



CITY OF PENSACOLA, FLORIDA
Ashton J Hayward, Mayor

PENSACOLA

**AMERICA'S FIRST SETTLEMENT.
ESTABLISHED 1559.**



City of Pensacola, Florida

Fiscal Year 2012

Annual Budget-In-Brief

For the year ending September 30, 2012

Budget in Brief

CITY OF PENSACOLA, FLORIDA APPROVED BUDGET – Fiscal Year 2012

The City of Pensacola’s fiscal year 2012 budget in brief is provided as an overview of the City’s budget which totals \$222,106,100 for fiscal year 2012. This document provides a brief description of revenue the City expects to receive and the planned areas for where the money will be expended. State law requires that the City adopt a balanced budget prior to the beginning of the fiscal year which is October 1st.

Budget workshops were held on Tuesday, August 16th, Wednesday, August 17th and Thursday, August 25, 2011. The public hearings were held on Wednesday, September 7, 2011, Wednesday, September 14, 2011 and Wednesday, September 28, 2011 to tentatively and finally adopt the budget. These hearings were held at 5:15 p.m. in City Council Chambers.

The City’s final taxable value decreased by \$50 million, representing a 1.67