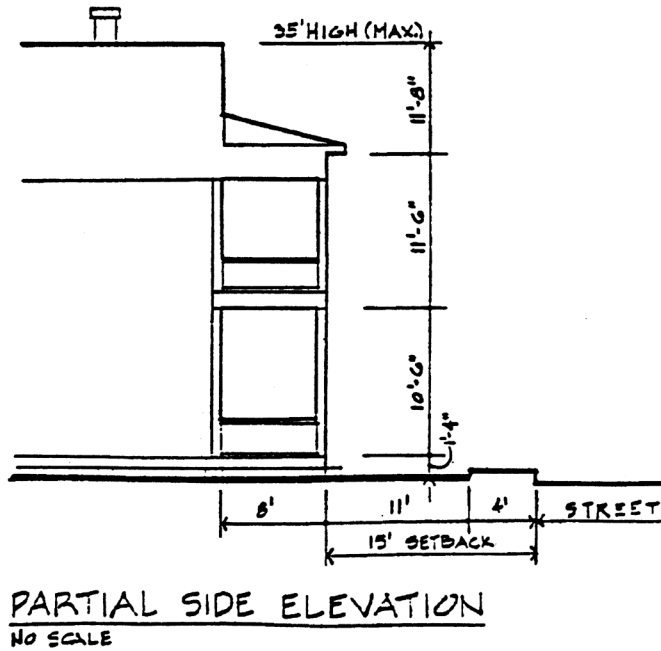
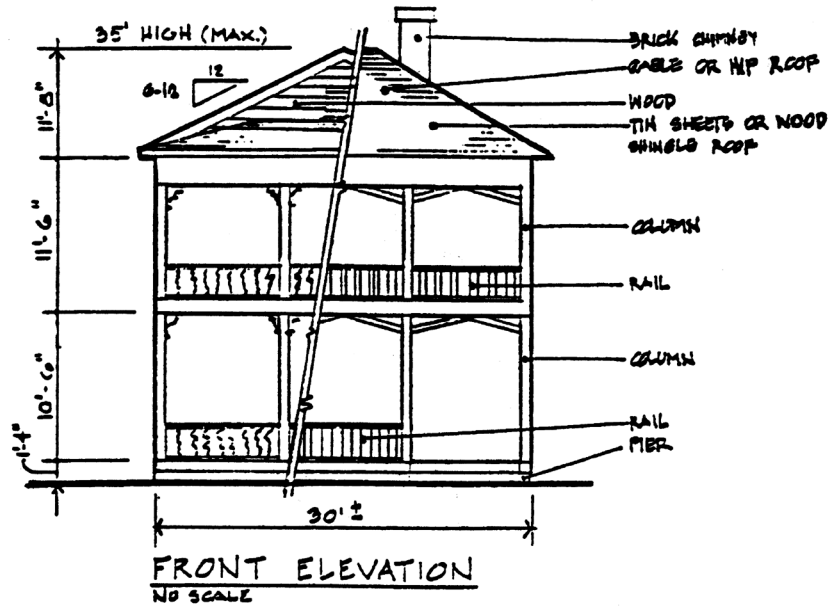
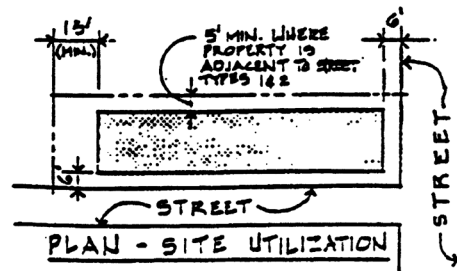


FIGURE 12-2.1—WOOD COTTAGES DISTRICT—Streetscape, Type 2

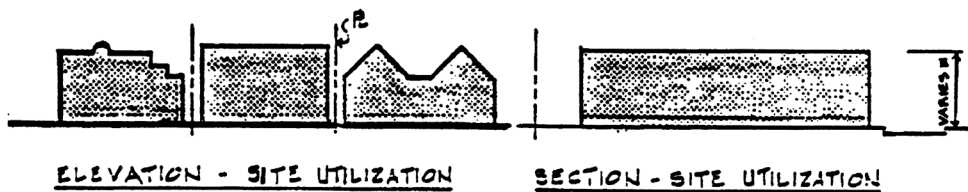


# STREETSCAPE - TYPE 3

- SETBACKS - FRONT - 6' FROM STREET EDGE  
 SIDE - 5' MIN. FROM PROPERTY LINE  
 0' MIN. FROM PROPERTY LINE  
 FOR LOTS WITHIN ARAGON  
 S/D PRIVATEER'S ALLEY  
 REAR - 15' MIN. FROM PROPERTY LINE  
 5' MIN. FROM PROPERTY LINE  
 ADJACENT TO AN ALLEY OR  
 WITHIN ARAGON S/D PRIVATEER'S  
 ALLEY



\*HEIGHT - BUILDING HEIGHT SHALL BE LIMITED TO THE ADJACENT LOT'S STREETSCAPE TYPE.



ITEM	DIMENSION	MATERIAL	REMARKS
A - WALK B - ROOF RIDGE OR PARAPET	6'-0" •	12" SQ. CONC. BRICK	PAVER UNITS SEE HEIGHT LIMIT, ABOVE  ARAGON S/D BLK "L" & "N" AND LOTS WITHIN PRIVATEER'S ALLEY SHALL CONFORM TO SECTION 12-2-12(B)(5)(j), GRD-1 ARCHITECTURAL REVIEW STANDARDS WITH THE EXCEPTION OF SEC. 12-2- 12(B)(5)(j)5., DOORS. EXTERIOR DOORS SHALL COMPLY WITH 12-2-10(A)(6)(e) OF THIS SECTION.

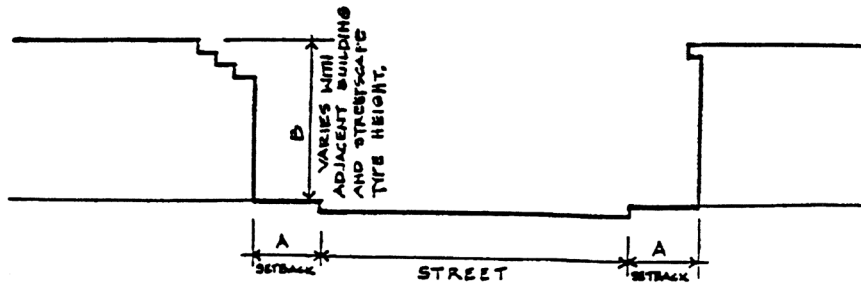
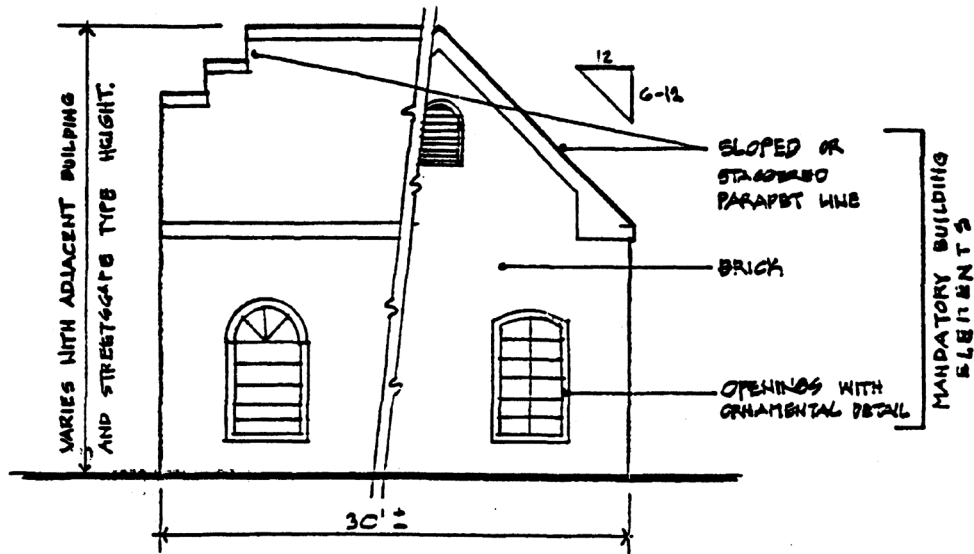


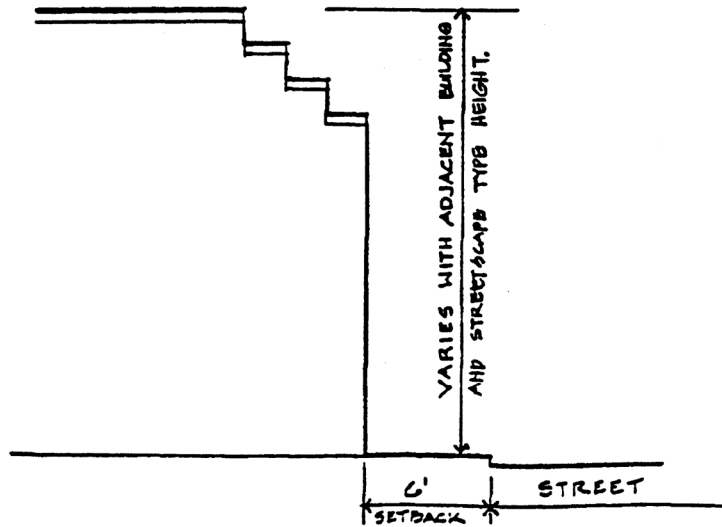
FIGURE 12-2.2—BRICK STRUCTURES DISTRICT—Streetscape, Type 3

### STREETSCAPE - TYPE 3



### FRONT ELEVATION

NO SCALE



### PARTIAL SIDE ELEVATION

NO SCALE

FIGURE 12-2.2—BRICK STRUCTURES DISTRICT—Streetscape, Type 3

- (9) *Demolition of contributing structures.* Demolition of a contributing structure constitutes an irreplaceable loss to the quality and character of the Historic District and is strongly discouraged. Therefore, no permit shall be issued for demolition of a contributing structure unless the owner demonstrates to the board clear and convincing evidence of

unreasonable hardship. Provided, however, nothing herein shall prohibit the demolition of a contributing structure if the building official determines that there is no reasonable alternative to demolition in order to bring the structure in compliance with the unsafe building code. When the owner fails to prove unreasonable economic hardship the applicant may provide to the board additional information which may show unusual and compelling circumstances in order to receive board recommendation for demolition of the contributing structure.

The board shall be guided in its decision by balancing the historic, architectural, cultural and/or archaeological value of the particular structure against the special merit of the proposed replacement project.

(a) Unreasonable economic hardship. When a claim of unreasonable economic hardship is made, the public benefits obtained from retaining the historic resource must be analyzed and duly considered by the board. The owner shall submit to the board for its recommendation the following information:

1. For all property:

- a. The assessed value of the land and improvements thereon according to the two (2) most recent assessments;
- b. Real estate taxes for the previous two (2) years;
- c. The date of purchase of the property or other means of acquisition of title, such as by gift or inheritance, and the party from whom purchased or otherwise acquired;
- d. Annual debt service, if any, for the previous two (2) years;
- e. All appraisals obtained within the previous two (2) years by the owner or applicant in connection with his purchase, financing or ownership of the property;
- f. Any listing of the property for sale or rent, price asked and offers received, if any;
- g. Any consideration by the owner as to profitable adaptive uses for the property;
- h. Replacement construction plans for the contributing structure in question;
- i. Financial proof of the ability to complete the replacement project which may include but not be limited to a performance bond, a letter of credit, a trust for completion of improvements, or a letter of commitment from a financial institution; and
- j. The current fair market value of the property, as determined by at least two (2) independent appraisals made by appraisers with competent credentials.

2. For income-producing property:

- a. Annual gross income from the property for the previous two (2) years;

- b. Itemized operating and maintenance expenses for the previous two (2) years, including proof that adequate and competent management procedures were followed;
- c. Annual cash flow, if any, for the previous two (2) years; and
- d. Proof that efforts have been made by the owner to obtain a reasonable return on his investment based on previous service.

The applicant shall submit all necessary materials to the board at least fifteen (15) days prior to the board hearing in order that staff may review and comment and/or consult on the case. Staff and/or professional comments shall be forwarded to the board for consideration and review and made available to the applicant for consideration prior to the hearing.

The board may require that an applicant furnish such additional information that is relevant to its determination of unreasonable economic hardship and may require that such additional information be furnished under seal. The board or its agent may also furnish additional information as the board believes is relevant. The board shall also state which form of financial proof it deems relevant and necessary to a particular case.

In the event that any of the required information is not reasonably available to the applicant and cannot be obtained by the applicant, the applicant shall file with his affidavit a statement of the information which cannot be obtained and shall describe the reasons why such information cannot be obtained.

- (b) Unusual and compelling circumstances and demolition of a contributing structure. When an applicant fails to prove economic hardship in the case of a contributing structure, the applicant may provide to the board additional information which may show unusual and compelling circumstances in order to receive board recommendation for demolition of the contributing structure. The board, using criteria set forth in this subsection, shall determine whether unusual and compelling circumstances exist and shall be guided in its recommendation in such instances by the following additional considerations:
  - 1. The historic or architectural significance of the structure;
  - 2. The importance of the structure to the integrity of the Historic District;
  - 3. The difficulty or the impossibility of reproducing such a structure because of its design, texture, material, detail, or unique location;
  - 4. Whether the structure is one of the last remaining examples of its kind in the Historic District;
  - 5. Whether there are definite plans for reuse of the property if the proposed demolition is carried out and what effect such plans will have on the architectural, cultural, historical, archaeological, social, aesthetic, or environmental character of the surrounding area, as well as the economic impact of the new development; and

6. Whether reasonable measures can be taken to save the structure from further deterioration, collapse, arson, vandalism or neglect.
- (c) Recommendation of demolition. Should the applicant for demolition of a contributing structure satisfy the board that he will suffer an economic hardship if a demolition permit is not recommended, or, if in failing to demonstrate economic hardship, the applicant demonstrates unusual and compelling circumstances which dictate demolition of the contributing structure, either a recommendation for demolition or a recommendation for a six-month moratorium on the demolition shall be made.

In the event that the board recommends a six-month moratorium on the demolition, within the moratorium period, the board shall consult with the Historic Pensacola Preservation Board, the city of Pensacola and any other applicable public or private agencies to ascertain whether any of these agencies or corporations can preserve or cause to be preserved such architectural or historically valuable buildings. If no agencies or organizations are prepared to preserve the building(s) or cause their preservation, then the board shall recommend approval of the demolition.

Following recommendation for approval of demolition, the applicant must seek approval of replacement plans prior to receiving a demolition permit and other building permits. Replacement plans for this purpose shall include, but shall not be restricted to, project concept, preliminary elevations and site plans, and adequate working drawings for at least the foundation plan which will enable the applicant to receive a permit for foundation construction. The board may waive the requirements for replacement plans under extreme, unusual and compelling circumstances or public safety purposes.

Applicants that have received a recommendation for demolition shall be permitted to receive such demolition permit without additional board action on demolition, following the board's recommendation of a permit for new construction.

- (d) Prevention of demolition by neglect.
1. All contributing structures within the Historic District shall be preserved against decay and deterioration and kept free from certain structural defects by the owner thereof or such other person or persons who may have legal custody and control thereof. The owner or other person having such legal custody and control shall repair such building, object, site, or structure if it is found to have any of the following defects:
    - a. Deteriorated or inadequate foundation. Defective or deteriorated flooring or floor supports or flooring or floor supports of insufficient size to carry imposed loads with safety;
    - b. Members of walls, partitions or other vertical supports that split, lean, list or buckle due to defective material or deterioration. Members of walls, partitions or other vertical supports that are of insufficient size to carry imposed loads with safety;
    - c. Members of ceilings, roofs, ceiling and roof supports or other horizontal members which sag, split, or buckle due to defective materials or

deterioration. Members of ceilings, roofs, ceiling and roof supports or other horizontal members that are of insufficient size to carry imposed loads with safety;

- d. Fireplaces or chimneys which list, bulge or settle due to defective materials or deterioration. Fireplaces or chimneys which are of insufficient size or strength to carry imposed loads with safety;
- e. Deteriorated or ineffective waterproofing of exterior walls, roofs, foundations or floors, including broken windows or doors. Defective protection or lack of weather protection for exterior wall coverings, including lack of paint, or weathering due to lack of paint or other protective covering. Any fault or defect in the building which renders same structurally unsafe or not properly watertight.

In addition, the owner or other person having legal custody and control of an historic landmark or a building, object, site, or structure located in an historic district shall keep all property, including vacant property, clear of all weeds, fallen trees or limbs, debris, abandoned vehicles, and all other refuse.

- 2. The board, on its own initiative, may file a petition with the building official requesting that he proceed to require correction of defects or repairs to any structure covered by a. above so that such structure shall be preserved and protected in accordance with the purposes of this ordinance and the public safety and housing ordinance.

(10) *Other demolition permits.* All applications for permits to demolish structures other than contributing structures shall be referred to the board for the purpose of determining whether or not the structure may have historical, cultural, architectural, or archaeological significance. Such determination shall be made in accordance with the criteria found in paragraph (9)(b)1. to 6., above.

The board shall make such determination within thirty (30) days after receipt of the completed application and shall notify the building official in writing. If the structure is determined to have no cultural, historical, architectural, or archaeological significance, a demolition permit may be issued immediately, provided such application otherwise complies with the provisions of all city code requirements.

If said structure is determined by the board to have historical significance, the board shall make such information available to the Preservation Board for review and recommendation as to significance. If the board concurs in the significance, using criteria set forth in paragraph (9)(b)1. to 6., above, the board shall recommend to the city council that the structure be designated a contributing structure.

Upon such a recommendation by the board, issuance of any permit shall be governed by paragraph (9)(c), above.

(11) *Treatment of site following demolition.* Following the demolition or removal of any buildings, objects or structures located in the Historic District, the owner or other person having legal custody and control thereof shall (1) remove all traces of previous construction, including foundation, (2) grade, level, sod and/or seed the lot to prevent erosion and improve drainage, and (3) repair at his own expense any damage to public

rights-of-way, including sidewalks, curb and streets, that may have occurred in the course of removing the building, object, or structure and its appurtenances.

(B) *North Hill preservation zoning districts. PR-1AAA, PR-2, PC-1.*

- (1) *Purpose.* The North Hill preservation zoning districts are established to preserve the unique architecture and landscape character of the North Hill area, and to promote orderly redevelopment which complements and enhances the architecture of this area of the city.
- (2) *Character of the district.* The North Hill Preservation District is characterized by mostly residential structures built between 1870 and the 1930's. Queen Anne, Neoclassical, Tudor Revival, Craftsman Bungalow, Art Moderne and Mediterranean Revival are among the architectural styles found in North Hill. North Hill is listed on the National Register of Historic Places.

(3) *Uses permitted.*

(a) PR-1AAA, single-family district.

1. Single-family dwellings at a maximum density of 4.8 units per acre.
2. Home occupations, as regulated in section 12-2-33.
3. Community residential homes licensed by the Florida Department of Health and Rehabilitative Services with six (6) or fewer residents providing that it is not to be located within one thousand (1,000) feet of another such home. If it is proposed to be within one thousand (1,000) feet of another such home, measured from property line to property line, it shall be permitted with city council approval after public notification of property owners in a five-hundred-foot radius.
4. Municipally owned or operated parks or playgrounds.
5. Public schools and educational institutions having a curriculum the same as ordinarily given in public schools and colleges.
6. Libraries, community centers and buildings used exclusively by the federal, state, regional, county and city government for public purposes.
7. Churches, Sunday school buildings and parish houses.
8. Conditional uses permitted: Two-family dwellings (duplex) at a maximum density of 9.6 units per acre.
9. Accessory buildings and uses customarily incidental to the above uses not involving the conduct of a business.
10. Family day care homes licensed by the Florida Department of Children and Family Services as defined in the Florida Statutes.

(b) PR-2, multiple-family district.

1. Any use permitted in the PR-1AAA district.
2. Single-family, two-family and multifamily residential attached or detached units with a maximum density of thirty-five (35) dwelling units per acre.

3. Community residential homes licensed by the Florida Department of Health and Rehabilitative Services with seven (7) to fourteen (14) residents providing that it is not to be located within one thousand two hundred (1,200) feet of another such home in a multifamily district, and that the home is not within five hundred (500) feet of a single-family zoning district. If it is proposed to be within one thousand two hundred (1,200) feet of another such home in a multifamily district and/or within five hundred (500) feet of a single-family zoning district it shall be permitted with city council approval after public notification of property owners in a five-hundred-foot radius.
  4. Bed and breakfast subject to regulations in section 12-2-55.
  5. Conditional uses permitted:
    - a. Private clubs and lodges except those operated primarily as commercial enterprises.
    - b. Office buildings (under five thousand (5,000) square feet).
    - c. Antique shops—No outside displays.
    - d. Art galleries—No outside displays.
    - e. Social services homes/centers.
    - f. Boarding and lodging houses.
    - g. Childcare facilities subject to regulations in section 12-2-58.
  6. Accessory buildings. Buildings and uses customarily incidental to any of the above uses, including storage garages when located on the same lot not involving the conduct of a business.
- (c) PC-1, preservation commercial district.
1. Any use permitted in the PR-2 district, including conditional uses.
  2. Hand craft shops for custom work or making custom items not involving unreasonable noise, odor or chemical waste.
  3. Office buildings (under seven thousand (7,000) square feet).
  4. Barbershops and beauty parlors.
  5. Florists.
  6. Studios.
  7. Vending machines when an accessory to a business establishment and located inside the same building as the business.
  8. Conditional uses permitted:
    - a. Gas stations.
    - b. Other retail shops.
    - c. Office buildings (over seven thousand (7,000) square feet).



d. Restaurants, with the exception of drive-in restaurants.

9. Accessory buildings and uses customarily incidental to the above uses.

(4) *Procedure for review.*

(a) Review and approval. All activities regulated by this subsection shall be subject to review and approval by the architectural review board as established in section 12-13-3. The board shall adopt written rules and procedures for abbreviated review for paint colors, minor repairs and minor deviations in projects already approved by the board. This process may authorize the board to designate one of its members to undertake such abbreviated review without the necessity for review by the entire board, provided, however such abbreviated review process shall require review by the staff of the Historic Pensacola Preservation Board. If agreement cannot be reached as it pertains to such request for abbreviated review by the board designee and Historic Pensacola Preservation Board staff, then the matter will be referred to the entire board for a decision.

(b) Decisions.

1. General consideration. The board shall consider plans for existing buildings based on their classification as contributing, non-contributing or modern infill as depicted on the map entitled "North Hill Preservation District" adopted herein, and shall review these plans based on regulations described herein for each of these building classifications. In their review of plans for both existing buildings and new construction, the board shall consider exterior design and appearance of the building, including the front, sides, rear and roof; materials, textures and colors; plot plans or site layout, including features such as walls, walks, terraces, off-street paved areas, plantings, accessory buildings, signs and other appurtenances; and relation of the building to immediate surroundings and to the district in which it is located or to be located. The term "exterior" shall be deemed to include all of the outer surfaces of the building and exterior site work, and is not restricted to those exteriors visible from a public street or place. The board shall consider requests for design materials, alterations or additions, construction methods, paint colors or any other elements regulated herein, which do not meet the regulations as established in this subsection, when documentary proof in the form of photographs, property surveys, indication of structural foundations, drawings, descriptive essays and similar evidence can be provided. The board shall not consider interior design or plan. The board shall not exercise any control over land use or construction standards such as are controlled by this chapter and Chapter 12-5.

2. Rules governing decisions. Before approving the plans for any proposed building located or to be located in a district, the board shall find:

a. In the case of a proposed alteration or addition to an existing building, that such alteration or addition will not impair the architectural or historic value of the building.

b. In the case of a proposed new building, that such building will not, in itself or by reason of its location on the site, impair the architectural or historic

value of buildings on adjacent sites or in the immediate vicinity. No plans for new building will be approved if that building will be injurious to the general visual character of the district in which it is to be located considering visual compatibility standards such as height, proportion, shape, scale, style, materials and colors.

3. No provision of this section shall be interpreted to prevent the restoration or reconstruction of any historic building or feature (as listed by the Historic Pensacola Preservation Board) in its original style, dimensions or position on its original structural foundation.
- (c) Plan submission. Every application for a building permit to erect, construct, demolish, renovate or alter an exterior of a building, sign or exterior site work (i.e., paving and landscaping), located or to be located in the North Hill Preservation District, shall be accompanied with plans for the proposed work pursuant to subsections 12-2-10(A)(4)(c) to (e), applicable to the Historic District.
- (5) *Regulations and guidelines for any development within the preservation district.* These regulations and guidelines are intended to address the design and construction of elements common to any development within the North Hill preservation district which requires review and approval by the architectural review board. Regulations and guidelines which relate specifically to new construction and/or structural rehabilitation and repair to existing buildings, applicable to building heights, setbacks, architectural elements and construction types, are established in paragraphs (6) through (8) below.
- (a) Off-street parking. All development within the North Hill preservation district shall comply with the regulations established in Chapter 12-3. Parking lots shall comply with the requirements of Chapter 12-6. Design of and paving materials for parking lots, spaces and driveways shall be subject to approval of the architectural review board. For all parking lots, a solid wall, fence or compact hedge not less than four (4) feet high shall be erected along the lot line(s) when autos or lots are visible from the street or from an adjacent residential lot.
  - (b) Signs. Refer to sections 12-4-2 and 12-4-3 for general sign standards and criteria and for a description of sign area calculations. The location, design and materials of all accessory signs, historical markers and other signs of general public interest shall be subject to the review and approval of the architectural review board. Only the following signs shall be permitted in the North Hill preservation district:
    1. Temporary accessory signs.
      - a. One (1) non-illuminated sign advertising the sale, lease or rental of the lot or building, said sign not exceeding six (6) square feet of area.
      - b. One (1) non-illuminated sign not more than fifty (50) square feet in area in connection with new construction work, and displayed only during such time as the actual construction work is in progress.
    2. Permanent accessory signs.
      - a. One (1) sign per street frontage for churches, schools, boarding and lodging houses, libraries, and community centers, multiple-family dwellings and

historic sites serving as identification and/or bulletin boards not to exceed twelve (12) square feet in area. The signs shall be placed flat against the wall of the building, perpendicular or may be freestanding. Such signs may be illuminated provided that the source of light shall not be visible beyond the property line of the lot on which the sign is located.

- b. Commercial establishments may have one (1) attached or one (1) freestanding sign per street frontage not to exceed twelve (12) square feet provided that the freestanding sign be no closer to any property line than five (5) feet. The attached or wall signs may be placed on the front or one side of the building. As used herein, "commercial establishments" shall mean an establishment wherein products are available for purchase. Such signs may be illuminated provided the source of light shall not be visible beyond the property line of the lot on which the sign is located. Office complexes may have one freestanding sign per street frontage not to exceed twelve (12) square feet.
  - c. One (1) non-illuminated nameplate designating the name of the occupant of the property; the nameplate shall not be larger than one hundred (100) square inches and may be attached to the dwelling. This section shall be applicable to occupants and home occupations.
  - d. Municipal or state installed directional signs, historical markers and other signs of a general public interest when approved by the mayor and board.
  - e. The maximum height for freestanding signs shall be eight (8) feet. No attached sign shall extend above the eave line of a building to which it is attached.
- (c) Protection of trees. The purpose of this subsection is to establish protective regulations for specified trees within the North Hill preservation zoning districts. It is the intent of this subsection to recognize the contribution of shade trees and certain flowering trees to the overall character of the preservation district and to ensure the preservation of such trees as described below.
1. Any of the following species having a minimum trunk diameter of eight (8) inches (twenty-five and one-tenth (25.1) inches in circumference) at a height of one (1) foot above grade: Live Oak and Water Oak; Magnolia having a minimum trunk diameter of six (6) inches (eighteen and eight-tenths (18.8) inches in circumference) at a height of one (1) foot above grade; and any of the following flowering trees with a minimum trunk diameter of four (4) inches (twelve and fifty-five one hundredths (12.55) inches in circumference) at a height of one (1) foot above grade: Redbud, Dogwood, and Crape myrtle.
  2. Tree removal: No person, organization, society, association or corporation, or any agent or representative thereof, directly or indirectly, shall cut down, destroy, remove, or effectively destroy through damaging, any specimen tree, whether it be on private property or right-of-way within the defined limits of the preservation district of the city, without first having obtained a permit from the

department of leisure services to do so. Refer to section 12-6-7 for application procedures and guidelines for a tree removal permit.

3. In addition to the specific tree preservation provisions outlined in this subsection, the provisions of Chapter 12-6 shall be applicable in this district.
  - (d) Fences. All developments in the North Hill preservation zoning districts shall comply with fence regulations as established in section 12-2-40. Fences are subject to approval by the architectural review board. Approved materials will include but not necessarily be limited to wood, brick, stone or wrought iron. No concrete block or barbed-wire will be permitted. Chain-link fences shall be permitted in side and rear yard only with board approval.
  - (e) Paint colors. The architectural review board has adopted palettes of historic colors from several paint manufacturers that represent acceptable historic colors for use in the Preservation District. Samples of these palettes can be reviewed at the Historic Pensacola Preservation Board and at the office of the building inspector.
  - (f) Residential accessory structures. Residential accessory structures shall comply with regulations set forth in section 12-2-31 except that the following shall apply: Accessory structures shall not exceed one story in height for a maximum in height of twenty-five (25) feet in order for the accessory structure to match the style, roof pitch, or other design features of the main residential structure.
  - (g) Additional regulations. In addition to the regulations established above in subsections 12-2-10(B)(5)(a) through (f), any permitted use within the North Hill preservation district where alcoholic beverages are ordinarily sold is subject to the requirements of chapter 7-4 of this Code.
- (6) *Restoration, rehabilitation, alterations or additions to existing contributing structures in the North Hill preservation district.* The document entitled "Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings," published by the United States Department of Interior in 1983, shall form the basis for rehabilitation of existing contributing buildings. The proper building elements should be used in combinations which are appropriate for use together on the same building.

Documented building materials, types, styles and construction methods shall be duplicated when making repairs, alterations and/or additions to contributing structures. Any variance from the original materials, styles, etc. shall be approved only if circumstances unique to each project are found to warrant such variances.

Regulations established in Table 12-2.9 shall apply to alterations and additions to contributing structures. The regulations and guidelines established in paragraph (5), relating to streetscape elements, shall apply to contributing structures.

- (7) *Renovation, alterations and additions to noncontributing and modern infill structures within the North Hill preservation district.* Many of the existing structures within the district do not meet the criteria established for "contributing" structures, even though they may be similar in style to the historic structures, and some structures are modern in style with no relation to the historic structures. All of these buildings shall be recognized as products of their own time. The regulations and guidelines established in paragraph (5), relating to streetscape elements, shall apply to noncontributing and modern infill

structures. Regulations established in Table 12-2.9 below, shall apply to alterations and additions to existing noncontributing structures. The architectural review board has adopted palettes of historic colors from several paint manufacturers that represent acceptable historic colors for use in the district. Only paint colors approved by the board shall be permitted.

In review of these structures the board may make recommendations as to the use of particular building elements which will improve both the appearance of the individual structure, its relationship with surrounding structures and the overall district character.

- (8) *Regulations for new construction and additions to existing structures in the North Hill preservation district.* New construction is encouraged to be built in a manner which is complementary to the overall character of the district in scale, building materials and colors. The regulations established in paragraph (5), relating to streetscape elements, shall apply to new construction. Table 12-2.9 describes height, area and yard requirements for new construction and, where applicable, for additions to existing structures in the North Hill preservation district.

TABLE 12-2.9  
REGULATIONS FOR THE NORTH HILL PRESERVATION ZONING DISTRICTS

Standards	PR-1AAA	PR-2	PC-1
Minimum Yard Requirement (Minimum Building Setbacks)			
Front Yard	*30 feet	*15 feet	None 5' (for dwellings or wood frame structures only) 15'
Side Yard	9 feet	7.5 feet	
Rear Yard	30 feet	25 feet	
Minimum Lot Area for Residential Uses	9,000 s.f.	9,000 s.f. for single- family and 10,000 s.f. for multi- family	None
Minimum Lot Width at Street Row Line	50 feet	50 feet	None
Minimum Lot Width at Building Setback Line	75 feet	75 feet	None
Maximum Building Height (Except as Provided in Section 12-2-39)	35 feet	35 feet	45 feet
Minimum Floor Area	N/A	600 s.f. per dwelling unit for multi- family	None

\* Front yard depths in the North Hill Preservation zoning district shall not be less than the average depths of the front yards located on the block, up to the minimum yard requirement; in case there are no other dwellings, the front yard depths shall be no less than the footages noted.

- (9) *Demolition of structures within the North Hill Preservation District.* The demolition provisions established in subsection 12-2-10(A)(9) to (11), applicable to contributing and noncontributing structures within the historic district, shall apply in the preservation district.

(C) *Old East Hill preservation zoning districts. OEHR-2, OEHC-1, OEHC-2 and OEHC-3.*

- (1) *Purpose.* The Old East Hill preservation zoning districts are established to preserve the existing residential and commercial development pattern and distinctive architectural character of the structures within the district. The regulations are intended to preserve, through the restoration of existing buildings and construction of compatible new buildings, the scale of the existing structures and the diversity of original architectural styles.

- (2) *Character of the district.* The Old East Hill neighborhood was developed over a fifty-year period, from 1870 to the 1920's. The architecture of the district is primarily vernacular, but there are also a few properties which display influences of the major architectural styles of the time, such as Craftsman, Mission and Queen Anne styles.

- (3) *Boundaries and zoning classifications.* The boundaries of the Old East Hill preservation district shall be identified as per a map and legal description, and the zoning classifications of properties within the district shall be identified as per a map, filed in the office of the city clerk.

- (4) *Uses permitted.*

(a) *OEHR-2, residential/office district.*

1. Single-family detached dwellings.
2. Single-family attached (townhouse or quadraplex type construction) and detached zero-lot-line dwellings. Development must comply with the minimum standards established for the R-ZL zoning district in section 12-2-5(A)(5).
3. Two-family attached dwellings (duplex).
4. Multiple-family attached dwellings (three or more dwelling units).
5. Community residential homes licensed by the Florida Department of Health and Rehabilitative Services with seven (7) to fourteen (14) residents providing that it is not to be located within one thousand two hundred (1,200) feet of another such home in a multi-family district, and that the home is not within five hundred (500) feet of a single-family zoning district. If it is proposed to be within one thousand two hundred (1,200) feet of another such home in a multi-family district and/or within five hundred (500) feet of a single family zoning district it shall be permitted with city council approval after public notification of property owners in a five hundred-foot radius

6. Home occupations subject to regulations in section 12-2-10(A)(3)(a)4.
  7. Bed and breakfast subject to regulations in section 12-2-55.
  8. Boarding and lodging houses.
  9. Office buildings.
  10. Studios.
  11. Municipally owned or operated parks or playgrounds.
  12. Public schools and educational institutions having a curriculum the same as ordinarily given in public schools and colleges subject to regulations in section 12-2-65.
  13. Libraries, community centers and buildings used exclusively by the federal, state, regional, county and city government for public purposes subject to regulations in section 12-2-61.
  14. Churches, Sunday school buildings and parish houses subject to regulations in section 12-2-57.
  15. Minor structures for the following utilities: unoccupied gas, water and sewer substations or pumpstations, electrical substations and telephone substations subject to regulations in section 12-2-59.
  16. Accessory structures, buildings and uses customarily incidental to the above uses subject to regulations in section 12-2-31, except that the following shall apply:
    - a. Accessory structures shall not exceed one-story in height for a maximum height of twenty-five (25) feet in order for the accessory structure to match the style, roof pitch, or other design features of the main residential structure.
    - b. The wall of an accessory structure shall not be located any closer than six (6) feet to the wall of the main residential structure.
  17. Family day care homes licensed by the Florida Department of Children and Family Services as defined in the Florida Statutes.
- (b) *OEHC-1, neighborhood commercial district.*
1. Any use permitted in the OEHR-2 district.
  2. Child care facilities subject to regulations in section 12-2-58.
  3. Nursing homes, rest homes, convalescent homes.
  4. Parking lots.
  5. The following uses, retail only, with no outside storage or work permitted, except as provided herein:
    - a. Food and drugstore.
    - b. Personal service shops.

- c. Clothing and fabric stores.
  - d. Home furnishing, hardware and appliance stores.
  - e. Craft and specialty shops.
  - f. Banks.
  - g. Bakeries.
  - h. Secondhand stores.
  - i. Floral shops.
  - j. Martial arts studios.
  - k. Outdoor sales of trees, shrubs, plants and related landscaping materials as an accessory to indoor retail sales uses permitted by this paragraph, provided that the area is enclosed within a fence attached to the rear or side of the main building, and provided that the outdoor area does not exceed twenty (20) percent of the total area of the main building.
  - l. Restaurants.
  - m. Mortuary and funeral parlors.
  - n. Pet shops with all uses inside the principal building.
  - o. Printing firms.
  - p. Business schools.
  - q. Upholstery shops.
6. Conditional uses permitted. Animal hospitals and veterinary clinics with fully enclosed kennels and no outside runs or exercise areas.

(c) *OEHC-2, retail commercial district.*

- 1. Any use permitted in the OEHC-1 district.
- 2. Open air sales of trees, plants and shrubs. The business shall include a permanent sales or office building (including restrooms) on the site.
- 3. Hospitals, clinics.
- 4. Private clubs and lodges, except those operated as commercial enterprises.
- 5. Electric motor repair and rebuilding.
- 6. Appliance repair shop.
- 7. Garages for the repair and overhauling of automobiles.
- 8. Sign shop.
- 9. Photo shop.
- 10. Plumbing and electrical shop.
- 11. Pest extermination services.



(d) *OEHC-3, commercial district.*

1. Any use permitted in the OEHC-2 district.
2. Dive shop.
3. Fitness center.
4. Theater, except for drive-in.
5. Taverns, lounges, nightclubs, cocktail bars.

(5) *Procedure for review of plans.*

(a) *Plan submission.* Every application for a building permit to erect, construct, demolish, renovate or alter an exterior of a building or sign, located or to be located in the Old East Hill Preservation District, shall be accompanied with plans as necessary to describe the scope of the proposed work pursuant to paragraph 12-2-10(A)(4)(c) to (e).

(b) *Review and approval.* All such plans shall be subject to review and approval by the architectural review board established in section 12-13-3. The board shall adopt written rules and procedures for abbreviated review for minor repairs and minor deviations in projects already approved by the board. This process may authorize the board to designate one of its members to undertake such abbreviated review by the entire board, provided, however, such abbreviated review process shall require review by the staff of West Florida Historic Preservation, Inc. If agreement cannot be reached as it pertains to such request for abbreviated review by the board designee and West Florida Historic Preservation, Inc. staff, then the matter will be referred to the entire board for a decision.

(c) *Decisions.*

1. *General consideration.* The board shall consider plans for existing buildings based on their classification as contributing, non-contributing or modern infill as depicted on the map entitled "Old East Hill Preservation District" adopted herein, and shall review these plans based on regulations described herein for each of these building classifications. In their review of plans for both existing buildings and new construction, the board shall consider exterior design and appearance of the building, including the front, sides, rear and roof; materials and textures; plot plans or site layout, including features such as walls, walks, terraces, off-street paved areas, plantings, accessory buildings, signs and other appurtenances; and relation of the building to immediate surroundings and to the district in which it is located or to be located. The term "exterior" shall be deemed to include all of the outer surfaces of the building and exterior site work, and is not restricted to those exteriors visible from a public street or place. The board shall consider requests for design materials, alterations or additions, construction methods or any other elements regulated herein, which do not meet the regulations as established in this subsection, when documentary proof in the form of photographs, property surveys, indication of structural foundations, drawings, descriptive essays and similar evidence can be provided. The board shall not consider interior design or plan. The board shall not exercise any

control over land use or construction standards such as are controlled by this chapter and chapter 7-13.

2. Rules governing decisions. Before approving the plans for any proposed building located or to be located in a district, the board shall find:
    - a. In the case of a proposed alteration or addition to an existing building, that such alteration or addition will not impair the architectural or historic value of the building.
    - b. In the case of a proposed new building, that such building will not, in itself or by reason of its location on the site, impair the architectural or historic value of buildings on adjacent sites or in the immediate vicinity. No plans for new building will be approved if that building will be injurious to the general visual character of the district in which it is to be located considering visual compatibility standards such as height, proportion, shape, scale, style and materials.
  3. No provision of this section shall be interpreted to prevent the restoration or reconstruction of any historic building or feature (as listed by West Florida Historic Preservation, Inc.) in its original style, dimensions or position on its original structural foundation.
  4. No provision of this section shall be interpreted to require a property owner to make modifications, repairs or improvements to property when the owner does not otherwise intend to make any modifications, repairs or improvements to the property, unless required by chapter 7-13.
- (6) *Regulations and guidelines for any development within the Old East Hill preservation district.* These regulations and guidelines are intended to address the design and construction of elements common to any development within the Old East Hill preservation district which requires review and approval by the architectural review board. Regulations and guidelines which relate specifically to new construction and/or structural rehabilitation and repair to existing buildings, applicable to building heights, setbacks, architectural elements and construction types, are established in paragraphs (6) through (8) below.
- (a) *Off-street parking.* Design of, and paving materials for, parking lots, spaces and driveways shall be subject to approval of the architectural review board. For all parking lots, a solid wall, fence or compact hedge not less than three (3) feet high shall be erected along the lot line(s) when automobiles or parking lots are visible from the street or from an adjacent residential lot.
    1. OEHR-2 district. All non-residential development shall comply with off-street parking requirements established in chapter 12-3.
    2. OEHC-1, OEHC-2 and OEHC-3 districts. All non-residential development shall comply with off-street parking requirements established in chapter 12-3. The required parking may be provided off-site by the owner/developer as specified in section 12-3-1(D).

- (b) *Landscaping.* Landscape area requirements and landscape requirements for parking lots within the OEHR-2, OEHC-1 and OEHC-2 districts shall comply with regulations established in section 12-6-3 for the R-2, C-1 and C-2 zoning districts.
- (c) *Signs.* Refer to sections 12-4-2 and 12-4-3 for general sign standards and criteria and for a description of sign area calculations. The location, design and materials of all accessory signs, historical markers and other signs of general public interest shall be subject to the review and approval of the architectural review board. Only the following signs shall be permitted in the Old East Hill preservation district:
  - 1. Temporary accessory signs.
    - a. One non-illuminated sign advertising the sale, lease or rental of the lot or building, said sign not exceeding six (6) square feet of area.
    - b. One non-illuminated sign not more than fifty (50) square feet in area in connection with new construction work, and displayed only during such time as the actual construction work is in progress.
  - 2. Permanent accessory signs.
    - a. North 9th Avenue, Wright Street, Alcaniz Street and Davis Street. For churches, schools, apartment buildings, boarding or lodging houses, libraries, community centers, commercial buildings (including office and retail buildings) or historic sites serving as identification and/or bulletin boards, one freestanding or projecting sign and one attached wall sign or combination of wall signs placed on the front or one side of the building not to exceed fifty (50) square feet in area. The signs may be painted on the building, mounted to the face of the wall of the building, hung from a bracket that is mounted to a wall of a building, hung from other ornamental elements on the building, or may be freestanding. Signs projecting from a building or extending over public property shall maintain a clear height of nine (9) feet, six (6) inches above the public property and shall not exceed a height of twelve (12) feet. Freestanding signs shall not exceed a height of twelve (12) feet.
    - b. All other streets in the district. One sign per lot per street frontage for churches, schools, apartment buildings, boarding or lodging houses, libraries, community centers, commercial buildings (including office and retail buildings) or historic sites serving as identification and/or bulletin boards not to exceed twelve (12) square feet in area and eight (8) feet in height, provided, however that signs projecting from a building or extending over public property shall maintain a clear height of nine (9) feet six (6) inches above the public property and shall not exceed a height of twelve (12) feet six (6) inches. The sign may be mounted to the face of the wall of the building, hung from a bracket that is mounted to a wall of a building, hung from other ornamental elements on the building, or may be freestanding. The sign may be illuminated provided that the source of light is not visible beyond the property line of the lot on which the sign is located.

- c. One non-illuminated nameplate designating the name of the occupant of the property; the nameplate shall not be larger than three (3) square feet and shall be attached to the dwelling. This section shall be applicable to occupants and home occupations.
  - d. Municipal or state installed directional signs, historical markers and other signs of a general public interest when approved by the board.
- (d) *Fences.* All developments in the Old East Hill preservation zoning districts shall comply with fence regulations as established in section 12-2-40. Fences are subject to approval by the architectural review board. Approved materials will include but not necessarily be limited to wood, brick, stone or wrought iron. No concrete block or barbed-wire fences will be permitted. Chain-link fences shall be permitted in side and rear yard only.
- (e) *Additional regulations.* In addition to the regulations established above in subsections 12-2-10(C)(6)(a) through (d), any permitted use within the Old East Hill preservation district where alcoholic beverages are ordinarily sold is subject to the requirements of Chapter 7-4 of this Code.
- (7) *Restoration, rehabilitation, alterations or additions to existing contributing structures in the Old East Hill preservation district.* The document entitled "Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings," published by the United States Department of Interior in 1983, shall form the basis for rehabilitation of existing contributing buildings. The proper building elements should be used in combinations which are appropriate for use together on the same building. Documented building materials, types, styles and construction methods shall be duplicated when making repairs, alterations and/or additions to contributing structures. Any variance from the original materials, styles, etc. shall be approved only if circumstances unique to each project are found to warrant such variances.

The regulations established in paragraph (6), relating to streetscape elements, shall apply to contributing structures. Regulations established in Table 12-2.10 shall apply to alterations and additions to contributing structures.

- (8) *Renovation, alterations and additions to non-contributing and modern infill structures within the Old East Hill preservation district.* Many of the existing structures within the district do not meet the criteria established for contributing structures, even though they may be similar in style to the historic structures, and some structures are modern in style with no relation to the historic structures. All of these buildings shall be recognized as products of their own time. The regulations established in paragraph (6), relating to streetscape elements, shall apply to non-contributing and modern infill structures. Regulations established in Table 12-2.10 shall apply to alterations and additions to existing non-contributing structures.

In review of these structures the board may make recommendations as to the use of particular building elements which will improve both the appearance of the individual structure, its relationship with surrounding structures and the overall district character.

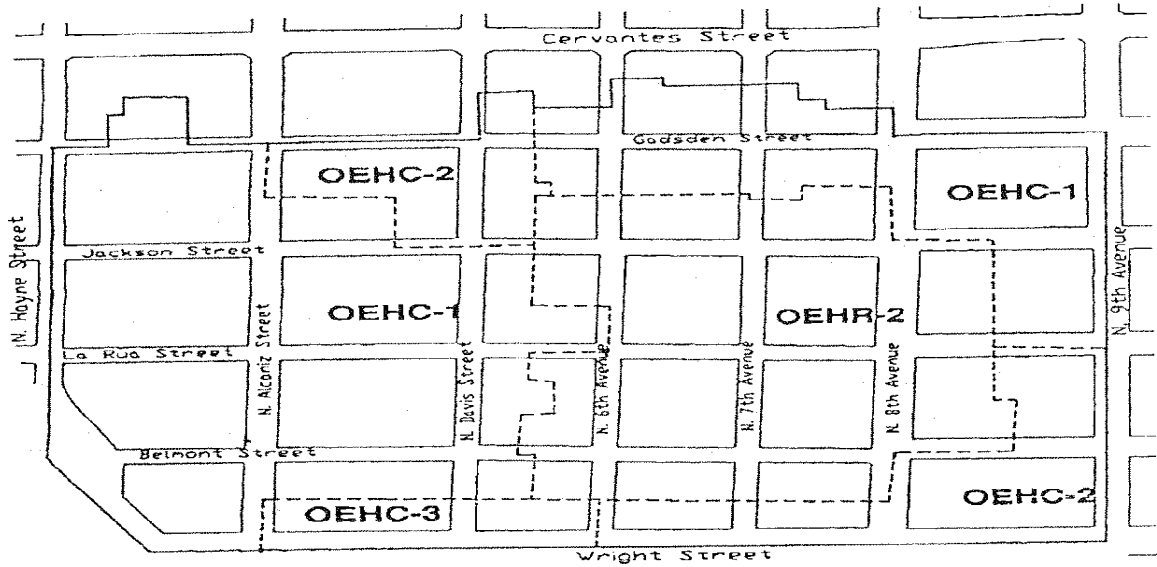
- (9) *Regulations for new construction in the Old East Hill preservation district.* New construction shall be built in a manner which is complementary to the overall character of the district in height, proportion, shape, scale, style and building materials. The regulations established in paragraph (6), relating to streetscape elements, shall apply to new construction. Table 12-2.10 describes height, area and yard requirements for new construction in the Old East Hill preservation district.
- (10) *Demolition of structures within the Old East Hill preservation district.* The demolition provisions established in section 12-2-10(A)(9) to (11), applicable to contributing and non-contributing structures within the Historic District, shall apply in the preservation district.

TABLE 12-2.10  
REGULATIONS FOR OLD EAST HILL PRESERVATION ZONING DISTRICTS

Standards	OEHR-2	OEHC-1	OEHC-2	OEHC-3
Minimum Yard Requirement (Minimum Building Setbacks)				
Front Yard Side Yard Rear Yard	*15 feet 5 feet 15 feet	There shall be a 5' side yard setback, but no front or rear yard setbacks, unless this chapter requires a larger yard or buffer yard.		None
Minimum Lot Area For Residential Uses				
Single-family Detached Residential Duplex Residential Multi-family Residential	3,500 s.f. 5,000 s.f. 9,000 s.f.	None		
Minimum Lot Width at Street Row Line	30 feet	None		
Minimum Lot Width at Building Setback Line	30 feet	None		

Maximum Lot Coverage	N/A	The maximum combined area of all principal and accessory buildings shall not exceed 50% of the square footage of the lot.	None
Maximum Building Height (except as provided in section 12-2-39)	Residential buildings shall not exceed two (2) stories in height, with a usable attic. No building shall exceed thirty-five (35) feet in height, except that three (3) feet may be added to the height of the building for each foot the building is set back from the building setback or property lines to a maximum height of 45' with approval of the architectural review board.		
Minimum Floor Area For Multi-Family Developments	600 square feet per dwelling unit		
* Front yard depths in the Old East Hill preservation zoning district shall not be less than the average depths of all of the front yards facing the street on the block, up to the minimum yard requirement; in case there are no other dwellings, the front yard depth shall be no less than the footage noted.			

(Ord. No. 6-93, §§ 7, 8, 3-25-93; Ord. No. 17-93, § 1, 6-10-93; Ord. No. 29-93, §§ 7—12, 11-18-93; Ord. No. 32-93, §§ 1, 2, 12-16-93; Ord. No. 3-94, §§ 5, 6, 1-13-94; Ord. No. 11-94, § 2, 4-14-94; Ord. No. 9-96, §§ 5—8, 1-25-96; Ord. No. 35-97, §§ 1—3, 10-23-97; Ord. No. 40-99, §§ 6—9, 10-14-99; Ord. No. 44-99, § 1, 11-18-99; Ord. No. 13-00, § 1, 3-9-00; Ord. No. 50-00, §§ 1, 2, 10-26-00; Ord. No. 2-01, §§ 1—3, 1-11-01; Ord. No. 6-02, § 2, 1-24-02; Ord. No. 22-02, § 1, 9-26-02; Ord. No. 13-06, §§ 5—9, 4-27-06; Ord. No. 03-09, § 1, 1-8-09; Ord. No. 16-10, §§ 198, 199, 9-9-10)



Old East Hill Preservation District

SECTION 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

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. 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

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File #: 06-17

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** City Council Member Andy Terhaar

**SUBJECT:**

PROPOSED ORDINANCE NO. 06-17 - PROPOSED AMENDMENT TO SECTION 12-2-8 (B) (1) OF THE LAND DEVELOPMENT CODE - ADDITION OF MEDICAL MARIJUANA DISPENSARY

**RECOMMENDATION:**

That City Council approve Proposed Ordinance No. 06-17 on second reading.

AN ORDINANCE AMENDING SECTION 12-2-8 (B) (1) OF THE CODE OF THE CITY OF PENSACOLA; AMENDING THE LAND DEVELOPMENT CODE, ADDITION OF MEDICAL MARIJUANA DISPENSARY; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

The Land Development Code (LDC) is the principal means of planning and regulating the development and redevelopment of land in the City. The LDC was adopted by City Council in its present form in 1991 pursuant to the Local Government Comprehensive Planning and Land Development Regulation Act. From time to time, it is necessary to amend the LDC to provide consistency with the Comprehensive Plan and to respond to community concerns, legal considerations, changes in development patterns and planning techniques as well as addressing Legislative considerations.

In 2014, the Florida Legislature passed, and Gov. Rick Scott signed, a bill that attempted to exempt a limited class of individuals with certain medical disorders and their legal representatives from criminal penalties for using and possessing low-THC cannabis that was ordered for the patients by their physicians. Then, in 2016, the legislature passed a bill intended to improve the law, which would also allow terminally ill patients to access all forms of medical cannabis, all of which has been codified under Section 381.986 Florida Statutes.

As part of this legislation, parameters were placed on the dispensing of Medical Marijuana with the onus being placed on the Department of Health. The Department of Health has issued authorizations to the five organizations permitted under current law to cultivate and dispense medical cannabis for and to qualified

patients. The five organizations were required to be geographically dispersed, with one each in northwest Florida, northeast Florida, central Florida, southeast Florida, and southwest Florida.

In September of 2016, the City Council voted to refer this item to the Planning Board for review and recommendation. The Planning Board discussed this item at their October Planning Board meeting and recommended approval of this amendment to the Land Development Code.

**PRIOR ACTION:**

September 15, 2016 - City Council referred item to the Planning Board

October 11, 2016 - Planning Board recommends amendment to the Land Development Code

January 12, 2017- City Council held first public hearing

February 9, 2017- City Council held second public hearing and adopted Proposed Ordinance No. 06-17 on first reading

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

None

**STAFF CONTACT:**

Don Kraher, Council Executive

**ATTACHMENTS:**

- 1) Proposed Ordinance No. 06-17

**PRESENTATION:** No

PROPOSED  
ORDINANCE NO. 06-17

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE  
TO BE ENTITLED:

AN ORDINANCE AMENDING SECTION 12-2-8 (B) (1) OF THE CODE OF THE CITY OF PENSACOLA; AMENDING THE LAND DEVELOPMENT CODE, ADDITION OF MEDICAL MARIJUANA DISPENSARY; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

SECTION 1. Section 12-2-8 (B) (1) of the Code of the City of Pensacola, Florida, is hereby amended to read:

**Sec. 12-2-8. – Commercial land use district.**

Sec. 12-2-8. - Commercial land use district.

The regulations in this section shall be applicable to the retail and downtown commercial and wholesale and light industry zoning districts: C-1, C-2A, C-2, R-C and C-3.

(A) *Purpose of district.* The commercial land use district is established for the purpose of providing areas of commercial development ranging from compact shopping areas to limited industrial/high intensity commercial uses. Conventional residential use is allowed as well as residential uses on upper floors above ground floor commercial or office uses and in other types of mixed use development. New development and redevelopment projects are strongly encouraged to follow the city's design standards and guidelines contained in section 12-2-82.

The C-1 zoning district's regulations are intended to provide for conveniently supplying the immediate needs of the community where the types of services rendered and the commodities sold are those which are needed frequently. The C-1 zoning district is intended to provide a transitional buffer between mixed-use neighborhood commercial areas and more intense commercial zoning. The downtown and retail commercial (C-2A and C-2) zoning districts' regulations are intended to provide for major commercial areas intended primarily for retail sales and service establishments oriented to a general community and/or regional market. The C-3 wholesale and light industry zoning district's regulations are intended to provide for general commercial services, wholesale distribution, storage and light fabrication.

The downtown retail commercial (C-2A) zoning district's regulations are intended to provide a mix of restaurants, retail sales, entertainment, and service establishments with an emphasis on pedestrian-oriented ground floor shops and market spaces.

The commercial retail (C-2) zoning district's regulations are intended to provide for major commercial areas intended primarily for retail sales and service establishments oriented to a general community and/or regional market.

The C-3 wholesale and light industry zoning district's regulations are intended to provide for general commercial services, wholesale distribution, storage and light fabrication.

(B) *Uses permitted.*

- (1) *C-1, retail commercial zoning district.* Any use permitted in the R-NC district and the following uses, with no outside storage or repair work permitted:
  - (a) Retail sales and services.
  - (b) Motels/hotels.
  - (c) Vending machine when as accessory to a business establishment and located on the same parcel of land as the business.
  - (d) Car washes.
  - (e) Movie theaters, except drive-in theaters.
  - (f) Open air sales of trees, plants and shrubs. The business shall include a permanent sales or office building (including restrooms) on the site.
  - (g) Pet shops with all uses inside the principal building.
  - (h) Parking lots and parking garages.
  - (i) Pest extermination services.
  - (j) Animal hospitals and veterinary clinics with fully enclosed kennels and no outside runs or exercise areas.
  - (k) Business schools.
  - (l) Trade schools.
  - (m) Medical Marijuana Dispensary
  - (n) Accessory buildings and uses customarily incidental to the above uses.
- (2) *C-2A, downtown retail commercial district.* Any use permitted in the C-1 district with the exception of manufactured home parks, and Conditional Uses. The following uses with no outside storage or repair work permitted:
  - (a) Bars.
  - (b) Pool halls.
  - (c) Newspaper offices and printing firms.
  - (d) Marinas.
  - (e) Major public utility buildings and structures including radio and television broadcasting station.
  - (f) Amusement machine complex.
  - (g) Accessory buildings and uses customarily incidental to the above uses.
- (3) *C-2, commercial district (retail).* Any use permitted in the C-2A district and the following uses with no outside storage or repair work permitted:

- (a) Cabinet shops and upholstery shops.
  - (b) Electric motor repair and rebuilding.
  - (c) Garages for the repair and overhauling of automobiles.
  - (d) Bowling alleys.
  - (e) Skating rinks.
  - (f) Other recreation or amusement places operated for profit.
  - (g) Sign shop.
  - (h) Accessory buildings and uses customarily incidental to the above uses.
- (4) *C-3, commercial zoning district (wholesale and limited industry).*
- (a) Any use permitted in the C-2 district. Outside storage and work shall be permitted for those uses and the following uses, but shall be screened by an opaque fence or wall at least eight (8) feet high at installation. Vegetation shall also be used as a screen and shall provide seventy-five (75) percent opacity. The vegetative screen shall be located on the exterior of the required fence.
  - (b) Outside kennels, runs or exercise areas for animals subject to regulations in section 12-2-54.
  - (c) Growing and wholesale of retail sales of trees, shrubs and plants.
  - (d) Bakeries, wholesale.
  - (e) Ice cream factories and dairies.
  - (f) Quick-freeze plants and frozen food lockers.
  - (g) Boat sales and repair.
  - (h) Outdoor theaters.
  - (i) Industrial Research laboratories and pharmaceutical companies
  - (j) Truck sales and repair.
  - (k) Light metal fabrication and assembly.
  - (l) Contractors shops.
  - (m) Adult entertainment establishments subject to the requirements of chapter 7-3 of this Code.
  - (n) Industrial laundries and dry cleaners using combustible or flammable liquids or solvents with a flash point of one hundred ninety (190) degrees Fahrenheit or less which provide industrial type cleaning, including linen supply, rug and carpet cleaning, and diaper service.
  - (o) Retail lumber and building materials.
  - (p) Warehouses.
  - (q) Plumbing and electrical shops.

- (r) New car and used car lots, including trucks which do not exceed five thousand (5,000) pounds.
- (s) Car rental agencies and storage, including trucks which do not exceed five thousand (5,000) pounds.
- (t) Pawnshops and secondhand stores.
- (u) Mini-storage warehouses.
- (v) Advanced manufacturing and/or processing operations provided that such use does not constitute a nuisance due to emission of dust, odor, gas, smoke, fumes, or noise.
- (w) Accessory buildings and uses customarily incidental to the above uses.

(C) *Regulations.* All developments are required to comply with design standards and are strongly encouraged to follow design guidelines as established in section 12-2-82.

TABLE 12-2.7  
REGULATIONS FOR THE COMMERCIAL ZONING DISTRICTS

Standards	C-1	C-2A	R-C, C-2 and C-3
Minimum Yard Requirements (Minimum Building Setbacks)	There shall be no yard requirements, except that where any nonresidential use is contiguous to a residential zoning district there shall be a twenty-foot (20') yard unless the two (2) districts are separated by a public street, body of water, or similar manmade or natural buffer of equal width.  Inside the C-2A District and Dense Business Area: There shall be a maximum allowed front yard setback of 10'.		
Maximum Building Height	No building shall exceed forty-five (45) feet in height at the property or setback lines. (See Note 1)	No building shall exceed one hundred (100) feet in height at the property or setback lines. (See Note 1)	
Lot Coverage Requirements (The maximum combined area occupied by all principal and accessory buildings)	Shall not exceed seventy-five (75) percent of the total site area for buildings up to one hundred (100) feet in height. For	Shall not exceed one hundred (100) percent of the total site area for buildings up to one hundred (100) feet in height. For	Inside the dense business area: shall not exceed one hundred (100) percent of the total site area for buildings up to one hundred (100) feet in height. For

	buildings over one hundred (100) feet in height, lot coverage shall not exceed sixty-five (65) percent.	buildings over one hundred (100) in height, lot coverage shall not exceed ninety (90) percent.	buildings over one hundred (100) feet in height, lot coverage shall not exceed ninety (90) percent (with the exception of the C-2A zoning district).  Outside the dense business area: shall not exceed seventy-five (75) percent of the total site area for buildings up to one hundred (100) feet in height. For buildings over one hundred (100) feet in height, lot coverage shall not exceed sixty-five (65) percent.
Maximum Density Multiple Family Dwellings	.35 dwelling units per acre.	135 dwelling units per acre.	Inside the dense business area: One hundred thirty-five (135) dwelling units per acre.  Outside the dense business area: Thirty-five (35) dwelling units per acre.

Note 1: Three (3) feet may be added to the height of the building for each foot the building elevation is stair-stepped or recessed back from the property or setback lines beginning at the height permitted up to a maximum height of one hundred fifty (150) feet.

(D) Reserved.

(E) *Additional regulations.* In addition to the regulations established above in section 12-2-8(C), all developments within the commercial zoning districts will be subject to, and must comply with, the following regulations:

- Supplementary district regulations subject to regulations in sections 12-2-31 to 12-2-50.
- Off-street parking subject to regulations in Chapter 12-3.
- Signs subject to regulations in Chapter 12-4.
- Tree/landscape regulations subject to regulations in Chapter 12-6.
- Stormwater management and control of erosion, sedimentation and runoff subject to regulations in Chapter 12-9.
- Alcoholic beverages regulations subject to Chapter 7-4 of this Code.

SECTION 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

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. 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

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File #: 07-17

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** Ashton J. Hayward, III, Mayor

**SUBJECT:**

PROPOSED ORDINANCE NO. 07-17 - PROPOSED AMENDMENT TO THE LAND DEVELOPMENT CODE - SECTION 12-14-1 DEFINITIONS - BUILDING HEIGHT

**RECOMMENDATION:**

That City Council adopt Proposed Ordinance No. 07-17 on second reading.

AN ORDINANCE AMENDING SECTION 12-14-1 DEFINITIONS OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

Public Hearing Required: No Hearing Required

**SUMMARY:**

In an ongoing effort to improve our ability to provide flexible development options within the City of Pensacola, amendments to the Land Development Code are needed. For years, there have been concerns expressed regarding the aesthetic and environmental impacts of the proliferation of surface parking. The "Pensacola Parking Syndrome" is a term that has been used to describe cities that construct parking lots in an effort to lure more people downtown, to the detriment of the aesthetic and historic value of the area. When dealing with private development, in recent years the City has approved amendments to the Land Development Code that reduced parking requirements and implemented parking "maximums". Another step that may be taken to incentivize the reduction of surface parking lots in future development, would be to revise the definition of "building height" in Section 12-14-1 of the City's Land Development Code, to allow for building height to be measured from the lowest habitable floor elevation instead of the current definition which measures it from the average elevation of the finished grade of the site.

On December 13, 2016, the City's Planning Board unanimously recommended approval of the proposed amendment, but wished to exclude the City's residential districts and the R-NC District from the amendment.

**PRIOR ACTION:**

February 9, 2017 - City Council adopt Proposed Ordinance No. 07-17 on first reading

January 12, 2017 - City Council held first public hearing.

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

None

**CITY ATTORNEY REVIEW:** Yes

12/30/2016

**STAFF CONTACT:**

Eric W. Olson, City Administrator

Sherry H. Morris, AICP, Planning Services Administrator

**ATTACHMENTS:**

- 1) Proposed Ordinance No. 07-17

**PRESENTATION:** Yes

PROPOSED  
ORDINANCE NO. 07-17

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE  
TO BE ENTITLED:

AN ORDINANCE AMENDING SECTION 12-14-1 DEFINITIONS OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; PROVIDING FOR SEVERABILITY; REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, a proper public hearing was held on February 9, 2017 concerning the following proposed amendment to the Land Development Code; and

BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

SECTION 1. Chapter 12-14-1 of the Code of the City of Pensacola, Florida, is hereby amended to read as follows:

**Sec. 12-14-1. - Definitions**

As used in this title and unless the context clearly indicates otherwise:

Abandonment means to cease or discontinue a use or activity without intent to resume, but excluding temporary or short-term interruptions to a use or activity during periods of remodeling, maintaining, or otherwise improving or rearranging a facility, or during normal periods of vacation or seasonal closure.

Abut means having property or district lines in common.

Access management means a method whereby non-residential property owners limit the number of driveways or connections from individual parcels of property to the major thoroughfare.

Accessory residential unit means an accessory structure built or a portion of a single-family dwelling unit which is converted into a separate housing unit subject to regulations in section 12-2-52 and which may be rented.

Accessory office unit means an accessory structure built or a portion of a single-family dwelling unit which is converted into a separate office unit subject to regulations in section 12-2-51 and which may be rented.

Accessory use means a use or structure which:

- (a) Is clearly incidental to, customarily found in association with, and serves a principal use;
- (b) Is subordinate in purpose, area, or extent to the principal use served; and
- (c) Is located on the same lot as the principal use or on an adjoining lot in the same ownership as that of the principal use.

Addition (to an existing building) means any walled and roofed expansion to the perimeter of a building in which the addition is connected by a common load-bearing wall other than a fire wall. Any walled and roofed addition which is connected by a fire wall or is separated by independent perimeter load-bearing walls is new construction.

Adjacent means any property that is immediately adjacent to, touching, or separated from such common border by the width of a right-of-way, alley, or easement.

Adult entertainment establishment means an adult motion picture theater, a leisure spa establishment, an adult bookstore, or an adult dancing establishment.

Airport means Pensacola Regional Airport.

Airspace height means the height limits in all zones set forth in chapter 12-11, which shall be measured as mean sea level elevation (ASML), unless otherwise specified.

Alleys are roadways which afford only a secondary means of access to abutting property and not intended for general traffic circulation.

Alteration means any change or rearrangement in the supporting members of an existing building, such as bearing walls, columns, beams, girders or interior partitions, as well as any change in doors or windows, or any enlargement to or diminution of a building or structure, whether horizontally or vertically.

Amusement machine complex means a group of three (3) or more amusement games or other amusement machines, in the same place, location or premises.

Anchoring system means an approved system of straps, cables, turnbuckles, chains, ties or other approved materials used to secure a manufactured home.

Animal clinic, veterinary clinic means an establishment where small animals are admitted for examination and treatment by one

or more persons practicing veterinary medicine. Animals may be boarded or lodged overnight provided such activity is totally confined within the building. No outside pens or runs shall be allowed. See: Kennel.

NOTE: Small animals shall be deemed to be ordinary household pets excluding horses, monkeys, or other such animals not readily housed or cared for entirely within the confines of a residence.

Antenna means any exterior transmitting or receiving device mounted on a tower, building or structure and used in communications that radiate or capture electromagnetic waves, digital signals, analog signals, radio frequencies (excluding radar signals), wireless telecommunications signals or other communication signals.

Antenna array means one (1) or more personal wireless antennas used by a single service provider and designed and installed at the same site in such a way as to operate as a unit.

Antenna support structure means a guyed or lattice-work tower that is designed and constructed for the sole purpose of supporting one (1) or more personal wireless antennas.

Apartment house. See: Dwelling, multiple.

Automobile repair. See: Garage, mechanical.

Appeal means a request for a review of the building official's interpretation of any provision of this title or a request for a variance.

Bar means a structure or part of a structure in which the principal business is the sale or dispensing of alcoholic beverages for consumption on the premises. This term includes lounges, taverns, pubs, bottle clubs, etc.

Bed and breakfast facility means an accessory use in which no more than four (4) rooms or lodging units and breakfast service only is provided to guest clients, for lengths of stay ranging from one night to seasonal, by the owner of the principal structure living on-site.

Block means a parcel of land entirely surrounded by public streets, watercourse, railway, right-of-way, parks, etc., or a combination thereof.

Boardinghouse, lodging house means a dwelling other than an apartment, commercial hotel or motel where, for compensation and by prearrangement for definitive periods, lodging, or lodging and meals are provided for five (5) or more persons; and which

is subject to licensing by the Division of Hotels and Restaurants of the Florida Department of Business Regulations as a rooming or boarding house.

Boats and boat trailers means a vessel or craft for use on the water which is customarily mounted upon a highway vehicle designed to be hauled by an automobile vehicle.

Boat sales and service shop means an establishment primarily engaged in the sale or repair of boats, marine engines, marine equipment, and any similar services.

Buffer yard means a ten-foot strip of yard along the property line(s) used to visibly separate incompatible land uses and/or zoning districts as regulated through provisions established in section 12-2-32.

Buildable area means area inside building setback lines.

Building means any structure built for support, shelter, or enclosure for any occupancy or storage.

Building coverage means the area of a site covered by all principal and accessory buildings.

Building height means the vertical distance of a building measured from the ~~average elevation of the finished grade~~ lowest habitable floor elevation to the highest point of the roof, except in a special flood hazard area where the height of a building is measured from an elevation established three (3) feet above the required base flood elevation. For all residential zoning districts as defined in this section and the Residential/neighborhood commercial land use district (R-NC), the building height means the vertical distance of a building measured from the average elevation of the finished grade to the highest point of the roof, except in a special flood hazard area where the height of a building is measured from an elevation established three (3) feet above the required base flood elevation.

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



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 03-17

City Council

3/9/2017

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### **LEGISLATIVE ACTION ITEM**

**SPONSOR:** Ashton J. Hayward, III, Mayor

**SUBJECT:**

PROPOSED ORDINANCE NO. 03-17 - AMENDMENT TO SECTION 3-1-13, COUNCIL RESERVE (GENERAL FUND) OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA

**RECOMMENDATION:**

That City Council approve Proposed Ordinance No. 03-17 on second reading.

AN ORDINANCE AMENDING SECTION 3-1-13 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; AMENDING THE COUNCIL RESERVE POLICY (GENERAL FUND); SEVERABILITY CLAUSE; REPEALING CLAUSE, AND PROVIDING AN EFFECTIVE DATE.

**HEARING REQUIRED:** No Hearing Required

**SUMMARY:**

On January 12, 2017, City Council approved an amendment to the Fund Balance Policy Section (D)(3)(c) to increase the minimum Council Reserve from 15 percent to 20 percent in order to maintain and increase a healthy fund balance. In order to fully implement this policy change, Section 3-1-13, Council Reserve (General Fund) of the Code of the City of Pensacola, Florida will also need to be amended.

On October 9, 2014, City Council adopted Ordinance No. 39-14 which created Section 3-1-13 of the Code of the City of Pensacola, Florida in order to commit the Council Reserve fund balance in the General Fund. The ordinance set a minimum reserve of 15 percent of the General Fund beginning adopted appropriations. Proposed Ordinance 03-17 changes the minimum reserve to 20 percent in order to comply with City Council's Fund Balance Policy.

**PRIOR ACTION:**

February 9, 2017 - City Council approved Proposed Ordinance No. 03-17 on first reading.

September 9, 2010 - City Council adopted Resolution No. 31-10 which committed the Council reserves fund balance in the general fund.



October 9, 2014 - City Council adopted Ordinance No. 39-14 which committed the Council reserves fund balance in the general fund.

January 12, 2017 - City Council approved amending the Council reserves fund balance in the general fund to increase Council Reserves from 15 percent to 20 percent.

**FUNDING:**

N/A

**FINANCIAL IMPACT:**

An increase in the percentage of reserves to be gained and maintained.

**CITY ATTORNEY REVIEW:** Yes

1/20/2017

**STAFF CONTACT:**

Eric W. Olson, City Administrator  
Richard Barker, Jr., Chief Financial Officer

**ATTACHMENTS:**

- 1) Proposed Ordinance No. 03-17

**PRESENTATION:** No

PROPOSED  
ORDINANCE NO. 03-17

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE  
TO BE ENTITLED:

AN ORDINANCE AMENDING CHAPTER 3-1-13 OF THE CODE OF THE CITY OF PENSACOLA, FLORIDA; AMENDING THE COUNCIL RESERVE POLICY (GENERAL FUND); SEVERABILITY CLAUSE; REPEALING CLAUSE, AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF PENSACOLA, FLORIDA:

SECTION 1. Section 3-1-13 of the Code of the City of Pensacola, Florida, is hereby amended to read as follows:

Sec. 3-1-13. - Council reserve (general fund).

Effective January 12, 2017, a minimum reserve of twenty (20) percent of the general fund beginning adopted appropriations (expenditure budget) should be incrementally established and maintained for use in meeting unanticipated needs and/or emergencies.

- (1) *Use of council reserve.* Council reserves shall be used only after all efforts have been exhausted to fund unanticipated needs and/or emergencies, such as implementing a modified hiring freeze and expenditure reductions. Once the mayor has determined that it is necessary to draw down council reserves, written communication should be provided by the mayor to city council, explaining the nature of the unanticipated need and/or emergency and requires approval by a two-thirds (2/3) vote of city council. Use of funds may only be initiated when current fiscal year revenues decrease by five (5) percent or more of the total adopted beginning estimated revenues, including transfers. A maximum of fifty (50) percent of the shortfall or fifty (50) percent of the prior fiscal year ending council reserve balance may be drawn, whichever is less. At no time may the reserve be less than seven and one-half (7.5) percent of adopted annual appropriations or half of the prior fiscal year ending council reserve balance, whichever is greater. The council reserve may not be used for more than two (2) consecutive years.
- (2) *Replenishment of council reserve.* If the reserves are drawn down below the minimum required level of twenty (20) percent, then a budgetary plan shall be implemented to return the reserve to a minimum twenty (20) percent level in no more than a five-year period. The progress of replenishment should be reported in the annual budget.
- (3) *Funding of council reserves.* 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 any amendments thereto) will be

used to increase the reserve. Interest earnings will be applied on the reserve balance each fiscal year.

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: \_\_\_\_\_

Approved: \_\_\_\_\_  
President of City Council

Attest:

\_\_\_\_\_  
City Clerk



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00188

City Council

3/9/2017

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### **DISCUSSION ITEM**

**FROM:** City Council President Brian Spencer

**SUBJECT:**

DISCUSSION OF REQUEST FOR LETTER OF SUPPORT FOR HB 6019 AND SB 214 REGARDING PRESERVATION OF ARCHAEOLOGICAL SITES.

**REQUEST:**

That City Council have a discussion regarding the submission of a letter of support for HB 6019 and SB 214 regarding the preservation of archeological sites.

**SUMMARY:**

In 1996 the legislature created authority for The Florida Department of Historical Resources to permit divers to take artifacts presumably “isolated” from their context, report them to the state and with permission retain the artifacts. Only a small percentage of finds were actually reported and there was a concomitant increase in site destruction. In 2005 the Florida Department of Historic Resources discontinued the program. However, the provision that empowers the department to operate this program remains in statute. In the 2016 Florida legislature, two bills (SB 1054 and HB 803) reviving the failed “isolated finds program” were introduced and defeated. City Council adopted Resolution No. 04-16 opposing the adoption of those bills. Those bills would have permitted excavation of artifacts from Florida’s submerged lands for purposes of private collection and sale.

The Florida Archaeological Preservation Association (FAPA) expects the state’s cultural resources to again be under attack by collectors and antiquity dealers and are taking a proactive approach. Two good bills have been introduced in the 2017 legislature which would remove the troublesome “isolated finds” provision from the statute altogether, HB 6019 by Representative Cyndi Stevenson and SB 214 by Senator Greg Steube.

Support in the form of a resolution or letter for these two (2) items is requested.

**PRIOR ACTION:**

February 11, 2016, Council adopted Resolution No. 04-16

**STAFF CONTACT:**

Don Kraher, Council Executive

**ATTACHMENTS:**

- 1) Pensacola\_Res 04\_16
- 2) FAPAFAASt. Aug Talking Points for SB 214 and HB 6019

**PRESENTATION:** No

Office of the City Council

February 15, 2016

  
City of  
Pensacola

*America's First Settlement  
Established 1559*

The Honorable Andy Gardiner  
President  
The Florida Senate  
409 The Capitol  
404 S. Monroe Street  
Tallahassee, FL 32399-1100

The Honorable Steve Crisafulli  
Speaker of the House  
Florida House of Representatives  
420 The Capitol  
402 South Monroe Street  
Tallahassee, FL 32399-1300

Dear President Gardiner and House Speaker Crisafulli:

Enclosed, please find a certified copy of Resolution No. 04-16, adopted by the Pensacola City Council on Thursday, February 11, 2016, urging the 2016 Florida Legislature to oppose the adoption of House Bill 803 and Senate Bill 1054 relating to historic and archaeological artifacts.

These bills propose amendments to s.267.115, F.S. that would direct the Division of Historical Resources of the Department of State to implement a program to administer the discovery of certain historic and archaeological artifacts from submerged lands by permit holders and to provide program requirements, thereby diminishing the authority of the Division of Historical Resources of the Department of State.

The City Council urges the Florida Legislature to oppose this legislation.

Sincerely,



Charles L. Bare  
President of City Council

cc: The Honorable Greg Evers  
The Honorable Clay Ingram  
The Honorable Mike Hill  
The Honorable Doug Broxson  
The Honorable Don Gaetz  
The Honorable Matt Gaetz

RESOLUTION  
NO. 04-16

A RESOLUTION  
TO BE ENTITLED:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PENSACOLA, FLORIDA URGING MEMBERS OF THE FLORIDA LEGISLATURE TO OPPOSE THE ADOPTION OF HOUSE BILL 803 AND SENATE BILL 1054 RELATING TO HISTORIC AND ARCHAEOLOGICAL ARTIFACTS

WHEREAS, the Florida House of Representatives and the Florida Senate are considering similar bills relating to historic and archaeological artifacts; and

WHEREAS, this proposed legislation would amend s. 267.115, F.S. directing the Division of Historical Resources of the Department of State to implement a program to administer the discovery of certain historic and archaeological artifacts from submerged lands by permit holders and provide program requirements; and

WHEREAS, the Division of Historical Resources of the Department of State has the responsibility to “acquire, maintain, preserve, interpret, exhibit, and make available for study objects which have intrinsic historical or archaeological value relating to the history, government, or culture of the state”; and

WHEREAS, the provisions of this legislation will substantially diminish the authority of the Division of Historical Resources; 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 urges the Florida Legislature to oppose the adoption of House Bill 803 and Senate Bill 1054 during the 2016 legislative session.

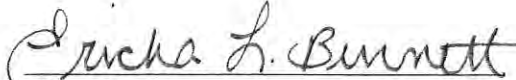
SECTION 2. That a copy of this Resolution be provided to Speaker Steve Crisafulli and Senate President Andy Gardiner and members of the local Legislative Delegation.

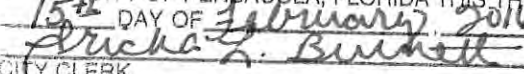
SECTION 3. This Resolution shall become effective on the fifth business day after adoption, unless otherwise provided pursuant to Section 4.03(d) of the City Charter of the City of Pensacola.

Adopted: February 11, 2016

Approved:   
President of City Council

Attest:

  
City Clerk

I, DO HEREBY CERTIFY THAT THE ABOVE AND FOREGOING IS A TRUE AND CORRECT COPY OF THE ORIGINAL THEREOF ON FILE IN MY OFFICE. WITNESS MY HAND AND THE CORPORATE SEAL OF THE CITY OF PENSACOLA, FLORIDA THIS THE 15<sup>th</sup> DAY OF February, 2016  
  
CITY CLERK  
CITY OF PENSACOLA, FLORIDA





## **We Urge You to Support SB 214 and HB 6019!**

In addition to the Florida Archaeological Preservation Association (FAPA), the Florida Attractions Association (FAA) and the City of St. Augustine, there are numerous others interested in protecting and preserving Florida's historical resources, artifacts and archaeological sites. We are asking you to **VOTE YES on SB 214 and HB 6019** when it is heard in committee or on the floor. These bills repeal the Division of Historical Resources' authority to implement the "isolated finds" program active for over 10 years and abolished in 2005 by recommendation of the Florida Historical Commission. This bill also repeals other obsolete provisions relating to the abrogation of offensive and derogatory geographic place names.

### **BACKGROUND**

The Florida Historical Resources Act (Chapter 267.14, F.S.) has long held that archaeological sites and artifacts located on state lands belong to the people of Florida and protects them from unauthorized disturbance or collection, limiting excavation solely to that which will add to our knowledge of Florida's past. Accordingly, state permits require rigorous archaeological methodology. Artifact excavation and collecting on private lands, with owner permission, is neither prohibited nor regulated by state law.

We believe that our archaeological resources belong to all of the people of Florida and that excavation of archaeological sites on state lands and sovereign submerged lands should be solely for the purpose of increasing our knowledge about Florida's past.

Additionally, Florida's historical and cultural resources and sites bring millions of tourists to Florida each year. Of the 106 million visitors to Florida in 2015, 35 million of them (nearly one-third) visited a cultural, historical or archaeological site. Those visitors spent an average of 5.4 nights and an average of \$152 per day for a total of \$820 over their entire visit. This population of tourists contributed to Florida's economy with nearly a **\$29 BILLION** economic impact.

**We urge you to SUPPORT two good bills that have been filed for the 2017 Legislative Session, HB 6019 sponsored by Rep. Cyndi Stevenson and SB 214 sponsored by Senator Greg Steube.**



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00152

City Council

3/9/2017

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**SUBJECT:**

CITY ADMINISTRATOR COMMUNICATION - ERIC W. OLSON



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00191

City Council

3/9/2017

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### INFORMATION ITEM

**FROM:** Ashton J. Hayward, III, Mayor

**SUBJECT:**

MONTHLY CRIME REPORT

**SUMMARY:**

Police Chief Alexander's Monthly Crime Report

**PRIOR ACTION:**

None

**STAFF CONTACT:**

David Alexander - Chief of Police

**ATTACHMENTS:**

1)

**PRESENTATION:** Yes



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00088

City Council

3/9/2017

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**SUBJECT:**

MONTHLY FINANCIAL REPORT - CHIEF FINANCIAL OFFICER RICHARD BARKER, JR.



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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File #: 17-00144

City Council

3/9/2017

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**SUBJECT:**

QUARTERLY FINANCIAL REPORT - THREE MONTHS ENDING DECEMBER 31, 2016 - CHIEF FINANCIAL OFFICER RICHARD BARKER, JR.

**FINANCIAL REPORT  
THREE MONTHS ENDING DECEMBER 31, 2016**

*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, 2016. 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 (PFP) revenues continue to show growth from FY 2015 to FY 2016. Half-Cent Sales Tax revenue increased 3.97% and Local Option Sales Tax revenue increased by 4.48% from FY 2015 to FY 2016. 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.

Interest received during the first quarter of fiscal year 2017 was minimal as the City has all funds currently invested in Certificates of Deposits with a maturity date of March 2017 or greater. Therefore, interest income was not spread to the various departments.

The Investment Section of this financial report provides a comparison of interest rates for FY 2015 to FY 2017.

The Legal Services and Fees of this financial report provides a listing of legal services and fees paid through the first quarter of FY 2017.

**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 \$159,200 or 6.09%. Half-Cent Sales Tax revenues also exceeded budget by \$27,200 or 3.96%. Communication Services Tax revenue was below budget by \$31,600 or 6.31%. Municipal Revenue Sharing revenue was also below budget by \$29,000 or 4.84%.

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 Penny For Progress, 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 equaled \$8,900 and expenditures and encumbrances equaled \$45,400. The unencumbered balance in the "Tree Planting Trust Fund" at the end of the first quarter was \$416,500.

**Local Option Gasoline Tax Fund:**

There have been no receipts of Local Option Gasoline Tax Revenues. Until a final decision on the City's appeal concerning the calculation for the distribution of funds between the City of Pensacola and Escambia County the funds have been held in escrow by the Escambia County Clerk of Court. Until funds have been released, they will not be recognized as revenue. Fund expenditures will not exceed budget for the fiscal year.

**Stormwater Utility Fund:**

Total utility fee revenue of \$1,856,600 represents 69.81% of budgeted Stormwater Utility Fee Revenue for the fiscal year. While the revenue from the State Right of Way Maintenance appears to be higher than the previous fiscal year, due to an accrual from the prior year, revenues are consistent with budget.

Fund expenditures are consistent with budget for the first quarter.

**Municipal Golf Course Fund:**

During first quarter FY 2017, the Golf Course expenditures (including total City sponsored pension costs) exceeded revenues by \$103,400 before the General Fund subsidy of \$55,000. When compared to FY 2016, revenue for this fiscal year is \$10,200 above prior year first quarter revenues. This increase in revenues is mainly due to tournaments and advertising.

During the first quarter of FY 2016, 4,744 rounds were played plus 1,170 of driving range usage and in the first quarter of FY 2017, 5,070 rounds were played plus 1,019 of driving range usage, an increase of 326 rounds and a decrease of 151 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. In December, a new 62' CoverShots Mobile Canopy was added to Osceola's driving range. This canopy makes Osceola the only public course in Northwest Florida with a covered driving range and offers shade and/or rain protection to the range users.

Concession payments from Fusion Grill, Inc. are current through the first quarter of FY 2017.

Expenditures at the Golf Course are consistent with the adopted FY 2017 budget.

**Inspection Services Fund:**

In total, expenditures (including total City sponsored pension costs) exceeded revenues by \$169,700. Revenues for the first quarter in FY 2017 were \$2,200 less than the same period in FY 2016. However, revenues were within budget. Large construction projects continue to be underway and permits to complete the jobs continue to be issued.

Expenditures for Inspection Services were consistent with budget.

**Roger Scott Tennis Center:**

First quarter revenues are historically below budget for the Roger Scott Tennis Center because the annual tennis memberships renew during the second quarter. Compared to the first quarter of FY 2016, revenues for FY 2017 were \$9,600 less than last fiscal year. This is due to the court resurfacing project during the first quarter which caused a reduction of 6 available courts for players. During the resurfacing project the center went from 18 courts to 12 courts. Expenditures are not anticipated to exceed budget by fiscal year end.

Roger Scott Tennis Center concessionaire, PJ’s Courtside Café, begin operations on August 16, 2016. The terms of the agreement includes a minimum concession fee of \$500 for ten months or 10% of gross sales whichever is higher. During the months of December and January, the concessionaire was only required to pay 10% of gross sales. Through the first quarter of FY 2017, PJ’s Courtside Café was current on their payments. However, the City was notified by the owners of PJ’s Courtside Café that effective March 10, 2017 they would like to terminate the contract. Staff is currently reviewing available options to address the concession at the Roger Scott Tennis Center.

The following is a comparison of the activity at Roger Scott Tennis Center between Fiscal Years 2016 and 2017.

	<u>1ST QTR FY 2016</u>	<u>1ST QTR FY 2017</u>	<u>DIFF</u>
Daily Participants			
Hard Courts	456	351	(105)
All Courts (Includes Clay Courts)	709	690	(19)
Sub-Total	<u>1,165</u>	<u>1,041</u>	<u>(124)</u>
Playing Members	<u>6,294</u>	<u>6,375</u>	<u>81</u>
<b>Sub-Total</b>	<b><u>7,459</u></b>	<b><u>7,416</u></b>	<b><u>(43)</u></b>
Instructional Students	1,705	1,977	272
Rentals/Special Events/Programs	2,794	2,996	202
<b>Total Players</b>	<b><u>11,958</u></b>	<b><u>12,389</u></b>	<b><u>431</u></b>



**Community Maritime Park Management Services Fund:**

The City has a Park Management Services Agreement with the Community Maritime Park Associates (CMPA). On January 28, 2015, the CMPA Board approved an amendment and extension of the contract to March 27, 2018 which was subsequently approved by City Council on February 12, 2015. There are three components in this agreement. The first is the Community Maritime Park Insurance and it is 100% reimbursed by the CMPA. Actual expenditures through the first quarter of FY 2017 were \$27,200. Secondly, park maintenance and landscaping services are provided. Annually, the CMPA pays the City actual costs incurred up to a maximum amount of \$200,000. Through the first quarter of FY 2017, \$38,400 in expenditures for these services have been incurred which will be billed to the CMPA by fiscal year-end. The final component to the agreement deals with event scheduling and planning, management of outside kiosk sales, rentals, food service and other vendor services, and parking management. The fees charged by the City for these services are reduced by revenues earned by the City. If revenues earned by the City are not sufficient to cover its costs, the maximum amount payable by the CMPA is \$100,000. Through the first quarter of FY 2017, revenues were below expenditures by \$11,500. A final accounting will be made at fiscal year-end based on the terms of the contract.

Revenues and expenditures related to the Employee Leasing function are accounted for in the Community Maritime Park Management Services Fund. Expenditures exceeded revenues by \$7,200 through the first quarter of FY 2017. By fiscal year end, revenues will equal expenditures.

**Local Option Sales Tax Fund:**

First quarter revenues exceeded budget by \$43,300 or 3.41%. Expenditures in total were consistent with budget for the first quarter.

As in previous fiscal years, a draw upon the City's pooled cash to cover cash shortfalls in the fund has occurred and continues. The cash balance is anticipated to continue to be negative through FY 2017.

**Stormwater Capital Projects Fund:**

The \$1,856,600 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 \$967,800 and operating revenue were below gas operating expenses and encumbrances (including total City sponsored pension costs) by \$6.7 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 2017 revenues exceeded first quarter FY 2016 revenues mainly due to the increased cost of gas. The next three months of the winter season are critical to the budget. Current projected revenues for FY 2017 are anticipated to be below the budgeted level but in line with FY 2016 actual revenues. Pensacola Energy staff is closely monitoring expenses.

Pensacola Energy has included 10¢ in the Purchase Gas Adjustment (PGA) calculation to restore the Pensacola Energy reserve. By the end of Fiscal Year 2016 that reserve was down by \$3.3 million, based on the reserve requirements recommended by Black & Veatch in the FYE 2012 Gas System Annual Report. At the end of December, 2016, the additional \$0.10 per Ccf collected has amounted to \$528,863 which is included in the aforementioned revenue. This recovery of reserve is a multi-year endeavor to recoup the shortfall experienced in prior years.

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 2017, \$408,800 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 \$320,600 and operating revenue were below operating expenses and encumbrances (including total City sponsored pension costs) by \$485,200 for the first quarter. Sanitation Fund revenues were consistent with budget and were slightly higher than prior year revenues. 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.

A rate study for Sanitation Services is currently under review. A recommendation to adjust the rates is anticipated to be brought before City Council for consideration in the 3<sup>rd</sup> quarter.

In total, first quarter Sanitation expenses were consistent with budget.

**Port Fund:**

First quarter Port appropriated fund balance of \$833,600 and operating revenue exceeded operating expenses and encumbrances (including total City sponsored pension costs) by \$338,000. Operating revenues for FY 2017 were \$108,300 below the FY 2016 operating revenues for the same time period. The majority of this decrease is due to a decrease in dockage revenue. The decrease in dockage is the result of fewer vessel dockage days being logged in the first quarter of FY 2017 as compared to the first quarter of FY 2016. This is primarily attributable to the depressed state of the offshore oil & gas industry resulting in the vessels supporting that industry not requiring lengthy port stays for project mobilization, demobilization or vessel maintenance work.

Port expenses, in total, exceeded budget and were \$192,700 greater than FY 2016 expenses for the same time period. This is primarily due to two large on-port infrastructure repair projects to repair damaged rail track and inoperable fire suppression systems in two general cargo warehouses. With the revenue fluctuations in prior years, staff continues to operate at minimal costs in order to meet revenues.

All Port lease payments have been paid and are current with exception of Cemex, Pensacola Stevedoring and Pate Metal Components all of which had balances that were less than 90 days past due totaling \$26,480. 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 had an outstanding balance of \$649,927, which is detailed below. Included in this amount is \$181,185.33 which was recorded as an allowance for doubtful accounts at the end of Fiscal year 2016. This transaction is part of the accounting procedure, however the funds are still due and payable.

Current	\$	1,867.00
30 - 59 Days		2,553.98
60 - 89 Days		0.00
90 - 119 Days		0.00
Over 120 Days		645,505.60
Total	\$	<u>649,926.58</u>

As previously reported to Council, the Port received a \$2 million FDOT economic development grant for construction of a heavy-lift overhead crane facility to support Offshore Inland’s operations. Currently, grant reimbursement of certain project-related expenses incurred by Offshore Inland is in question. To assist Offshore Inland with their cash flow while this issue is being resolved, Port – with the Chief Financial Officer’s consent – is allowing Offshore Inland to hold open up to \$363,000 in receivables which represents an amount approximately equal to the amount which Offshore Inland is claiming to be “out of pocket” on the crane facility work. The project was bid last fall but all bids came in well over budget and were rejected. The port’s engineer is currently working with the tenant to re-design the project in order to reduce costs. Once the redesign is complete, the project will be rebid. Once awarded, the project is expected to require a 140-day construction period. In light of Offshore Inland’s inability to maintain their account balance within those parameters, they have been advised that dockage and vessel fees on all future vessels must either be paid in advance of the vessel’s departure or they will be billed directly to the vessel. Once the grant reimbursement issue is resolved, Offshore Inland’s outstanding receivables balance will be addressed further. **As part of the Chief Financial Officer’s presentation an updated on Offshore Inland will be provided.**

**Airport Fund:**

Appropriated fund balance of \$2.8 million and operating revenue exceeded operating expenses and encumbrances (including total City sponsored pension costs) by \$897,700 for the first quarter. Passenger traffic at Pensacola International Airport increased by 1.10%, when compared to the first quarter of FY 2016. This increase in passenger traffic is due, in part, to improved general economic conditions. Overall Airport operating revenues were \$311,600 above the FY 2016 operating revenue for the same time period. Airline Revenues were \$161,900 below the prior fiscal year and Non-Airline Revenues exceeded the prior year by \$473,500. This increase is attributed to rental car customer facility

charges, concessions, and parking revenue. Revenue collected from concessions at the Airport exceeded the prior fiscal year by \$11,000 and revenue from Parking Lot was \$115,500 over the prior year.

The lease agreement with the FAA for the FASCO tower is currently in negotiations with the final tower construction payment received in FY 2015. FAA continues to remit the same amount as in the previous agreement until such time as a final lease agreement is agreed upon. The Airport submitted Facility Review documents at the request of the FAA on December 22, 2016. The Airport wishes to move forward with a 5-year lease. 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.

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 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
October	0.72%	0.39%	0.24%
November	0.62%	0.39%	0.22%
December	0.64%	0.32%	0.18%

**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, 2016  
(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	2,020,263	2,020,263	2,020,263	100.00%	2,222,758	100.00%	1,167,203	100.00%
REVENUES:									
GENERAL PROPERTY TAXES									
Current Taxes	13,758,400	13,758,400	13,758,400	9,412,561	68.41%	9,253,254	71.28%	13,232,668	100.00%
Delinquent Taxes	30,000	30,000	30,000	(1,246)	-4.15%	1,127	3.76%	80,105	100.00%
Sub-Total	<u>13,788,400</u>	<u>13,788,400</u>	<u>13,788,400</u>	<u>9,411,315</u>	68.26%	<u>9,254,381</u>	71.12%	<u>13,312,773</u>	100.00%
FRANCHISE FEE									
Gulf Power - Electricity	6,113,000	5,880,000	5,880,000	1,004,341	17.08%	973,298	16.75%	5,879,605	99.51%
City of Pensacola - Gas	987,300	862,300	862,300	148,525	17.22%	133,951	13.70%	861,917	98.22%
ECUA - Water and Sewer	1,551,100	1,551,100	1,551,100	273,222	17.61%	260,433	16.96%	1,540,558	100.00%
Miscellaneous	0	0	0	0	----	0	----	7,630	100.39%
Sub-Total	<u>8,651,400</u>	<u>8,293,400</u>	<u>8,293,400</u>	<u>1,426,088</u>	17.20%	<u>1,367,682</u>	16.43%	<u>8,289,710</u>	99.46%
PUBLIC SERVICE TAX									
Gulf Power - Electricity	5,956,100	5,956,100	5,956,100	1,037,986	17.43%	932,836	16.45%	5,958,728	100.21%
City of Pensacola - Gas	822,200	750,000	750,000	126,176	16.82%	121,021	14.87%	745,942	98.92%
ECUA - Water	978,500	978,500	978,500	183,012	18.70%	166,566	17.36%	980,545	100.00%
Miscellaneous	20,000	20,000	20,000	6,127	30.64%	3,910	39.10%	25,765	100.00%
Sub-Total	<u>7,776,800</u>	<u>7,704,600</u>	<u>7,704,600</u>	<u>1,353,301</u>	17.56%	<u>1,224,333</u>	16.42%	<u>7,710,980</u>	100.05%
LOCAL BUSINESS TAX									
Local Business Tax	910,000	910,000	910,000	834,580	91.71%	847,168	94.13%	913,302	100.00%
Local Business Tax Penalty	10,000	10,000	10,000	5,830	58.30%	6,413	98.66%	13,450	100.01%
Sub-Total	<u>920,000</u>	<u>920,000</u>	<u>920,000</u>	<u>840,410</u>	91.35%	<u>853,581</u>	94.16%	<u>926,752</u>	100.00%

**CITY OF PENSACOLA  
GENERAL FUND  
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL  
For the Three Months Ended December 31, 2016  
(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
REVENUES: (continued)									
LICENSES, PERMITS & PENALTIES									
Special Permits (Planning)	50,000	50,000	50,000	5,325	10.65%	9,725	21.61%	47,635	101.95%
Taxi Permits	7,500	7,500	7,500	2,350	31.33%	2,800	40.00%	7,380	100.00%
Fire Permits	21,000	21,000	21,000	2,190	10.43%	7,730	38.65%	23,500	100.00%
Sub-Total	<u>78,500</u>	<u>78,500</u>	<u>78,500</u>	<u>9,865</u>	12.57%	<u>20,255</u>	28.13%	<u>78,515</u>	101.17%
INTERGOVERNMENTAL									
FEDERAL									
Payment in Lieu of Taxes	17,000	17,000	17,000	18,374	108.08%	16,236	95.51%	16,236	100.01%
STATE									
1/2 Cent Sales Tax	4,490,900	4,390,900	4,390,900	714,487	16.27%	675,033	15.25%	4,358,783	100.52%
Beverage License Tax	95,000	95,000	95,000	93,859	98.80%	85,224	94.69%	104,990	100.00%
Mobile Home Tax	7,500	7,500	7,500	4,398	58.64%	3,045	43.50%	10,487	100.01%
Communication Services Tax	3,026,600	2,926,600	2,926,600	468,844	16.02%	507,526	17.40%	3,013,059	100.21%
State Rev Sharing - Motor Fuel Tax	546,400	579,000	579,000	135,879	23.47%	136,642	24.31%	546,266	100.00%
State Rev Sharing - Sales Tax	1,849,500	1,749,500	1,749,500	435,042	24.87%	439,908	25.91%	1,756,231	100.00%
CNG Rebate Municipal Vehicles	0	0	0	0	----	0	----	0	----
Gas Rebate Municipal Vehicles	15,500	15,500	15,500	17,744	114.48%	1,710	11.03%	11,483	99.99%
Fire Fighter Supplemental Compensation	40,000	40,000	40,000	10,506	26.27%	10,710	30.60%	41,789	100.00%
Sub-Total	<u>10,088,400</u>	<u>9,821,000</u>	<u>9,821,000</u>	<u>1,899,133</u>	19.34%	<u>1,876,034</u>	19.21%	<u>9,859,324</u>	100.29%

**CITY OF PENSACOLA  
GENERAL FUND  
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL  
For the Three Months Ended December 31, 2016  
(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
REVENUES: (continued)									
OTHER CHARGES FOR SERVICES									
Swimming Pool Fees	0	0	0	342	----	58	----	5,718	100.02%
Boat Launch Fees	17,000	17,000	17,000	3,457	20.34%	1,973	9.87%	18,532	100.00%
Esc. School Board - SRO	240,000	220,000	220,000	0	0.00%	0	0.00%	185,564	100.00%
ECSD - 911 Calltakers	245,000	245,000	245,000	63,170	25.78%	48,251	20.98%	237,402	100.00%
State Traffic Signal Maintenance	141,600	326,600	326,600	0	0.00%	0	0.00%	227,392	100.00%
State Street Light Maintenance	242,600	303,600	303,600	0	0.00%	0	0.00%	303,565	99.99%
Pensacola Fire Academy	20,000	20,000	20,000	0	0.00%	0	0.00%	160	100.00%
Miscellaneous	40,000	40,000	40,000	11,014	27.54%	11,699	29.25%	41,656	100.00%
Sub-Total	<u>946,200</u>	<u>1,172,200</u>	<u>1,172,200</u>	<u>77,983</u>	6.65%	<u>61,981</u>	6.67%	<u>1,019,989</u>	100.00%
FINES, FORFEITURES & PENALTIES									
POLICE									
Court Fines	14,500	14,500	14,500	2,742	18.91%	2,757	19.01%	11,975	100.01%
Traffic Fines	80,000	80,000	80,000	15,469	19.34%	12,432	10.81%	90,050	108.91%
OTHER FINES									
Miscellaneous	12,000	12,000	12,000	1,181	9.84%	1,692	11.67%	5,033	100.02%
Sub-Total	<u>106,500</u>	<u>106,500</u>	<u>106,500</u>	<u>19,392</u>	18.21%	<u>16,881</u>	11.72%	<u>107,058</u>	107.39%

**CITY OF PENSACOLA  
GENERAL FUND  
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL  
For the Three Months Ended December 31, 2016  
(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
REVENUES: (continued)									
INTEREST									
Investments and Deposits	30,000	30,000	30,000	4,090	13.63%	4,198	27.99%	47,852	100.00%
Sub-Total	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>4,090</u>	13.63%	<u>4,198</u>	27.99%	<u>47,852</u>	100.00%
OTHER REVENUES									
Miscellaneous	400,000	400,000	400,000	124,621	31.16%	105,040	32.32%	563,856	101.64%
Miscellaneous - Saenger Facility Fee	65,000	65,000	65,000	0	0.00%	1,294	2.16%	76,020	100.00%
Sale of Assets	50,000	490,000	490,000	502,605	102.57%	0	0.00%	0	----
Sub-Total	<u>515,000</u>	<u>955,000</u>	<u>955,000</u>	<u>627,226</u>	65.68%	<u>106,334</u>	24.44%	<u>639,876</u>	101.44%
Sub-Total Revenues	<u>42,901,200</u>	<u>42,869,600</u>	<u>42,869,600</u>	<u>15,668,803</u>	36.55%	<u>14,785,660</u>	36.01%	<u>41,992,829</u>	100.01%
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	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>4,000,000</u>	50.00%	<u>4,000,000</u>	50.00%	<u>8,000,000</u>	100.00%
TOTAL REVENUES	<u>50,901,200</u>	<u>50,869,600</u>	<u>50,869,600</u>	<u>19,668,803</u>	38.67%	<u>18,785,660</u>	38.29%	<u>49,992,829</u>	100.01%
TOTAL REVENUES AND FUND BALANCE	<u>\$ 50,901,200</u>	<u>52,889,863</u>	<u>52,889,863</u>	<u>21,689,066</u>	41.01%	<u>21,008,418</u>	40.97%	<u>51,160,032</u>	100.01%



**CITY OF PENSACOLA  
GENERAL FUND  
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL  
For the Three Months Ended December 31, 2016  
(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
<b>EXPENDITURES:</b>									
<b>CITY COUNCIL</b>									
Personal Services	\$ 620,800	620,800	620,785	95,982	15.46%	111,699	19.94%	459,386	82.01%
City Sponsored Pensions	0	0	15	9	60.00%	9	----	42	93.33%
Sub-Total	620,800	620,800	620,800	95,991	15.46%	111,708	19.94%	459,428	82.01%
Operating Expenses	466,000	622,382	622,382	171,750	27.60%	183,112	33.23%	380,756	86.64%
Sub-Total	1,086,800	1,243,182	1,243,182	267,741	21.54%	294,820	26.53%	840,184	84.31%
Allocated Overhead/(Cost Recovery)	(308,100)	(322,400)	(322,400)	(80,600)	25.00%	(72,225)	25.00%	(326,200)	100.00%
Sub-Total	778,700	920,782	920,782	187,141	20.32%	222,595	27.07%	513,984	77.79%
<b>MAYOR</b>									
Personal Services	985,500	985,500	985,500	194,459	19.73%	142,713	15.29%	841,507	90.16%
City Sponsored Pensions	54,300	54,300	54,300	54,300	100.00%	54,300	100.00%	54,300	100.00%
Sub-Total	1,039,800	1,039,800	1,039,800	248,759	23.92%	197,013	19.95%	895,807	90.70%
Operating Expenses	385,500	406,500	406,500	77,028	18.95%	93,986	18.34%	297,450	62.14%
Sub-Total	1,425,300	1,446,300	1,446,300	325,787	22.53%	290,999	19.40%	1,193,257	80.94%
Allocated Overhead/(Cost Recovery)	(770,400)	(806,500)	(806,500)	(201,625)	25.00%	(190,900)	25.00%	(820,700)	100.00%
Sub-Total	654,900	639,800	639,800	124,162	19.41%	100,099	13.59%	372,557	57.92%
<b>CITY CLERK</b>									
Personal Services	221,000	221,000	221,000	45,786	20.72%	47,008	21.73%	214,204	98.01%
City Sponsored Pensions	32,100	32,100	32,100	32,100	100.00%	32,100	100.00%	32,100	100.00%
Sub-Total	253,100	253,100	253,100	77,886	30.77%	79,108	31.85%	246,304	98.26%
Operating Expenses	46,300	46,300	46,300	11,397	24.62%	11,110	25.37%	39,827	95.88%
Sub-Total	299,400	299,400	299,400	89,283	29.82%	90,218	30.88%	286,131	97.92%
Allocated Overhead/(Cost Recovery)	(64,300)	(68,300)	(68,300)	(17,075)	25.00%	(16,825)	25.00%	(68,600)	100.00%
Sub-Total	235,100	231,100	231,100	72,208	31.25%	73,393	32.63%	217,531	97.29%

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, 2016  
(Unaudited)**

	FY 2017				% OF BUDGET 12/16	FY 2016			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16		ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
EXPENDITURES: (continued)									
LEGAL									
Personal Services	381,000	381,000	382,600	75,826	19.82%	79,887	21.54%	368,819	99.98%
City Sponsored Pensions	21,600	21,600	21,600	21,600	100.00%	21,600	100.00%	21,600	100.00%
Sub-Total	402,600	402,600	404,200	97,426	24.10%	101,487	25.86%	390,419	99.98%
Operating Expenses	148,400	148,400	146,800	21,038	14.33%	56,485	37.24%	148,411	96.56%
Sub-Total	551,000	551,000	551,000	118,464	21.50%	157,972	29.03%	538,830	99.02%
Allocated Overhead/(Cost Recovery)	(133,100)	(160,300)	(160,300)	(40,075)	25.00%	(56,100)	25.00%	(143,100)	100.00%
Sub-Total	417,900	390,700	390,700	78,389	20.06%	101,872	31.86%	395,730	98.66%
HUMAN RESOURCES									
Personal Services	470,100	470,100	478,164	101,283	21.18%	98,196	21.53%	461,601	100.00%
City Sponsored Pensions	120,400	120,400	120,436	120,430	100.00%	120,430	100.00%	120,540	100.00%
Sub-Total	590,500	590,500	598,600	221,713	37.04%	218,626	37.92%	582,141	100.00%
Operating Expenses	149,800	166,248	158,148	63,996	40.47%	77,055	44.90%	158,250	99.91%
Sub-Total	740,300	756,748	756,748	285,709	37.75%	295,681	39.52%	740,391	99.98%
Allocated Overhead/(Cost Recovery)	(282,800)	(293,500)	(293,500)	(73,375)	25.00%	(60,900)	25.00%	(301,100)	100.00%
Sub-Total	457,500	463,248	463,248	212,334	45.84%	234,781	46.53%	439,291	99.96%
NON-DEPARTMENTAL FUNDING									
Operating Expenses	2,856,500	3,211,062	3,236,062	2,042,739	63.12%	1,836,138	64.63%	2,621,190	89.72%
Sub-Total	2,856,500	3,211,062	3,236,062	2,042,739	63.12%	1,836,138	64.63%	2,621,190	89.72%
FINANCIAL SERVICES									
Personal Services	1,523,700	1,523,700	1,523,000	318,668	20.92%	311,264	21.17%	1,443,483	100.01%
City Sponsored Pensions	296,500	296,500	297,200	296,630	99.81%	296,629	99.84%	296,928	99.94%
Sub-Total	1,820,200	1,820,200	1,820,200	615,298	33.80%	607,893	34.39%	1,740,411	100.00%
Operating Expenses	431,400	478,893	478,893	127,949	26.72%	116,850	28.85%	414,517	95.93%
Sub-Total	2,251,600	2,299,093	2,299,093	743,247	32.33%	724,743	33.36%	2,154,928	99.19%
Allocated Overhead/(Cost Recovery)	(1,308,300)	(1,340,500)	(1,340,500)	(335,125)	25.00%	(306,200)	25.00%	(1,384,900)	100.00%
Sub-Total	943,300	958,593	958,593	408,122	42.58%	418,543	44.16%	770,028	97.77%

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  
GENERAL FUND  
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL  
For the Three Months Ended December 31, 2016  
(Unaudited)**

	FY 2017				% OF BUDGET 12/16	FY 2016			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16		ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
EXPENDITURES: (continued)									
PLANNING SERVICES									
Personal Services	583,200	583,200	583,200	105,351	18.06%	106,869	20.21%	522,372	98.68%
City Sponsored Pensions	74,700	74,700	74,700	74,700	100.00%	74,715	99.97%	74,770	100.00%
Sub-Total	657,900	657,900	657,900	180,051	27.37%	181,584	30.08%	597,142	98.85%
Operating Expenses	261,100	843,324	843,324	44,034	5.22%	107,447	34.77%	239,465	77.62%
Sub-Total	919,000	1,501,224	1,501,224	224,085	14.93%	289,031	31.67%	836,607	91.67%
PARKS & RECREATION									
Personal Services	2,587,000	2,587,000	2,586,576	549,244	21.23%	492,976	19.40%	2,330,672	96.19%
City Sponsored Pensions	759,800	759,800	760,224	759,897	99.96%	759,911	100.00%	760,297	99.99%
Sub-Total	3,346,800	3,346,800	3,346,800	1,309,141	39.12%	1,252,887	37.95%	3,090,969	97.10%
Operating Expenses	2,500,000	2,743,717	2,743,717	714,746	26.05%	544,193	21.49%	2,525,758	99.20%
Sub-Total	5,846,800	6,090,517	6,090,517	2,023,887	33.23%	1,797,080	30.81%	5,616,727	98.05%
Allocated Overhead/(Cost Recovery)	(6,400)	(9,300)	(9,300)	(2,325)	25.00%	(3,925)	25.00%	(7,000)	100.00%
Sub-Total	5,840,400	6,081,217	6,081,217	2,021,562	33.24%	1,793,155	30.83%	5,609,727	98.05%
PUBLIC WORKS & FACILITIES									
Personal Services	1,529,600	1,529,600	1,536,730	325,600	21.19%	309,780	21.32%	1,463,898	98.47%
City Sponsored Pensions	352,100	352,100	352,202	352,182	99.99%	352,193	99.97%	352,502	100.00%
Sub-Total	1,881,700	1,881,700	1,888,932	677,782	35.88%	661,973	36.67%	1,816,400	98.76%
Operating Expenses	2,251,200	2,866,658	2,834,426	564,939	19.93%	642,934	24.48%	2,286,122	94.91%
Sub-Total	4,132,900	4,748,358	4,723,358	1,242,721	26.31%	1,304,907	29.45%	4,102,522	96.55%
Allocated Overhead/(Cost Recovery)	(183,500)	(251,500)	(251,500)	(62,875)	25.00%	(29,650)	25.00%	(199,300)	100.00%
Sub-Total	3,949,400	4,496,858	4,471,858	1,179,846	26.38%	1,275,257	29.57%	3,903,222	96.39%

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, 2016  
(Unaudited)**

	FY 2017				% OF BUDGET 12/16	FY 2016			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	FY 2017 CURRENT APPROVED BUDGET	ACTUAL 12/16		ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
EXPENDITURES: (continued)									
FIRE									
Personal Services	6,717,900	6,717,900	6,732,600	1,444,095	21.45%	1,480,709	21.91%	6,641,698	97.10%
City Sponsored Pensions	1,651,600	1,651,600	1,636,900	1,632,739	99.75%	2,508,622	99.81%	2,406,949	100.00%
Sub-Total	8,369,500	8,369,500	8,369,500	3,076,834	36.76%	3,989,331	43.03%	9,048,647	97.85%
Operating Expenses	1,491,000	1,491,474	1,491,474	405,485	27.19%	398,086	28.64%	1,401,199	99.20%
Sub-Total	9,860,500	9,860,974	9,860,974	3,482,319	35.31%	4,387,417	41.16%	10,449,846	98.03%
POLICE									
Personal Services	12,545,000	12,545,000	12,815,174	2,652,086	20.69%	2,691,527	21.59%	12,055,075	96.87%
City Sponsored Pensions	4,992,000	4,992,000	4,721,826	4,720,589	99.97%	4,276,566	99.94%	4,279,969	99.99%
Sub-Total	17,537,000	17,537,000	17,537,000	7,372,675	42.04%	6,968,093	41.61%	16,335,044	97.67%
Operating Expenses	3,691,500	3,717,805	3,717,805	1,063,326	28.60%	1,202,389	32.93%	3,622,022	99.23%
Sub-Total	21,228,500	21,254,805	21,254,805	8,436,001	39.69%	8,170,482	40.06%	19,957,066	97.95%
TRANSFERS OUT									
Municipal Golf Course Fund	100,000	220,000	220,000	55,000	25.00%	25,000	25.00%	220,000	100.00%
Stormwater Capital Projects Fund	2,659,500	2,659,500	2,659,500	1,856,587	69.81%	1,693,612	63.07%	2,772,250	100.00%
Sub-Total	2,759,500	2,879,500	2,879,500	1,911,587	66.39%	1,718,612	61.70%	2,992,250	100.00%
<b>TOTAL EXPENDITURES</b>	<b>\$ 50,901,200</b>	<b>52,889,863</b>	<b>52,889,863</b>	<b>20,380,495</b>	<b>38.53%</b>	<b>20,621,375</b>	<b>40.21%</b>	<b>49,079,029</b>	<b>96.57%</b>

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, 2016  
(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 181,000	238,716	238,716	238,716	100.00%	374,395	100.00%	302,720	100.00%
REVENUES:									
Tree Trust Fund	10,000	10,000	10,000	8,875	88.75%	1,100	11.00%	81,675	100.00%
Interest	0	0	0	0	----	515	----	2,269	----
TOTAL REVENUES	10,000	10,000	10,000	8,875	88.75%	1,615	16.15%	83,944	102.78%
TOTAL REVENUES AND FUND BALANCE	\$ 191,000	248,716	248,716	247,591	99.55%	376,010	97.82%	386,664	100.59%
EXPENDITURES:									
Operating Expenses	\$ 191,000	240,286	240,286	45,373	18.88%	39,465	18.70%	58,320	49.47%
Capital Outlay	0	8,430	8,430	0	0.00%	121,649	70.18%	134,209	77.33%
Sub-Total	191,000	248,716	248,716	45,373	18.24%	161,114	41.91%	192,529	62.37%
TOTAL EXPENDITURES	\$ 191,000	248,716	248,716	45,373	18.24%	161,114	41.91%	192,529	62.37%

**CITY OF PENSACOLA**  
**LOCAL OPTION GASOLINE TAX FUND**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL**  
**For the Three Months Ended December 31, 2016**  
**(Unaudited)**

	FY 2017				% OF BUDGET 12/16	FY 2016			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16		ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 66,900	94,139	94,139	94,139	100.00%	1,655,624	100.00%	1,655,624	100.00%
REVENUES:									
Gasoline Tax (6 cent local)	1,337,100	1,337,100	1,337,100	0 **	0.00%	270,560	17.46%	1,462,265 *	94.34%
Interest	0	0	0	0	----	724	36.20%	2,147	107.35%
Miscellaneous	0	0	0	0	----	0	----	1,663	----
Sub-Total	<u>1,337,100</u>	<u>1,337,100</u>	<u>1,337,100</u>	<u>0</u>	0.00%	<u>271,284</u>	17.48%	<u>1,466,075</u>	94.46%
TOTAL REVENUES	<u>1,337,100</u>	<u>1,337,100</u>	<u>1,337,100</u>	<u>0</u>	0.00%	<u>271,284</u>	17.48%	<u>1,466,075</u>	94.46%
TOTAL REVENUES AND FUND BALANCE	<u>\$ 1,404,000</u>	<u>1,431,239</u>	<u>1,431,239</u>	<u>94,139</u>	6.58%	<u>1,926,908</u>	60.07%	<u>3,121,699</u>	97.32%
EXPENDITURES:									
Capital Outlay	0	27,239	27,239	27,238	100.00%	781,860	24.59%	832,546	84.62%
Allocated Overhead/(Cost Recovery)	66,900	66,900	66,900	16,725	25.00%	7,100	25.00%	66,900	100.00%
Sub-Total	<u>66,900</u>	<u>94,139</u>	<u>94,139</u>	<u>43,963</u>	46.70%	<u>788,960</u>	24.60%	<u>899,446</u>	85.57%
TRANSFERS OUT									
LOGT Debt Service fund	<u>1,337,100</u>	<u>1,337,100</u>	<u>1,337,100</u>	<u>0</u>	0.00%	<u>0</u>	----	<u>2,124,700</u>	100.00%
TOTAL EXPENDITURES	<u>\$ 1,404,000</u>	<u>1,431,239</u>	<u>1,431,239</u>	<u>43,963</u>	3.07%	<u>788,960</u>	24.60%	<u>3,024,146</u>	95.13%

\* Revenue Includes Only 11 Payments Versus 12 Payments Due To Appeal to State on Distribution Formula for Next 10 Year and 4 month Extension of Tax.

\*\* No revenue has been received this Fiscal Year Due to Appeal to State on Distribution Formula for Next 10 Year and 4 month Extension of Tax.

**CITY OF PENSACOLA**  
**STORMWATER UTILITY FUND**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL**  
**For the Three Months Ended December 31, 2016**  
**(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	18,179	18,179	18,179	100.00%	182,967	100.00%	179,414	100.00%
REVENUES:									
Stormwater Utility Fees	2,654,500	2,654,500	2,654,500	1,856,526	69.94%	1,908,730	71.21%	2,763,239	100.00%
Delinquent Stormwater Utility Fee	5,000	5,000	5,000	61	1.22%	3,542	70.84%	9,011	100.00%
CHARGES FOR SERVICES:									
State Right of Way Maintenance	99,600	99,600	99,600	8,304	8.34%	(24,912)	-25.01%	99,647	100.05%
Interest Income	0	0	0	0	----	634	----	3,603	100.00%
TOTAL REVENUES	<u>2,759,100</u>	<u>2,759,100</u>	<u>2,759,100</u>	<u>1,864,891</u>	67.59%	<u>1,887,994</u>	67.79%	<u>2,875,500</u>	100.00%
TOTAL REVENUES AND FUND BALANCE	<u>\$ 2,759,100</u>	<u>2,777,279</u>	<u>2,777,279</u>	<u>1,883,070</u>	67.80%	<u>2,070,961</u>	69.77%	<u>3,054,914</u>	100.00%
EXPENDITURES:									
STORMWATER O & M									
Personal Services	\$ 772,900	772,900	772,779	155,939	20.18%	154,992	19.53%	730,364	92.99%
City Sponsored Pensions	306,200	306,200	306,321	306,302	99.99%	306,302	100.03%	306,679	99.98%
Sub-Total	<u>1,079,100</u>	<u>1,079,100</u>	<u>1,079,100</u>	<u>462,241</u>	42.84%	<u>461,294</u>	41.94%	<u>1,037,043</u>	94.96%
Operating Expenses	569,500	587,679	587,679	165,070	28.09%	99,877	25.98%	367,124	88.94%
Capital Outlay	38,000	38,000	38,000	0	0.00%	0	0.00%	396,628	93.32%
Allocated Overhead/(Cost Recovery)	192,300	192,300	192,300	48,075	25.00%	46,925	25.00%	192,300	100.00%
Sub-Total	<u>1,878,900</u>	<u>1,897,079</u>	<u>1,897,079</u>	<u>675,386</u>	35.60%	<u>608,096</u>	29.00%	<u>1,993,095</u>	93.87%
STREET CLEANING									
Personal Services	386,700	386,700	386,667	90,595	23.43%	82,333	21.33%	375,761	96.06%
City Sponsored Pensions	87,700	87,700	87,733	87,727	99.99%	87,728	100.03%	87,827	100.00%
Sub-Total	<u>474,400</u>	<u>474,400</u>	<u>474,400</u>	<u>178,322</u>	37.59%	<u>170,061</u>	35.90%	<u>463,588</u>	96.78%
Operating Expenses	330,700	330,700	330,700	70,151	21.21%	74,891	22.79%	352,670	98.48%
Allocated Overhead/(Cost Recovery)	75,100	75,100	75,100	18,775	25.00%	17,200	25.00%	75,100	100.00%
Sub-Total	<u>880,200</u>	<u>880,200</u>	<u>880,200</u>	<u>267,248</u>	30.36%	<u>262,152</u>	30.09%	<u>891,358</u>	97.71%
TOTAL EXPENDITURES	<u>\$ 2,759,100</u>	<u>2,777,279</u>	<u>2,777,279</u>	<u>942,634</u>	33.94%	<u>870,248</u>	29.32%	<u>2,884,453</u>	95.02%

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, 2016**  
**(Unaudited)**

	FY 2017				% OF BUDGET 12/16	FY 2016			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16		ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	8,908	8,908	8,908	100.00%	17,364	100.00%	57,308	100.00%
REVENUES:									
GOLF COURSE CHARGES									
Green Fees	409,500	309,500	309,500	65,022	21.01%	66,387	16.30%	272,237	99.85%
Electric Cart Rentals	72,400	72,400	72,400	21,055	29.08%	20,038	27.83%	78,326	100.00%
Pull Cart Rentals	400	400	400	9	2.25%	20	5.00%	155	100.00%
Concessions	18,100	18,100	18,100	4,500	24.86%	4,500	25.00%	18,000	100.00%
Pro Shop Sales	15,100	15,100	15,100	3,115	20.63%	3,357	22.38%	11,338	100.00%
Tournaments	34,200	34,200	34,200	12,376	36.19%	5,132	15.09%	31,674	100.00%
Driving Range	42,700	42,700	42,700	6,120	14.33%	7,020	17.59%	25,154	100.00%
Capital Surcharge	50,000	50,000	50,000	8,802	17.60%	6,814	13.63%	32,259	100.00%
Advertising	0	0	0	2,500	----	0	0.00%	7,500	100.00%
Miscellaneous	500	500	500	0	0.00%	0	----	0	----
Interest Income	0	0	0	0	----	12	----	92	98.92%
SUB-TOTAL REVENUES	642,900	542,900	542,900	123,499	22.75%	113,280	17.78%	476,735	99.91%
TRANSFERS IN GENERAL FUND	100,000	220,000	220,000	55,000	25.00%	25,000	25.00%	220,000	100.00%
TOTAL REVENUES	742,900	762,900	762,900	178,499	23.40%	138,280	18.76%	696,735	99.94%
TOTAL REVENUES AND FUND BALANCE	\$ 742,900	771,808	771,808	187,407	24.28%	155,644	20.63%	754,043	99.94%
EXPENDITURES:									
OPERATIONS									
Personal Services	\$ 345,200	345,200	345,200	69,737	20.20%	63,358	18.55%	328,931	98.22%
City Sponsored Pensions	53,700	53,700	53,700	53,700	100.00%	53,700	100.00%	53,700	100.00%
Sub-Total	398,900	398,900	398,900	123,437	30.94%	117,058	29.62%	382,631	98.47%
Operating Expenses	344,000	372,908	372,908	103,440	27.74%	101,983	28.39%	339,288	95.17%
TOTAL EXPENDITURES	\$ 742,900	771,808	771,808	226,877	29.40%	219,041	29.03%	721,919	96.87%

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, 2016**  
**(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	195,400	195,400	195,400	100.00%	0	----	(54,378)	100.00%
REVENUES:									
Building Permits	600,000	600,000	600,000	147,119	24.52%	159,319	29.01%	690,799	100.18%
Electrical Permits	176,100	176,100	176,100	31,316	17.78%	42,575	26.61%	182,363	100.00%
Gas Permits	28,600	28,600	28,600	9,200	32.17%	9,250	35.58%	35,500	100.00%
Plumbing Permits	87,000	87,000	87,000	33,186	38.14%	22,921	28.65%	94,877	100.00%
Mechanical Permits	60,500	60,500	60,500	13,109	21.67%	16,934	30.79%	68,524	100.00%
Zoning Review & Inspection Fees	41,200	41,200	41,200	30,350	73.67%	14,400	38.50%	66,700	100.00%
Miscellaneous Permits	8,800	8,800	8,800	1,390	15.80%	1,978	24.73%	6,754	100.00%
Permit Application Fee	188,600	188,600	188,600	42,155	22.35%	42,241	24.14%	191,548	100.00%
Interest Income	0	0	0	0	----	370	----	4,471	100.02%
TOTAL REVENUES	<u>1,190,800</u>	<u>1,190,800</u>	<u>1,190,800</u>	<u>307,825</u>	25.85%	<u>309,988</u>	28.43%	<u>1,341,536</u>	100.09%
TOTAL REVENUES AND FUND BALANCE	<u>\$ 1,190,800</u>	<u>1,386,200</u>	<u>1,386,200</u>	<u>503,225</u>	36.30%	<u>309,988</u>	28.43%	<u>1,287,158</u>	100.10%
EXPENDITURES:									
OPERATIONS									
Personal Services	\$ 670,800	670,800	670,775	144,907	21.60%	141,939	21.33%	658,254	98.91%
City Sponsored Pensions	156,700	156,700	156,725	156,717	99.99%	156,717	100.00%	156,778	100.00%
Sub-Total	<u>827,500</u>	<u>827,500</u>	<u>827,500</u>	<u>301,624</u>	36.45%	<u>298,656</u>	36.32%	<u>815,032</u>	99.12%
Operating Expenses	295,800	295,800	295,800	72,510	24.51%	79,011	36.49%	195,122	94.41%
Capital Outlay	67,500	67,500	67,500	54,534	80.79%	51,674	100.00%	61,524	100.00%
Sub-Total	<u>1,190,800</u>	<u>1,190,800</u>	<u>1,190,800</u>	<u>428,668</u>	36.00%	<u>429,341</u>	39.37%	<u>1,071,678</u>	98.27%
Allocated Overhead/(Cost Recovery)	0	195,400	195,400	48,850	25.00%	48,850 *	25.00% *	195,400	100.00%
TOTAL EXPENDITURES	<u>\$ 1,190,800</u>	<u>1,386,200</u>	<u>1,386,200</u>	<u>477,518</u>	34.45%	<u>478,191</u> *	37.19% *	<u>1,267,078</u>	98.54%

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.

\* Prior year actuals provided for comparison purposes only. Total allocation was charged in September 2016.

**CITY OF PENSACOLA**  
**ROGER SCOTT TENNIS CENTER**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL**  
**For the Three Months Ended December 31, 2016**  
**(Unaudited)**

	FY 2017				% OF BUDGET 12/16	FY 2016			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16		ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	50,000	50,000	50,000	100.00%	499	100.00%	9,232	100.00%
REVENUES:									
CHARGES FOR SERVICES									
Scott Tennis Court Fees	226,800	226,800	226,800	33,397	14.73%	38,813	19.10%	228,757	100.00%
Scott Tennis Concession Fees	6,000	6,000	6,000	527	8.78%	1,026	17.10%	2,729	122.43%
Scott Tennis Pro Revenue	15,200	15,200	15,200	1,050	6.91%	4,726	31.51%	25,199	273.01%
Scott Tennis Pro Shop Lease	6,000	6,000	6,000	518	8.63%	518	16.71%	3,109	109.09%
Interest Income	0	0	0	0	----	49	----	501	100.00%
TOTAL REVENUES	254,000	254,000	254,000	35,492	13.97%	45,132	19.86%	260,295	106.87%
TOTAL REVENUES AND FUND BALANCE	\$ 254,000	304,000	304,000	85,492	28.12%	45,631	20.03%	269,527	106.62%
EXPENDITURES:									
OPERATIONS									
Personal Services	\$ 134,900	134,900	134,900	29,101	21.57%	27,066	24.47%	131,431	96.93%
Operating Expenses	119,100	169,100	169,100	22,572	13.35%	19,726	16.83%	111,203	94.88%
TOTAL EXPENDITURES	\$ 254,000	304,000	304,000	51,673	17.00%	46,792	20.54%	242,634	95.98%

**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, 2016**  
**(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
<b>CMP INSURANCE:</b>									
APPROPRIATED FUND BALANCE	\$ 0	0	0	0	----	0	----	0	----
REVENUES:									
CMPA INSURANCE REIMBURSEMENT	141,900	141,900	141,900	0	0.00%	0	0.00%	130,817	100.00%
TOTAL REVENUES AND FUND BALANCE	<u>\$ 141,900</u>	<u>141,900</u>	<u>141,900</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>	<u>0.00%</u>	<u>130,817</u>	<u>100.00%</u>
EXPENDITURES:									
Operating Expenses	\$ 141,900	141,900	141,900	27,163	19.14%	29,592	22.27%	130,817	100.00%
TOTAL INSURANCE EXPENDITURES	<u>\$ 141,900</u>	<u>141,900</u>	<u>141,900</u>	<u>27,163</u>	<u>19.14%</u>	<u>29,592</u>	<u>22.27%</u>	<u>130,817</u>	<u>100.00%</u>
<b>PARK MAINTENANCE:</b>									
APPROPRIATED FUND BALANCE	\$ 0	0	0	0	----	0	----	0	----
REVENUES:									
CMPA PARK MAINTENANCE	200,000	200,000	200,000	0	0.00%	0	0.00%	173,039	99.22%
TOTAL REVENUES AND FUND BALANCE	<u>\$ 200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>	<u>0.00%</u>	<u>173,039</u>	<u>99.22%</u>
EXPENDITURES:									
AMPHITHEATRE MAINTENANCE									
Operating Expenses	\$ 21,000	21,000	21,000	426	2.03%	729	3.47%	3,244	76.37%
SUB-TOTAL AMPHITHEATRE MAINTENANCE	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>426</u>	<u>2.03%</u>	<u>729</u>	<u>3.47%</u>	<u>3,244</u>	<u>76.37%</u>
PARKS & PLAZAS MAINTENANCE									
Operating Expenses	174,000	174,000	174,000	38,021	21.85%	38,559	22.16%	169,563	100.24%
MAINTENANCE	<u>174,000</u>	<u>174,000</u>	<u>174,000</u>	<u>38,021</u>	<u>21.85%</u>	<u>38,559</u>	<u>22.16%</u>	<u>169,563</u>	<u>100.24%</u>
BULKHEAD									
Operating Expenses	5,000	5,000	5,000	0	0.00%	0	0.00%	232	23.20%
SUB-TOTAL BULKHEAD	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>	<u>0.00%</u>	<u>232</u>	<u>23.20%</u>
TOTAL PARK MAINTENANCE EXPENDITURES	<u>\$ 200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>38,447</u>	<u>19.22%</u>	<u>39,288</u>	<u>19.64%</u>	<u>173,039</u>	<u>99.22%</u>

**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, 2016**  
**(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
<b>EVENT MANAGEMENT:</b>									
APPROPRIATED FUND BALANCE	\$ 0	0	0	0	----	0	----	0	----
REVENUES:									
RENTALS	48,800	48,800	48,800	3,000	6.15%	8,300	27.67%	21,004	100.00%
PARKING	51,700	51,700	51,700	0	0.00%	1,000	1.44%	110,919	100.00%
VENDING/KIOSK SALES	1,200	1,200	1,200	0	0.00%	50	5.00%	2,550	100.00%
DONATIONS	0	0	0	0	----	0	----	19,250	100.00%
CMPA EVENT MANAGEMENT SERVICES	100,000	100,000	100,000	0	0.00%	19	0.02%	19	100.00%
CMPA RETURN OF PROFIT	0	0	0	0	----	0	----	(35,189)	----
TOTAL REVENUES AND FUND BALANCE	<u>\$ 201,700</u>	<u>201,700</u>	<u>201,700</u>	<u>3,000</u>	1.49%	<u>9,369</u>	4.68%	<u>118,553</u>	77.11%
EXPENDITURES:									
EVENT SCHEDULING MANAGEMENT									
Personal Services	\$ 50,900	50,900	50,900	7,885	15.49%	8,517	16.83%	39,549	99.99%
Operating Expenses	99,100	99,100	99,100	6,615	6.68%	9,088	9.26%	60,923	82.00%
SUB-TOTAL EVENT SCHEDULING MGT	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>14,500</u>	9.67%	<u>17,605</u>	11.84%	<u>100,472</u>	88.25%
PARKING MANAGEMENT									
Personal Services	27,300	27,300	27,300	0	0.00%	98	0.36%	8,477	54.73%
Operating Expenses	24,400	24,400	24,400	0	0.00%	0	0.00%	9,604	39.36%
SUB-TOTAL PARKING MANAGEMENT	<u>51,700</u>	<u>51,700</u>	<u>51,700</u>	<u>0</u>	0.00%	<u>98</u>	0.19%	<u>18,081</u>	45.33%
TOTAL EVENT MGT EXPENDITURES	<u>\$ 201,700</u>	<u>201,700</u>	<u>201,700</u>	<u>14,500</u>	7.19%	<u>17,703</u>	8.83%	<u>118,553</u>	77.11%

**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, 2016**  
**(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
<b>EMPLOYEE LEASING</b>									
APPROPRIATED FUND BALANCE	\$ 0	0	0	0	----	0	----	0	----
REVENUES:									
Employee Leasing	\$ 104,000	104,000	104,000	12,014	11.55%	14,629	12.55%	104,230	105.79%
Miscellaneous	10,000	10,000	10,000	2,706	27.06%	350	3.50%	5,081	50.81%
TOTAL REVENUES AND FUND BALANCE	<u>\$ 114,000</u>	<u>114,000</u>	<u>114,000</u>	<u>14,720</u>	12.91%	<u>14,979</u>	11.83%	<u>109,311</u>	100.72%
EXPENDITURES:									
Personal Services	\$ 104,000	104,000	104,000	21,886	21.04%	22,356	19.17%	102,293	102.25%
Operating Expenses	10,000	10,000	10,000	70	0.70%	151	1.51%	7,018	82.72%
TOTAL EMPLOYEE EXPENDITURES	<u>\$ 114,000</u>	<u>114,000</u>	<u>114,000</u>	<u>21,956</u>	19.26%	<u>22,507</u>	17.78%	<u>109,311</u>	100.72%
<b>TOTAL FUND:</b>									
TOTAL REVENUES AND FUND BALANCE	<u>\$ 657,600</u>	<u>657,600</u>	<u>657,600</u>	<u>17,720</u>	2.69%	<u>24,348</u>	3.69%	<u>531,720</u>	93.70%
TOTAL EXPENSES	<u>\$ 657,600</u>	<u>657,600</u>	<u>657,600</u>	<u>102,066</u>	15.52%	<u>109,090</u>	16.53%	<u>531,720</u>	93.70%

**CITY OF PENSACOLA**  
**LOCAL OPTION SALES TAX FUND**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL**  
**For the Three Months Ended December 31, 2016**  
**(Unaudited)**

	FY 2017				% OF BUDGET 12/16	FY 2016			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16		ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	11,478,628	11,478,628	11,478,628	100.00%	6,252,328	100.00%	15,602,328	100.00%
REVENUES:									
1-CT Local Option Sales Tax	7,814,600	7,814,600	7,814,600	1,314,805	16.82%	1,246,718	16.43%	7,662,504	101.00%
Interest	0	0	0	0	----	(1,398)	----	(13,083)	----
Transfer In From Central Services Fund	188,100	188,100	188,100	0	0.00%	0	0.00%	175,479	99.99%
<b>TOTAL REVENUES</b>	<b>8,002,700</b>	<b>8,002,700</b>	<b>8,002,700</b>	<b>1,314,805</b>	<b>16.43%</b>	<b>1,245,320</b>	<b>16.04%</b>	<b>7,824,900</b>	<b>100.80%</b>
<b>TOTAL REVENUES AND FUND BALANCE</b>	<b>\$ 8,002,700</b>	<b>19,481,328</b>	<b>19,481,328</b>	<b>12,793,433</b>	<b>65.67%</b>	<b>7,497,648</b>	<b>53.50%</b>	<b>23,427,228</b>	<b>100.27%</b>
EXPENDITURES:									
CAPITAL PROJECTS									
Operating Expenses	0	47,720	49,463	1,743	3.52%	23,365	64.51%	357,621	88.23%
Capital Outlay	1,384,400	12,815,308	12,796,201	1,844,515	14.41%	1,631,666	18.58%	6,566,666	41.15%
Sub-Total	1,384,400	12,863,028	12,845,664	1,846,258	14.37%	1,655,031	18.77%	6,924,287	42.19%
DEBT SERVICE									
Principal	6,172,100	6,172,100	6,189,464	3,245,000	52.43%	3,090,000	67.14%	3,090,000	68.34%
Interest	446,200	446,200	446,200	170,662	38.25%	249,844	41.91%	595,986	99.98%
Sub-Total	6,618,300	6,618,300	6,635,664	3,415,662	51.47%	3,339,844	64.25%	3,685,986	72.02%
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,002,700</b>	<b>19,481,328</b>	<b>19,481,328</b>	<b>5,261,920</b>	<b>27.01%</b>	<b>4,994,875</b>	<b>35.64%</b>	<b>10,610,273</b>	<b>48.73%</b>

**CITY OF PENSACOLA**  
**LOGT SERIES 2016 PROJECT FUND**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL**  
**For the Three Months Ended December 31, 2016**  
**(Unaudited)**

	FY 2017				% OF BUDGET 12/16	FY 2016			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16		ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	2,339,342	2,339,342	2,339,342	100.00%	0	----	0	----
REVENUES:									
LOGT Series 2016 Bond Proceeds	0	0	0	0	----	0	----	14,314,000	100.00%
Interest Income	0	0	0	0	----	0	----	34,322	----
TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	----	<u>0</u>	----	<u>14,348,322</u>	100.24%
TOTAL REVENUES AND FUND BALANCE	<u>\$ 0</u>	<u>2,339,342</u>	<u>2,339,342</u>	<u>2,339,342</u>	100.00%	<u>0</u>	----	<u>14,348,322</u>	100.24%
EXPENDITURES:									
CAPITAL PROJECTS									
Operating Expenses	0	0	0	0	----	0	----	92,109	83.14%
Capital Outlay	0	2,339,342	2,339,342	1,399,452	59.82%	0	0.00%	404,034	62.52%
Sub-Total	<u>0</u>	<u>2,339,342</u>	<u>2,339,342</u>	<u>1,399,452</u>	59.82%	<u>0</u>	0.00%	<u>496,143</u>	63.33%
TOTAL EXPENDITURES	<u>\$ 0</u>	<u>2,339,342</u>	<u>2,339,342</u>	<u>1,399,452</u>	----	<u>0</u>	0.00%	<u>496,143</u>	63.33%

**CITY OF PENSACOLA**  
**STORMWATER CAPITAL PROJECTS FUND**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETED AND ACTUAL**  
**For the Three Months Ended December 31, 2016**  
**(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	6,424,991	6,424,991	6,424,991	100.00%	5,611,026	100.00%	5,611,026	100.00%
REVENUES:									
Interest	1,000	1,000	1,000	0	0.00%	2,666	266.60%	23,454	100.00%
Transfer In From General Fund	2,659,500	2,659,500	2,659,500	1,856,587	69.81%	1,693,612	63.07%	2,772,250	100.00%
TOTAL REVENUES	<u>2,660,500</u>	<u>2,660,500</u>	<u>2,660,500</u>	<u>1,856,587</u>	69.78%	<u>1,696,278</u>	63.14%	<u>2,795,704</u>	100.00%
TOTAL REVENUES AND FUND BALANCE	<u>\$ 2,660,500</u>	<u>9,085,491</u>	<u>9,085,491</u>	<u>8,281,578</u>	91.15%	<u>7,307,304</u>	88.07%	<u>8,406,730</u>	100.00%
EXPENDITURES:									
CAPITAL PROJECTS									
Operating Expenses	525,000	1,116,935	1,215,485	354,147	29.14%	103,518	14.92%	348,895	53.73%
Capital Outlay	2,005,300	7,838,356	7,739,806	680,014	8.79%	723,208	9.64%	1,502,638	28.47%
Sub-Total	<u>2,530,300</u>	<u>8,955,291</u>	<u>8,955,291</u>	<u>1,034,161</u>	11.55%	<u>826,726</u>	10.08%	<u>1,851,533</u>	31.29%
Allocated Overhead/(Cost Recovery)									
General Fund	<u>130,200</u>	<u>130,200</u>	<u>130,200</u>	<u>32,550</u>	25.00%	<u>24,550</u>	25.00%	<u>130,200</u>	100.00%
TOTAL EXPENDITURES	<u>\$ 2,660,500</u>	<u>9,085,491</u>	<u>9,085,491</u>	<u>1,066,711</u>	11.74%	<u>851,276</u>	10.26%	<u>1,981,733</u>	32.36%



**CITY OF PENSACOLA**  
**GAS UTILITY FUND**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL**  
**For the Three Months Ended December 31, 2016**  
**(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
<b>GAS OPERATIONS:</b>									
APPROPRIATED FUND BALANCE	\$ 2,816,100	967,805	967,805	967,805	100.00%	2,128,495	100.00%	3,089,443	100.00%
REVENUES:									
GAS									
Residential User Fees	23,211,900	23,211,900	23,211,900	3,201,253	13.79%	2,779,515	9.80%	20,217,992	100.00%
Commercial User Fees	12,906,200	12,906,200	12,906,200	2,135,504	16.55%	2,177,314	15.81%	12,104,980	100.00%
Municipal User Fees	300,200	300,200	300,200	51,101	17.02%	45,662	18.31%	285,134	100.01%
Interruptible User Fees	4,012,000	4,012,000	4,012,000	926,654	23.10%	933,082	25.50%	5,121,757	100.00%
Transportation User Fees	5,366,200	5,366,200	5,366,200	676,879	12.61%	456,125	31.76%	2,799,504	100.00%
CNG	872,000	872,000	872,000	208,742	23.94%	184,024	25.06%	728,344	100.01%
Gas Piping Fees	200,000	200,000	200,000	39,785	19.89%	17,660	11.02%	150,540	99.96%
Infrastructure Cost Recovery	2,175,000	2,175,000	2,175,000	408,755	18.79%	305,519	14.18%	1,528,017	100.00%
Miscellaneous Charges	680,000	680,000	680,000	103,523	15.22%	89,928	13.62%	406,072	99.97%
New Accounts/Turn-on Fees	600,000	600,000	600,000	146,255	24.38%	142,500	19.99%	583,513	100.00%
Interest Income	21,800	21,800	21,800	19,075	87.50%	24,748	247.48%	107,691	100.04%
Cookbooks	0	0	0	1,073	----	523	----	1,535	102.33%
Sale of Asset	0	0	0	18,201	----	0	----	0	----
Rebates	627,100	627,100	627,100	35,992	5.74%	0	----	483,643	100.01%
TOTAL REVENUES	50,972,400	50,972,400	50,972,400	7,972,792	15.64%	7,156,600	13.78%	44,518,722	100.00%
TOTAL REVENUES AND FUND BALANCE	\$ 53,788,500	51,940,205	51,940,205	8,940,597	17.21%	9,285,095	17.18%	47,608,165	100.00%
EXPENSES:									
GAS OPERATION & MAINTENANCE									
Personal Services	\$ 7,278,200	6,203,000	6,200,400	1,221,734	19.70%	1,399,985	19.61%	6,618,484	97.57%
City Sponsored Pensions	1,576,600	1,340,600	1,343,200	1,340,902	99.83%	1,577,022	99.87%	1,578,387	99.95%
Sub-Total	8,854,800	7,543,600	7,543,600	2,562,636	33.97%	2,977,007	34.15%	8,196,871	98.02%
Operating Expenses	32,868,000	30,685,752	30,685,752	6,084,212	19.83%	7,240,014	21.93%	25,269,290	98.93%
Capital Outlay	589,200	1,977,431	1,977,431	563,841	28.51%	476,152	61.24%	538,596	90.03%
Sub-Total	42,312,000	40,206,783	40,206,783	9,210,689	22.91%	10,693,173	25.15%	34,004,757	98.51%
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	8,000,000	8,000,000	8,000,000	4,000,000	50.00%	4,000,000	50.00%	8,000,000	100.00%
Allocated Overhead/(Cost Recovery)	1,196,600	1,196,600	1,196,600	299,150	25.00%	314,925	25.00%	1,196,600	100.00%

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, 2016**  
**(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
EXPENSES: (continued)									
DEBT SERVICE									
Interest	124,900	381,822	381,822	32,709	8.57%	37,777	18.66%	202,467	99.98%
Principal	2,155,000	2,155,000	2,155,000	2,155,000	100.00%	2,075,000	100.00%	2,075,000	100.00%
Sub-Total	<u>2,279,900</u>	<u>2,536,822</u>	<u>2,536,822</u>	<u>2,187,709</u>	86.24%	<u>2,112,777</u>	92.77%	<u>2,277,467</u>	100.00%
TOTAL GAS OPERATIONS EXPENSES	<u>\$ 53,788,500</u>	<u>51,940,205</u>	<u>51,940,205</u>	<u>15,697,548</u>	30.22%	<u>17,120,875</u>	31.68%	<u>45,478,824</u>	98.87%
<b>GAS CONSTRUCTION:</b>									
APPROPRIATED FUND BALANCE	\$ 0	9,414,110	9,414,110	9,414,110	100.00%	0	----	0	---
EXPENSES:									
GAS CONSTRUCTION NOTE									
Personal Services	0	1,075,200	1,109,700	202,901	18.28%	0	----	0	---
City Sponsored Pensions	0	236,000	236,200	236,099	99.96%	0	----	0	---
Sub-Total	<u>0</u>	<u>1,311,200</u>	<u>1,345,900</u>	<u>439,000</u>	32.62%	<u>0</u>	----	<u>0</u>	---
Operating Expenses	0	499,300	7,765,200	3,432,120	44.20%	0	----	0	---
Capital Outlay	0	7,603,610	303,010	301,210	99.41%	0	----	0	---
Sub-Total	<u>0</u>	<u>9,414,110</u>	<u>9,414,110</u>	<u>4,172,330</u>	44.32%	<u>0</u>	----	<u>0</u>	---
TOTAL GAS CONSTRUCTION NOTE EXPENSES	<u>\$ 0</u>	<u>9,414,110</u>	<u>9,414,110</u>	<u>4,172,330</u>	44.32%	<u>0</u>	----	<u>0</u>	---
<b>TOTAL FUND:</b>									
TOTAL REVENUES AND FUND BALANCE	<u>\$ 53,788,500</u>	<u>61,354,315</u>	<u>61,354,315</u>	<u>18,354,707</u>	29.92%	<u>9,285,095</u>	17.18%	<u>47,608,165</u>	100.00%
TOTAL EXPENSES	<u>\$ 53,788,500</u>	<u>61,354,315</u>	<u>61,354,315</u>	<u>19,869,878</u>	32.39%	<u>17,120,875</u>	31.68%	<u>45,478,824</u>	98.87%

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, 2016**  
**(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
<b>SANITATION OPERATIONS:</b>									
APPROPRIATED FUND BALANCE	\$ 256,200	320,550	320,550	320,550	100.00%	114,690	100.00%	314,690	100.00%
REVENUES:									
SANITATION									
Residential Refuse Container Charges	3,998,700	3,998,700	3,998,700	1,008,184	25.21%	996,830	25.18%	4,007,963	100.00%
Bulk Item Collection Charges	130,000	130,000	130,000	29,799	22.92%	31,326	24.10%	115,213	99.92%
Business Refuse Container Charges	155,900	155,900	155,900	33,559	21.53%	35,921	23.46%	140,136	99.95%
New Accounts/Transfer Fees	85,000	85,000	85,000	22,180	26.09%	20,900	24.59%	87,256	99.95%
Fuel Surcharge	500,000	500,000	500,000	60,907	12.18%	87,525	17.51%	317,104	100.00%
County Landfill	1,093,000	1,093,000	1,093,000	277,018	25.34%	274,245	27.09%	1,104,448	100.00%
Miscellaneous	5,000	5,000	5,000	22,613	452.26%	13,593	271.86%	49,137	100.08%
Interest Income	0	0	0	0	----	702	----	7,474	99.65%
Sale of Assets	5,000	5,000	5,000	22,325	446.50%	0	0.00%	0	0.00%
SUB-TOTAL SANITATION REVENUES	<u>5,972,600</u>	<u>5,972,600</u>	<u>5,972,600</u>	<u>1,476,585</u>	<u>24.72%</u>	<u>1,461,042</u>	<u>24.97%</u>	<u>5,828,731</u>	<u>99.92%</u>
CODE ENFORCEMENT									
Franchise Fees	1,190,000	1,190,000	1,190,000	1,091	0.09%	(1,677)	-0.15%	1,166,689	100.00%
Lot Cleaning (FY Cash Balance) *	75,000	75,000	75,000	21,389	28.52%	10,582	14.11%	55,631	74.17%
Code Enforcement Violations	70,000	70,000	70,000	56,895	81.28%	86,182	143.64%	120,826	100.02%
Sub-Total	<u>1,335,000</u>	<u>1,335,000</u>	<u>1,335,000</u>	<u>79,375</u>	<u>5.95%</u>	<u>95,087</u>	<u>7.49%</u>	<u>1,343,146</u>	<u>98.58%</u>
Zoning/Housing Code Enforcement	15,000	15,000	15,000	0	0.00%	198	0.57%	3,902	95.17%
Sub-Total	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>0.00%</u>	<u>198</u>	<u>0.57%</u>	<u>3,902</u>	<u>95.17%</u>
SUB-TOTAL CODE ENFORCEMENT REVENUES	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,350,000</u>	<u>79,375</u>	<u>5.88%</u>	<u>95,285</u>	<u>7.30%</u>	<u>1,347,048</u>	<u>98.57%</u>
SUB-TOTAL REVENUES	<u>7,322,600</u>	<u>7,322,600</u>	<u>7,322,600</u>	<u>1,555,960</u>	<u>21.25%</u>	<u>1,556,327</u>	<u>21.75%</u>	<u>7,175,779</u>	<u>99.66%</u>
TOTAL REVENUES AND FUND BALANCE	<u>\$ 7,578,800</u>	<u>7,643,150</u>	<u>7,643,150</u>	<u>1,876,510</u>	<u>24.55%</u>	<u>1,671,017</u>	<u>22.99%</u>	<u>7,490,469</u>	<u>99.68%</u>

\* Actual billings are \$33,619 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, 2016  
(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
<b>SANITATION OPERATIONS CONTINUED:</b>									
EXPENSES:									
SANITATION SERVICES									
Personal Services	\$ 2,006,500	2,006,500	2,005,950	399,718	19.93%	409,834	20.93%	1,992,397	99.38%
City Sponsored Pensions	447,600	447,600	448,150	447,735	99.91%	447,737	99.94%	448,210	100.00%
Sub-Total	2,454,100	2,454,100	2,454,100	847,453	34.53%	857,571	35.64%	2,440,607	99.49%
Operating Expenses	3,134,000	3,198,350	3,198,350	703,088	21.98%	660,367	22.63%	3,040,056	97.37%
Debt Service	229,500	229,500	229,500	137,204	59.78%	135,922	58.89%	225,701	97.79%
Allocated Overhead/(Cost Recovery)	379,400	379,400	379,400	94,850	25.00%	90,825	25.00%	379,400	100.00%
Sub-Total	6,197,000	6,261,350	6,261,350	1,782,595	28.47%	1,744,685	29.48%	6,085,764	98.38%
CODE ENFORCEMENT PROGRAM									
Personal Services	664,800	664,800	664,400	127,970	19.26%	131,209	20.78%	600,745	100.00%
City Sponsored Pensions	292,600	292,600	293,000	292,675	99.89%	255,315	100.00%	255,454	100.00%
Sub-Total	957,400	957,400	957,400	420,645	43.94%	386,524	43.59%	856,199	100.00%
Operating Expenses	280,800	280,800	280,800	86,457	30.79%	96,844	34.92%	259,730	99.99%
Capital Outlay	55,000	55,000	55,000	49,823	90.59%	25,596	27.67%	72,596	78.48%
Allocated Overhead/(Cost Recovery)	88,600	88,600	88,600	22,150	25.00%	23,650	25.00%	88,600	100.00%
Sub-Total	1,381,800	1,381,800	1,381,800	579,075	41.91%	532,614	39.42%	1,277,125	98.46%
TOTAL EXPENSES SANITATION OPERATIONS	\$ 7,578,800	7,643,150	7,643,150	2,361,670	30.90%	2,277,299	31.33%	7,362,889	98.40%
<b>TOTAL FUND:</b>									
TOTAL REVENUES AND FUND BALANCE	\$ 7,578,800	7,643,150	7,643,150	1,876,510	24.55%	1,671,017	22.99%	7,490,469	99.68%
TOTAL EXPENSES	\$ 7,578,800	7,643,150	7,643,150	2,361,670	30.90%	2,277,299	31.33%	7,362,889	98.40%

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, 2016  
(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 100,000	833,571	833,571	833,571	100.00%	1,094,375	100.00%	1,304,375	100.00%
REVENUES:									
PORT									
Handling	35,000	35,000	35,000	5,524	15.78%	2,495	5.70%	35,021	100.00%
Wharfage	361,800	361,800	361,800	27,676	7.65%	12,518	3.04%	319,874	100.00%
Storage	181,900	181,900	181,900	4,720	2.59%	26,021	17.35%	131,406	100.00%
Dockage	550,000	550,000	550,000	28,222	5.13%	114,835	22.97%	498,016	100.00%
Water Sales	17,000	17,000	17,000	100	0.59%	4,438	29.59%	12,345	99.99%
Property Rental	654,000	654,000	654,000	198,479	30.35%	203,030	32.96%	606,510	100.00%
Stevedore Fees	39,100	39,100	39,100	3,539	9.05%	1,257	4.03%	20,858	100.00%
Harbor	30,000	30,000	30,000	3,650	12.17%	4,050	12.27%	23,950	100.00%
Security Fees	65,000	65,000	65,000	5,222	8.03%	10,474	15.07%	63,273	100.00%
Interior Lighting	50,000	50,000	50,000	4,221	8.44%	10,958	73.05%	41,506	100.00%
Miscellaneous/Billed	15,000	15,000	15,000	2,860	19.07%	750	5.00%	13,172	100.00%
Miscellaneous/Non-Billed	0	0	0	160	----	5,344	----	5,729	100.00%
Interest Income	0	0	0	0	----	321	----	1,088	100.00%
Sale of Asset	0	0	0	1,045	----	0	----	0	----
Cedar Street Lease/Parking Lot	70,700	70,700	70,700	21,920	31.00%	19,180	----	57,540	100.00%
TOTAL REVENUES	2,069,500	2,069,500	2,069,500	307,338	14.85%	415,671	21.88%	1,830,288	100.00%
TOTAL REVENUES AND FUND BALANCE	\$ 2,169,500	2,903,071	2,903,071	1,140,909	39.30%	1,510,046	50.43%	3,134,663	100.00%
EXPENSES:									
OPERATIONS & MAINTENANCE									
Personal Services	\$ 789,200	789,200	789,128	158,034	20.03%	165,774	21.57%	736,505	93.78%
City Sponsored Pensions	120,400	120,400	120,472	120,433	99.97%	120,433	99.99%	120,550	99.99%
Sub-Total	909,600	909,600	909,600	278,467	30.61%	286,207	32.19%	857,055	94.60%
Operating Expenses	986,300	1,002,300	1,002,300	377,154	37.63%	252,930	30.13%	782,948	99.31%
Capital Outlay	178,400	895,971	895,971	123,442	13.78%	46,933	4.01%	204,569	22.32%
Sub-Total	2,074,300	2,807,871	2,807,871	779,063	27.75%	586,070	20.22%	1,844,572	64.24%
Allocated Overhead/(Cost Recovery)	95,200	95,200	95,200	23,800	25.00%	24,100	25.00%	95,200	100.00%
TOTAL EXPENSES	\$ 2,169,500	2,903,071	2,903,071	802,863	27.66%	610,170	20.38%	1,939,772	65.33%

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, 2016**  
**(Unaudited)**

	FY 2017				% OF BUDGET 12/16	FY 2016			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16		ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	2,816,098	2,816,098	2,816,098	100.00%	3,366,373	100.00%	1,298,147	100.00%
REVENUES:									
AIRLINE REVENUES									
Loading Bridges Fees	200,000	200,000	200,000	107,759	53.88%	107,690	53.85%	552,458	100.00%
Air Carrier Landing Fees	2,912,100	2,912,100	2,912,100	544,469	18.70%	717,737	28.15%	2,980,293	100.00%
Apron Area Rental	520,000	520,000	520,000	151,673	29.17%	137,657	16.19%	569,984	100.00%
Airline Rentals	2,500,000	2,500,000	2,500,000	727,526	29.10%	730,229	25.18%	2,969,645	100.00%
SUBTOTAL AIRLINE REVENUES	6,132,100	6,132,100	6,132,100	1,531,427	24.97%	1,693,313	26.05%	7,072,380	100.00%
NON-AIRLINE REVENUES									
U.S.Government - FASCO	80,000	80,000	80,000	62,000	77.50%	62,000	77.50%	248,002	100.00%
Rental Cars	3,400,000	3,400,000	3,400,000	777,092	22.86%	775,563	24.24%	3,450,620	100.52%
Rental Car Customer Facility Charge (Garage)	911,700	911,700	911,700	201,185	22.07%	119,803	13.61%	916,846	102.85%
CFC - Rental Car Svc Facility	2,050,000	2,050,000	2,050,000	576,119	28.10%	343,048	16.11%	2,372,361	103.17%
Rental Car Service Facility Rent	230,000	230,000	230,000	54,898	23.87%	52,445	20.98%	233,187	100.00%
Fixed Base Operators	155,000	155,000	155,000	45,422	29.30%	31,520	21.01%	168,123	103.89%
Restaurant and Lounge	453,000	453,000	453,000	124,975	27.59%	113,936	28.63%	544,147	100.00%
Advertising	90,000	90,000	90,000	26,520	29.47%	18,214	26.02%	114,744	100.00%
Hangar Rentals	135,000	135,000	135,000	52,233	38.69%	46,241	34.25%	144,869	100.00%
Airport & 12th	128,000	128,000	128,000	27,000	21.09%	27,001	24.55%	112,417	100.00%
Parking Lot	5,125,000	5,125,000	5,125,000	1,360,898	26.55%	1,245,389	25.42%	5,381,278	98.63%
Gift Shop	300,000	300,000	300,000	61,235	20.41%	67,320	20.40%	239,529	102.85%
Taxi Permits	110,000	110,000	110,000	12,175	11.07%	17,075	28.46%	79,423	99.98%
LEO/TSA Security	110,000	110,000	110,000	27,600	25.09%	27,300	24.82%	108,693	100.00%
Commercial Property Rentals	350,000	350,000	350,000	73,847	21.10%	82,720	23.63%	291,740	100.00%
GSA/TSA Term Rent	280,000	280,000	280,000	71,695	25.61%	0	----	280,113	100.00%
Miscellaneous	35,000	35,000	35,000	36,000	102.86%	77,755	24.68%	135,080	55.81%
Interest Income	20,000	20,000	20,000	0	0.00%	10,105	67.37%	98,963	94.17%
SUB-TOTAL NON-AIRLINE REVENUES	13,962,700	13,962,700	13,962,700	3,590,894	25.72%	3,117,435	23.12%	14,920,135	99.61%
TOTAL OPERATING REVENUES	20,094,800	20,094,800	20,094,800	5,122,321	25.49%	4,810,748	24.07%	21,992,515	99.73%
TOTAL REVENUES AND FUND BALANCE	\$ 20,094,800	22,910,898	22,910,898	7,938,419	34.65%	8,177,121	35.02%	23,290,662	99.75%

**CITY OF PENSACOLA**  
**AIRPORT FUND**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES - BUDGETED AND ACTUAL**  
**For the Three Months Ended December 31, 2016**  
**(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E	% OF BUDGET F.Y.E.
<b>EXPENSES:</b>									
<b>OPERATION &amp; MAINTENANCE</b>									
Personal Services	\$ 3,581,600	3,581,600	3,591,113	743,294	20.70%	763,870	20.15%	3,481,674	95.13%
City Sponsored Pensions	688,500	778,300	768,787	768,442	99.96%	660,947	99.99%	790,981	99.87%
Sub-Total	4,270,100	4,359,900	4,359,900	1,511,736	34.67%	1,424,817	32.00%	4,272,655	95.97%
Operating Expenses	9,257,600	11,436,180	11,424,310	2,290,363	20.05%	2,246,861	24.87%	7,806,451	88.98%
Capital Outlay	615,500	1,163,218	1,175,088	314,983	26.81%	257,933	11.96%	1,057,838	63.55%
Sub-Total	14,143,200	16,959,298	16,959,298	4,117,082	24.28%	3,929,611	25.12%	13,136,944	87.70%
<b>DEBT SERVICE GARB</b>									
Interest	1,100,400	1,100,400	1,100,400	471,247	42.83%	329,526	28.44%	928,749	80.16%
Principal	2,843,800	2,843,800	2,843,800	2,275,000	80.00%	2,180,000	80.00%	2,180,000	80.00%
Sub-Total	3,944,200	3,944,200	3,944,200	2,746,247	69.63%	2,509,526	64.62%	3,108,749	80.05%
<b>DEBT SERVICE CFC</b>									
Interest	488,800	488,800	488,800	28,420	5.81%	15,446	2.36%	102,218	15.59%
Principal	922,900	922,900	922,900	0	0.00%	0	0.00%	0	0.00%
Sub-Total	1,411,700	1,411,700	1,411,700	28,420	2.01%	15,446	0.47%	102,218	3.14%
<b>Allocated Overhead/(Cost Recovery)</b>									
General Fund	595,700	595,700	595,700	148,925	25.00%	140,650	25.00%	595,700	100.00%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 20,094,800</b>	<b>22,910,898</b>	<b>22,910,898</b>	<b>7,040,674</b>	<b>30.73%</b>	<b>6,595,233</b>	<b>28.25%</b>	<b>16,943,611</b>	<b>74.94%</b>

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, 2016**  
**(Unaudited)**

	FY 2017				% OF BUDGET 12/16	FY 2016			
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16		ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	0	0	0	----	0	----	0	----
REVENUES:									
Service Fees	1,566,500	1,466,500	1,466,500	600,653	40.96%	679,725	43.10%	1,426,106	90.43%
TOTAL REVENUES	1,566,500	1,466,500	1,466,500	600,653	40.96%	679,725	43.10%	1,426,106	90.43%
TOTAL REVENUES AND FUND BALANCE	\$ 1,566,500	1,466,500	1,466,500	600,653	40.96%	679,725	43.10%	1,426,106	90.43%
EXPENSES:									
RISK MANAGEMENT									
Personal Services	\$ 535,600	535,600	535,500	264,786	49.45%	232,668	46.75%	433,440	87.10%
City Sponsored Pensions	59,900	59,900	60,000	59,912	99.85%	59,912	100.02%	59,957	99.99%
Sub-Total	595,500	595,500	595,500	324,698	54.53%	292,580	52.47%	493,397	88.49%
Operating Expenses	698,600	698,600	693,800	214,054	30.85%	249,911	36.49%	682,750	99.69%
Sub-Total	1,294,100	1,294,100	1,289,300	538,752	41.79%	542,491	43.66%	1,176,147	94.66%
CITY CLINIC									
Personal Services	\$ 117,600	117,600	117,587	25,159	21.40%	25,477	21.87%	117,326	99.01%
City Sponsored Pensions	27,800	27,800	27,813	27,811	99.99%	27,811	99.99%	27,852	99.96%
Sub-Total	145,400	145,400	145,400	52,970	36.43%	53,288	36.93%	145,178	99.19%
Operating Expenses	27,000	27,000	31,800	8,931	28.08%	9,365	31.22%	27,639	98.93%
Sub-Total	172,400	172,400	177,200	61,901	34.93%	62,653	35.95%	172,817	99.15%
ADA									
Operating Expenses	100,000	0	0	0	----	74,581	46.54%	0	0.00%
Sub-Total	100,000	0	0	0	----	74,581	46.54%	0	0.00%
TOTAL EXPENSES	\$ 1,566,500	1,466,500	1,466,500	600,653	40.96%	679,725	43.10%	1,348,964	85.54%

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, 2016  
(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
APPROPRIATED FUND BALANCE	\$ 0	0	0	0	----	0	----	0	----
REVENUES:									
Service Fees									
Mail Room	82,900	82,900	82,900	34,659	41.81%	34,764	42.40%	72,765	88.74%
Technology Resources	2,779,600	2,852,253	2,852,253	858,960	30.12%	791,812	28.59%	2,344,353	84.65%
Engineering	794,400	794,400	794,400	242,112	30.48%	192,952	26.70%	516,099	71.41%
Central Garage	1,468,700	1,468,700	1,468,700	497,693	33.89%	475,648	33.77%	1,443,240	102.47%
TOTAL REVENUES	5,125,600	5,198,253	5,198,253	1,633,424	31.42%	1,495,176	30.01%	4,376,457	87.83%
TOTAL REVENUES AND FUND BALANCE	\$ 5,125,600	5,198,253	5,198,253	1,633,424	31.42%	1,495,176	30.01%	4,376,457	87.83%
EXPENSES:									
MAIL ROOM									
Personal Services	\$ 42,500	42,500	42,500	7,841	18.45%	7,850	18.78%	36,477	87.27%
City Sponsored Pensions	21,600	21,600	21,600	21,600	100.00%	21,600	100.00%	21,600	100.00%
Sub-Total	64,100	64,100	64,100	29,441	45.93%	29,450	46.45%	58,077	91.60%
Operating Expenses	18,800	18,800	18,800	5,218	27.76%	5,314	28.57%	11,919	64.08%
Sub-Total Mail Room	82,900	82,900	82,900	34,659	41.81%	34,764	42.40%	69,996	85.36%
TECHNOLOGY RESOURCES									
Personal Services	992,400	992,400	992,300	210,341	21.20%	223,481	19.73%	951,831	83.42%
City Sponsored Pensions	216,700	216,700	216,800	216,723	99.96%	216,723	99.98%	216,810	100.00%
Sub-Total	1,209,100	1,209,100	1,209,100	427,064	35.32%	440,204	32.62%	1,168,641	86.06%
Operating Expenses	1,114,700	1,187,353	1,187,353	386,375	32.54%	273,720	30.04%	810,199	83.84%
Capital Outlay	226,000	226,000	226,000	9,335	4.13%	41,701	14.28%	199,200	90.19%
Sub-Total	2,549,800	2,622,453	2,622,453	822,774	31.37%	755,625	29.61%	2,178,040	85.57%
TRANSFER OUT									
Local Option Sales Tax	188,100	188,100	188,100	0	0.00%	0	0.00%	175,480	99.99%
Sub-Total	188,100	188,100	188,100	0	0.00%	0	0.00%	175,480	99.99%
DEBT SERVICE									
Interest	1,700	1,700	1,700	1,447	85.12%	1,460	44.24%	3,295	99.85%
Principal	40,000	40,000	40,000	34,739	86.85%	34,727	90.43%	38,386	99.96%
Sub-Total	41,700	41,700	41,700	36,186	86.78%	36,187	86.78%	41,681	99.95%
Sub-Total Technology Resources	2,779,600	2,852,253	2,852,253	858,960	30.12%	791,812	28.59%	2,395,201	86.70%

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, 2016  
(Unaudited)**

	FY 2017				FY 2016				
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	ACTUAL 12/16	% OF BUDGET 12/16	ACTUAL 12/15	% OF BUDGET 12/15	ACTUAL F.Y.E.	% OF BUDGET F.Y.E.
<b>ENGINEERING</b>									
Personal Services	528,200	528,200	528,125	81,323	15.40%	62,264	12.34%	324,231	65.53%
City Sponsored Pensions	105,000	105,000	105,075	105,018	99.95%	105,018	99.94%	105,083	99.99%
Sub-Total	<u>633,200</u>	<u>633,200</u>	<u>633,200</u>	<u>186,341</u>	29.43%	<u>167,282</u>	27.44%	<u>429,314</u>	71.57%
Operating Expenses	122,200	122,200	122,200	28,000	22.91%	25,670	22.72%	83,680	74.05%
Capital Outlay	39,000	39,000	39,000	27,771	71.21%	0	----	9,850	100.00%
Sub-Total Engineering	<u>794,400</u>	<u>794,400</u>	<u>794,400</u>	<u>242,112</u>	30.48%	<u>192,952</u>	26.70%	<u>522,844</u>	72.35%
<b>CENTRAL GARAGE</b>									
Personal Services	920,500	920,500	920,300	188,954	20.53%	187,423	20.39%	897,794	97.69%
City Sponsored Pensions	216,100	216,100	216,300	216,166	99.94%	216,169	99.96%	216,423	99.98%
Sub-Total	<u>1,136,600</u>	<u>1,136,600</u>	<u>1,136,600</u>	<u>405,120</u>	35.64%	<u>403,592</u>	35.54%	<u>1,114,217</u>	98.12%
Operating Expenses	290,800	290,800	290,800	67,162	23.10%	72,056	26.41%	222,794	81.65%
Capital Outlay	41,300	41,300	41,300	25,411	61.53%	0	----	0	----
Sub-Total Central Garage	<u>1,468,700</u>	<u>1,468,700</u>	<u>1,468,700</u>	<u>497,693</u>	33.89%	<u>475,648</u>	33.77%	<u>1,337,011</u>	94.93%
<b>TOTAL EXPENSES</b>	<u>\$ 5,125,600</u>	<u>5,198,253</u>	<u>5,198,253</u>	<u>1,633,424</u>	31.42%	<u>1,495,176</u>	30.01%	<u>4,325,052</u>	86.92%

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 2017  
(Unaudited)**

PROGRAM	FY 2017					
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	DIFFERENCE APPROVED - AMENDED	FY 2017 ACTUAL 12/16	% OF BUDGET 12/16
<b>AIRPORT</b>						
Aircraft Rescue & Firefighting Facility (ARFF)	\$ 706,500	796,300	796,300	-	241,882	30.38%
Airport Administration	3,276,500	3,279,539	3,279,539	-	1,127,026	34.37%
Maintenance	8,794,700	11,517,259	11,517,259	-	2,184,897	18.97%
Operations	719,100	719,100	719,100	-	280,779	39.05%
Security	1,242,100	1,242,800	1,242,800	-	431,423	34.71%
Sub-total	<u>14,738,900</u>	<u>17,554,998</u>	<u>17,554,998</u>	<u>-</u>	<u>4,266,007</u>	<u>24.30%</u>
<b>CITY CLERK</b>						
Administration of Legal Documents	113,500	109,500	109,500	-	47,026	42.95%
City Elections/Appointments	33,200	33,200	33,200	-	6,868	20.69%
City Council Meetings Preparation	88,400	88,400	88,400	-	18,314	20.72%
Sub-total	<u>235,100</u>	<u>231,100</u>	<u>231,100</u>	<u>-</u>	<u>72,208</u>	<u>31.25%</u>
<b>CITY COUNCIL</b>						
Audit	99,700	194,400	194,400	-	94,700	48.71%
City Council Support	312,700	306,200	306,200	-	27,087	8.85%
Office of the City Council	366,300	420,182	420,182	-	65,354	15.55%
Sub-total	<u>778,700</u>	<u>920,782</u>	<u>920,782</u>	<u>-</u>	<u>187,141</u>	<u>20.32%</u>
<b>COMMUNITY REDEVELOPMENT AGENCY - CRA</b>						
Urban Core Community Redevelopment Area				-		
Redevelopment Plan Implementation	481,000	481,875	481,875	-	84,338	17.50%
Asset Maintenance and Operation	406,900	256,900	256,900	-	39,157	15.24%
Capital and Infrastructure Projects	-	-	-	-	-	----
Non-Capital Projects and Activities	197,900	1,138,006	1,138,006	-	198,365	17.43%
Eastside Redevelopment Area Plan Implementation	105,200	1,243,364	1,243,364	-	1,038,822	83.55%
Westside Redevelopment Area Plan Implementation	192,700	323,021	323,021	-	13,024	4.03%
Sub-total	<u>1,383,700</u>	<u>3,443,166</u>	<u>3,443,166</u>	<u>-</u>	<u>1,373,706</u>	<u>39.90%</u>
<b>FINANCIAL SERVICES</b>						
Accounting	472,200	447,500	447,500	-	222,708	49.77%
Budget	61,200	61,000	61,000	-	30,841	50.56%
Contract & Lease Services	90,900	89,700	89,700	-	17,872	19.92%
Payroll	199,700	194,400	194,400	-	75,636	38.91%
Purchasing	119,300	165,993	165,993	-	61,065	36.79%
Sub-total	<u>943,300</u>	<u>958,593</u>	<u>958,593</u>	<u>-</u>	<u>408,122</u>	<u>42.58%</u>
<b>FINANCIAL SERVICES - RISK MANAGEMENT SERVICES</b>						
Risk Management Services	1,394,100	1,294,100	1,289,300	(4,800)	538,752	41.79%
Sub-total	<u>1,394,100</u>	<u>1,294,100</u>	<u>1,289,300</u>	<u>(4,800)</u>	<u>538,752</u>	<u>41.79%</u>

**CITY OF PENSACOLA  
BUDGET PROGRAMS  
FISCAL YEAR 2017  
(Unaudited)**

PROGRAM	FY 2017					
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	DIFFERENCE APPROVED - AMENDED	FY 2017 ACTUAL 12/16	% OF BUDGET 12/16
<b>FINANCIAL SERVICES - MAIL ROOM</b>						
Mail Room	82,900	82,900	82,900	-	34,659	41.81%
Sub-total	<u>82,900</u>	<u>82,900</u>	<u>82,900</u>	<u>-</u>	<u>34,659</u>	41.81%
<b>FINANCIAL SERVICES - TECHNOLOGY RESOURCES</b>						
Capital Accumulation	41,700	41,700	41,700	-	36,187	86.78%
Information Management	1,068,300	1,102,853	1,103,166	313	437,519	39.66%
Network/System Management	1,096,500	1,134,600	1,135,502	902	283,355	24.95%
Office of the Director	206,000	206,000	204,532	(1,468)	63,314	30.96%
Public Safety	179,000	179,000	179,253	253	38,585	21.53%
Sub-total	<u>2,591,500</u>	<u>2,664,153</u>	<u>2,664,153</u>	<u>-</u>	<u>858,960</u>	32.24%
<b>FIRE</b>						
Administrative Support	309,100	309,100	306,490	(2,610)	110,633	36.10%
Cadets	-	-	167,700	167,700	-	0.00%
City Emergency Management	8,000	8,000	8,400	400	2,404	28.62%
Emergency Operations - Fire Suppression	7,708,600	7,708,600	7,526,500	(182,100)	2,804,201	37.26%
Emergency Operations - Rescue	469,400	469,400	474,200	4,800	170,080	35.87%
Facilities and Apparatus Management	825,400	825,874	824,374	(1,500)	214,980	26.08%
Fire Academy	26,000	26,000	26,000	-	-	0.00%
Fire Code Enforcement	300,300	300,300	314,600	14,300	88,655	28.18%
Marine Operations	57,000	57,000	57,060	60	20,062	35.16%
Technical Support to City	7,200	7,200	7,300	100	2,405	32.95%
Training	149,500	149,500	148,350	(1,150)	68,899	46.44%
Sub-total	<u>9,860,500</u>	<u>9,860,974</u>	<u>9,860,974</u>	<u>-</u>	<u>3,482,319</u>	35.31%
<b>HOUSING</b>						
HOME Program	133,700	444,162	444,162	-	49,700	11.19%
SHIP Program	54,500	90,912	90,912	-	9,076	9.98%
Sub-total	<u>188,200</u>	<u>535,074</u>	<u>535,074</u>	<u>-</u>	<u>58,776</u>	10.98%
<b>HOUSING - CDBG</b>						
Community Development Block Grant (CDBG) Program	275,300	275,567	275,567	-	49,334	17.90%
Housing Rehabilitation	544,700	544,967	544,967	-	51,250	9.40%
Sub-total	<u>820,000</u>	<u>820,534</u>	<u>820,534</u>	<u>-</u>	<u>100,584</u>	12.26%
<b>HOUSING - SECTION 8</b>						
Section 8 Housing Assistance Payments Program Fund	18,691,000	18,693,433	18,693,433	-	4,255,486	22.76%
Sub-total	<u>18,691,000</u>	<u>18,693,433</u>	<u>18,693,433</u>	<u>-</u>	<u>4,255,486</u>	22.76%

**CITY OF PENSACOLA  
BUDGET PROGRAMS  
FISCAL YEAR 2017  
(Unaudited)**

PROGRAM	FY 2017					
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	DIFFERENCE APPROVED - AMENDED	FY 2017 ACTUAL 12/16	% OF BUDGET 12/16
<b>HUMAN RESOURCES</b>						
Human Resources Administration	338,600	344,348	341,796	(2,552)	186,243	54.49%
Recruiting & Training	118,900	118,900	121,452	2,552	26,091	21.48%
Sub-total	<u>457,500</u>	<u>463,248</u>	<u>463,248</u>	<u>-</u>	<u>212,334</u>	45.84%
<b>HUMAN RESOURCES - CLINIC</b>						
Clinic	172,400	172,400	177,200	4,800	61,901	34.93%
Sub-total	<u>172,400</u>	<u>172,400</u>	<u>177,200</u>	<u>4,800</u>	<u>61,901</u>	34.93%
<b>INSPECTION SERVICES</b>						
Inspection Services	1,106,300	1,301,700	1,300,710	(990)	446,327	34.31%
Plan Review and Permitting	84,500	84,500	85,490	990	31,191	36.48%
Sub-total	<u>1,190,800</u>	<u>1,386,200</u>	<u>1,386,200</u>	<u>-</u>	<u>477,518</u>	34.45%
<b>LEGAL</b>						
Client Legal Advisory Services	206,100	178,900	172,150	(6,750)	36,817	21.39%
Legal Management and Operations Services	168,300	168,300	168,350	50	34,265	20.35%
Public Records Law Compliance and Process Services	43,500	43,500	50,200	6,700	7,307	14.56%
Sub-total	<u>417,900</u>	<u>390,700</u>	<u>390,700</u>	<u>-</u>	<u>78,389</u>	20.06%
<b>MAYOR</b>						
City Administrator/Cabinet	398,200	401,800	401,800	-	95,124	23.67%
Communications	27,500	20,300	20,300	-	(2,378)	-11.71%
Constituent Services	113,200	110,700	110,700	-	24,317	21.97%
Office of the Mayor	116,000	107,000	107,000	-	7,099	6.63%
Sub-total	<u>654,900</u>	<u>639,800</u>	<u>639,800</u>	<u>-</u>	<u>124,162</u>	19.41%
<b>NON-DEPARTMENTAL FUNDING</b>						
Agency funding	2,856,500	3,211,062	3,236,062	25,000	2,042,739	63.12%
Sub-total	<u>2,856,500</u>	<u>3,211,062</u>	<u>3,236,062</u>	<u>25,000</u>	<u>2,042,739</u>	63.12%

**CITY OF PENSACOLA  
BUDGET PROGRAMS  
FISCAL YEAR 2017  
(Unaudited)**

PROGRAM	FY 2017					
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	DIFFERENCE APPROVED - AMENDED	FY 2017 ACTUAL 12/16	% OF BUDGET 12/16
<b>PARKS &amp; RECREATION</b>						
Aquatics	244,000	279,228	279,228	-	32,994	11.82%
Athletic Field Maintenance	377,900	378,058	378,058	-	113,798	30.10%
Athletics	425,200	430,884	417,884	(13,000)	121,268	29.02%
Office of the Director (Administration)	647,600	647,600	644,600	(3,000)	245,816	38.13%
Park Administration & Maintenance	2,288,300	2,486,809	2,511,358	24,549	1,028,937	40.97%
Recreation/Community Center Administration	703,100	703,100	699,551	(3,549)	228,157	32.61%
Resource Center Programs	899,600	900,838	900,838	-	194,925	21.64%
Senior Center	191,400	191,400	186,400	(5,000)	42,525	22.81%
Volunteer & Outdoor Pursuits Program	63,300	63,300	63,300	-	13,141	20.76%
Sub-total	<u>5,840,400</u>	<u>6,081,217</u>	<u>6,081,217</u>	<u>-</u>	<u>2,021,561</u>	<u>33.24%</u>
<b>PARKS &amp; RECREATION - TENNIS</b>						
Roger Scott Tennis Center	254,000	304,000	304,000	-	51,673	17.00%
Sub-total	<u>254,000</u>	<u>304,000</u>	<u>304,000</u>	<u>-</u>	<u>51,673</u>	<u>17.00%</u>
<b>PARKS &amp; RECREATION - GOLF</b>						
Osceola Golf Course	742,900	771,808	771,808	-	226,877	29.40%
Sub-total	<u>742,900</u>	<u>771,808</u>	<u>771,808</u>	<u>-</u>	<u>226,877</u>	<u>29.40%</u>
<b>PARKS &amp; RECREATION - CMP</b>						
Community Maritime Park Cultural Events	657,600	657,600	657,600	-	102,066	15.52%
Sub-total	<u>657,600</u>	<u>657,600</u>	<u>657,600</u>	<u>-</u>	<u>102,066</u>	<u>15.52%</u>
<b>PENSACOLA ENERGY</b>						
Customer Service	994,500	994,500	997,000	2,500	348,144	34.92%
Gas Construction	4,003,400	3,941,931	3,941,931	-	624,232	15.84%
Gas Cost	19,263,600	19,263,600	19,263,600	-	2,668,275	13.85%
Gas Marketing	2,452,800	2,455,600	2,453,100	(2,500)	400,066	16.31%
Gas Piping	513,500	513,500	513,500	-	88,947	17.32%
Gas Renewal & Replacement	4,626,500	4,633,070	4,633,070	-	2,322,895	50.14%
Gas Training	294,900	294,900	294,900	-	67,628	22.93%
Infrastructure Replacement	2,321,400	-	-	-	-	-----
Operations	9,038,000	9,306,282	9,306,282	-	2,989,652	32.13%
Sub-total	<u>43,508,600</u>	<u>41,403,383</u>	<u>41,403,383</u>	<u>-</u>	<u>9,509,839</u>	<u>22.97%</u>

**CITY OF PENSACOLA  
BUDGET PROGRAMS  
FISCAL YEAR 2017  
(Unaudited)**

PROGRAM	FY 2017					
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	DIFFERENCE APPROVED - AMENDED	FY 2017 ACTUAL 12/16	% OF BUDGET 12/16
<b>PLANNING SERVICES</b>						
Planning Services	669,300	669,300	669,300	-	185,665	27.74%
Business Licenses	45,000	45,000	45,000	-	27,137	60.30%
Neighborhood Enhancement	131,900	571,900	571,900	-	11,283	1.97%
Economic Development	47,900	122,900	122,900	-	-	0.00%
Pensacola Neighborhood Challenge (PNC)	24,900	92,124	92,124	-	-	0.00%
Sub-total	<u>919,000</u>	<u>1,501,224</u>	<u>1,501,224</u>	<u>-</u>	<u>224,085</u>	<u>14.93%</u>
<b>POLICE</b>						
Cadets	357,700	357,700	261,871	(95,829)	90,466	34.55%
Central Records	471,300	471,300	473,319	2,019	153,664	32.47%
Chief's Office	1,740,600	1,740,600	1,750,942	10,342	603,367	34.46%
Communications Center	1,663,300	1,663,300	1,768,368	105,068	600,585	33.96%
Community Oriented Policing Squad	1,121,800	1,121,800	1,118,440	(3,360)	494,779	44.24%
Crime Scene Investigation	702,000	706,000	706,780	780	330,136	46.71%
Criminal Intelligence Unit	83,400	83,400	83,400	-	34,336	41.17%
Criminal Investigation Unit	2,305,100	2,305,100	2,263,883	(41,217)	868,521	38.36%
Fleet Management	437,600	437,600	431,792	(5,808)	143,587	33.25%
Property Management	386,300	386,300	383,815	(2,485)	133,979	34.91%
School Resource Office (SRO)	656,300	656,300	659,345	3,045	272,420	41.32%
Traffic	985,100	985,100	967,464	(17,636)	406,153	41.98%
Training/Personnel	642,000	664,305	661,862	(2,443)	266,129	40.21%
Uniform Patrol	9,076,300	9,076,300	9,116,907	40,607	3,830,299	42.01%
Vice & Narcotics	599,700	599,700	606,617	6,917	207,580	34.22%
Sub-total	<u>21,228,500</u>	<u>21,254,805</u>	<u>21,254,805</u>	<u>-</u>	<u>8,436,001</u>	<u>39.69%</u>
<b>PORT</b>						
Administration	847,700	863,700	679,800	(183,900)	294,589	43.33%
Business & Trade Development	237,400	237,400	175,835	(61,565)	33,773	19.21%
Operations & Maintenance	638,500	638,500	876,369	237,869	285,550	32.58%
Seaport Security	309,500	309,500	317,096	7,596	65,509	20.66%
Sub-total	<u>2,033,100</u>	<u>2,049,100</u>	<u>2,049,100</u>	<u>-</u>	<u>679,421</u>	<u>33.16%</u>

**CITY OF PENSACOLA  
BUDGET PROGRAMS  
FISCAL YEAR 2017  
(Unaudited)**

PROGRAM	FY 2017					
	COUNCIL BEGINNING BUDGET	COUNCIL AMENDED BUDGET	CURRENT APPROVED BUDGET	DIFFERENCE APPROVED - AMENDED	FY 2017 ACTUAL 12/16	% OF BUDGET 12/16
<b>PUBLIC WORKS &amp; FACILITIES - GENERAL FUND</b>						
ADA Improvements	-	100,000	100,000	-	-	0.00%
Administration Daily Operation	256,300	258,339	258,342	3	66,922	25.90%
Building Maintenance Administration	266,400	290,218	299,182	8,964	84,038	28.09%
City Facility Maintenance & Repair	1,228,600	1,417,000	1,403,794	(13,206)	340,262	24.24%
Resource Center Maintenance	163,200	241,400	220,642	(20,758)	57,983	26.28%
Street Daily Operation	635,600	737,639	737,639	-	206,744	28.03%
Traffic Signals & Street Lighting	1,355,400	1,408,362	1,408,356	(6)	409,163	29.05%
Traffic Striping	43,900	43,900	43,903	3	14,734	33.56%
Sub-total	<u>3,949,400</u>	<u>4,496,858</u>	<u>4,471,858</u>	<u>(25,000)</u>	<u>1,179,846</u>	26.38%
<b>PUBLIC WORKS &amp; FACILITIES - STORMWATER FUND</b>						
Stormwater Operation & Maintenance	1,878,900	1,897,079	1,897,079	-	676,761	35.67%
Street Sweeping FDOT Roadways	39,600	39,600	40,906	1,306	11,063	27.04%
Street Sweeping Operation & Maintenance	840,600	840,600	839,294	(1,306)	254,810	30.36%
Sub-total	<u>2,759,100</u>	<u>2,777,279</u>	<u>2,777,279</u>	<u>-</u>	<u>942,634</u>	33.94%
<b>PUBLIC WORKS &amp; FACILITIES - CENTAL SERVICES FUND</b>						
Plan Review	82,200	82,200	82,200	-	16,212	19.72%
Project Design	286,700	286,700	286,700	-	66,071	23.05%
Project Management	413,400	413,400	413,400	-	158,591	38.36%
Survey Operations Coordination	12,100	12,100	12,100	-	1,238	10.23%
Sub-total	<u>794,400</u>	<u>794,400</u>	<u>794,400</u>	<u>-</u>	<u>242,112</u>	30.48%
<b>SANITATION SERVICES</b>						
Code Enforcement	1,280,800	1,280,800	1,280,800	-	531,518	41.50%
Code Enforcement-Zoning/Housing	101,000	101,000	101,000	-	47,557	47.09%
Residential Garbage Collection	3,101,300	3,111,050	3,111,050	-	819,729	26.35%
Recycling Collection	886,300	940,900	940,900	-	291,194	30.95%
Transfer Station	403,000	403,000	403,000	-	108,655	26.96%
Yard Trash/Bulk Waste Collection	1,662,000	1,662,000	1,662,000	-	425,813	25.62%
Sub-total	<u>7,434,400</u>	<u>7,498,750</u>	<u>7,498,750</u>	<u>-</u>	<u>2,224,466</u>	29.66%
<b>SANITATION SERVICES - GARAGE</b>						
Central Garage	1,468,700	1,468,700	1,468,700	-	497,693	33.89%
Sub-total	<u>1,468,700</u>	<u>1,468,700</u>	<u>1,468,700</u>	<u>-</u>	<u>497,693</u>	33.89%
<b>TOTAL</b>	<b>\$ <u>148,694,750</u></b>	<b><u>153,610,533</u></b>	<b><u>153,610,533</u></b>	<b><u>-</u></b>	<b><u>44,745,160</u></b>	<b>29.13%</b>



**City of Pensacola, Florida**  
**Investment Schedule**  
**As of December 31, 2016**  
**(Unaudited)**

<b><u>POOLED INVESTMENTS</u></b>		<b>Invest Type</b>	<b>Purchase Date</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principal Amount</b>	<b>Market Value</b>
Compass Bank	6736937164	CD	03/18/16	03/18/17	0.63%	\$ 5,000,000.00	\$ 5,000,000.00
Compass Bank	6736937067	CD	03/18/16	03/18/17	0.63%	5,000,000.00	5,000,000.00
Hancock Bank	689271	CD	03/21/16	03/21/17	0.65%	5,000,000.00	5,000,000.00
BankUnited	1815051005	CD	07/15/16	07/15/17	0.84%	20,000,000.00	20,000,000.00
Compass	6740367348	CD	07/15/16	07/15/17	0.65%	5,000,000.00	5,000,000.00
Servis1st Bank	169532	CD	07/18/16	07/18/17	0.76%	5,000,000.00	5,000,000.00
Servis1st Bank	169540	CD	08/05/16	08/05/17	0.72%	10,000,000.00	10,000,000.00
Florida Community Bank	218829900	CD	08/05/16	09/27/17	1.09%	20,000,000.00	20,000,000.00
Hancock	692609	CD	10/25/16	01/23/17	0.70%	5,000,000.00	5,000,000.00
Hancock	692610	CD	10/25/16	01/23/17	0.70%	5,000,000.00	5,000,000.00
Hancock	692805	CD	12/09/16	03/09/17	0.60%	5,000,000.00	5,000,000.00
BankUnited	9853970289	MM	12/08/16		0.70%	5,000,000.00	5,000,000.00
Florida Community Bank	2168900800	MM	12/08/16		0.60%	5,000,000.00	5,000,000.00
<b><u>City's- GCA (checking account)</u></b>							
Wells Fargo Bank	Public Now Account		ERC 35%; offset fees			23,076,182.61	23,076,182.61
<b>TOTAL INVESTMENTS</b>						<b>\$ 123,076,182.61</b>	<b>\$ 123,076,182.61</b>

Money Market interest rates are good through December 31, 2016.

Wells Fargo Bank is the City's primary depository, expires June 30, 2019.

**CITY OF PENSACOLA  
DEBT SERVICE SCHEDULE  
December 31, 2016  
(Unaudited)**

	BALANCE 09/30/16	ADDITION OR (RETIREMENT) OF PRINCIPAL	BALANCE 12/31/16	REQUIRED RESERVES <sup>(a)</sup>	FUTURE INTEREST	MATURITY DATE
2008 AIRPORT TAXABLE CFC REVENUE NOTE	8,800,000.00	0.00	8,800,000.00	0.00	1,018,416.75 <sup>(b)</sup>	12/31/18
2008 AIRPORT REVENUE BONDS	32,170,000.00	(695,000.00)	31,475,000.00	3,325,607.53	26,948,187.50	10/01/38
2009 REDEVELOPMENT REVENUE BONDS (CMP)	43,360,000.00	0.00	43,360,000.00	0.00	43,863,692.62 <sup>(c)</sup>	04/01/40
2010 AIRPORT REVENUE REFUNDING NOTE (97B, 98A AIRPORT)	3,760,000.00	(1,225,000.00)	2,535,000.00	214,582.33	91,298.04	10/01/18
2010A-1 CAPITAL FUNDING REVENUE BONDS (2000A LOST)	2,165,000.00	(1,055,000.00)	1,110,000.00	0.00	56,887.50	10/01/17
2010A-2 CAPITAL FUNDING REVENUE BONDS (2000B LOST)	4,495,000.00	(2,190,000.00)	2,305,000.00	0.00	118,131.26	10/01/17
2010B-1 CAPITAL FUNDING REVENUE BONDS (2008 GAS/AMR)	1,480,000.00	(725,000.00)	755,000.00	0.00	31,143.76	10/01/17
2010B-2 CAPITAL FUNDING REVENUE BONDS (1999 GAS)	1,900,000.00	(935,000.00)	965,000.00	0.00	38,600.00	10/01/17
2011 GAS SYSTEM REVENUE NOTE	3,130,000.00	(495,000.00)	2,635,000.00	0.00	167,513.50	10/01/21
2012 AIRPORT REVENUE NOTE	6,300,000.00	0.00	6,300,000.00	0.00	1,777,967.50 <sup>(b)</sup>	10/01/27
2015 AIRPORT REFUNDING REVENUE NOTE	12,465,000.00	(915,000.00)	11,550,000.00	795,508.58	1,841,227.50	10/01/27
2016 LOCAL OPTION GAS TAX REVENUE BOND	14,314,000.00	(271,000.00)	14,043,000.00	0.00	1,451,812.20	12/31/26
2016 GAS SYSTEM REVENUE NOTE	0.00	15,000,000.00	15,000,000.00	0.00	1,842,613.23	10/01/26
<b>TOTAL</b>	<b>\$ 134,339,000.00</b>	<b>6,494,000.00</b>	<b>140,833,000.00</b>	<b>4,335,698.44</b>	<b>79,247,491.36</b>	

<sup>(a)</sup> Does not include required O&M and R&R reserves.

<sup>(b)</sup> Estimated.

<sup>(c)</sup> Interest is shown as a gross amount. The federal government subsidy for Build America Bonds is \$15,221,468.99 for a net interest on the bonds of \$28,642,223.63.

**CITY OF PENSACOLA**  
**DEBT SERVICE SCHEDULE BY ALLOCATION**  
**December 31, 2016**  
**(Unaudited)**

	BALANCE 09/30/16	ADDITION OR (RETIREMENT) OF PRINCIPAL	BALANCE 12/31/16	REQUIRED RESERVES <sup>(a)</sup>	FUTURE INTEREST	MATURITY DATE
<b><u>LOCAL OPTION GAS TAX FUND</u></b>						
2016 LOCAL OPTION GAS TAX REVENUE BOND	14,314,000.00	(271,000.00)	14,043,000.00	0.00	1,451,812.20	12/31/26
TOTAL LOCAL OPTION GAS TAX FUND	14,314,000.00	(271,000.00)	14,043,000.00	0.00	1,451,812.20	
<b><u>COMMUNITY REDEVELOPMENT AGENCY</u></b>						
2009 REDEVELOPMENT REVENUE BONDS (CMP) <sup>(d)</sup>	43,360,000.00	0.00	43,360,000.00	0.00	43,863,692.62 <sup>(c)</sup>	04/01/40
TOTAL COMMUNITY REDEVELOPMENT AGENCY	43,360,000.00	0.00	43,360,000.00	0.00	43,863,692.62	
<b><u>LOCAL OPTION SALES TAX FUND</u></b>						
2010A-1 CAPITAL FUNDING REVENUE BONDS (2000A LOST)	2,165,000.00	(1,055,000.00)	1,110,000.00	0.00	56,887.50	10/01/17
2010A-2 CAPITAL FUNDING REVENUE BONDS (2000B LOST)	4,495,000.00	(2,190,000.00)	2,305,000.00	0.00	118,131.26	10/01/17
TOTAL LOCAL OPTION SALES TAX FUND	6,660,000.00	(3,245,000.00)	3,415,000.00	0.00	175,018.76	
<b><u>GAS UTILITY FUND</u></b>						
2010B-1 CAPITAL FUNDING REVENUE BONDS (2008 GAS/AMR)	1,480,000.00	(725,000.00)	755,000.00	0.00	31,143.76	10/01/17
2010B-2 CAPITAL FUNDING REVENUE BONDS (1999 GAS)	1,900,000.00	(935,000.00)	965,000.00	0.00	38,600.00	10/01/17
2011 GAS SYSTEM REVENUE NOTE	3,130,000.00	(495,000.00)	2,635,000.00	0.00	167,513.50	10/01/21
2016 GAS SYSTEM REVENUE NOTE	0.00	15,000,000.00	15,000,000.00	0.00	1,842,613.23	10/01/26
TOTAL GAS UTILITY FUND	6,510,000.00	12,845,000.00	19,355,000.00	0.00	2,079,870.49	
<b><u>AIRPORT FUND</u></b>						
2008 AIRPORT TAXABLE CFC REVENUE NOTE	8,800,000.00	0.00	8,800,000.00	0.00	1,018,416.75 <sup>(b)</sup>	12/31/18
2008 AIRPORT REVENUE BONDS	32,170,000.00	(695,000.00)	31,475,000.00	3,325,607.53	26,948,187.50	10/01/38
2010 AIRPORT REVENUE REFUNDING NOTE (97B, 98A AIRPORT)	3,760,000.00	(1,225,000.00)	2,535,000.00	214,582.33	91,298.04	10/01/18
2012 AIRPORT REVENUE NOTE	6,300,000.00	0.00	6,300,000.00	0.00	1,777,967.50 <sup>(b)</sup>	10/01/27
2015 AIRPORT REFUNDING REVENUE NOTE	12,465,000.00	(915,000.00)	11,550,000.00	795,508.58	1,841,227.50	10/01/27
TOTAL AIRPORT FUND	63,495,000.00	(2,835,000.00)	60,660,000.00	4,335,698.44	31,677,097.29	
TOTAL	\$ 134,339,000.00	6,494,000.00	140,833,000.00	4,335,698.44	79,247,491.36	

(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 \$15,221,468.99 for a net interest on the bonds of \$28,642,223.63.

(d) In prior years, bond was previously shown in the Maritime Community Park Construction Fund.

CITY OF PENSACOLA  
SCHEDULE OF LEGAL COSTS  
December 31, 2016  
(Unaudited)

ATTORNEY NAME OR FIRM	AMOUNT PAID	NATURE OF SERVICES PROVIDED
ALLEN NORTON & BLUE P A	\$16,509.68	Administrative, Collective Bargaining and Employee Matters
BEGGS & LANE	68,945.90	Contract and Real Estate Law
BRYANT MILLER OLIVE PA	37,800.00	Bond Counsel
COLLEEN CLEARLY ORTIZ PA	1,635.00	Police Forfeiture Claim
GALLOWAY, JOHNSON, TOMPKINS, BURR AND SMITH	5,495.00	Contract Law
GRAY ROBINSON PA	10,924.71	Fee, Tax and Pension Plan Compliance
GUNSTER YOAKLEY & STEWART PA	693.00	Natural Gas Matters
JOLLY & PETERSON PA	3,668.69	Police Liability Claims
MCCARTER & ENGLISH LLP	8,305.07	Natural Gas Industry
PHILIP A BATES PA	260.40	Sanitation Matters
PLAUCHE MASELLI PARKERSON LLP	14,732.79	Utility Litigation
QUINTAIROS PRIETO WOOD & BOYER PA	8,469.44	Workers Compensation and Liability Claims
RAY, JR LOUIS F	5,075.00	Code Enforcement Special Magistrate
RODERIC G. MAGIE, PA	8,850.01	Workers Compensation Claims
SCHNADER HARRISON SEGAL & LEWIS LLP	105.00	Aviation Industry
SPERO, DONALD J	2,687.50	Arbitration
STEINMEYER FIVEASH LLP	24,546.18	Environmental and Property Matters
WILSON HARRELL & FARRINGTON PA	117,016.13	Claims and Litigation
REPORT TOTAL	<u>\$335,719.50</u>	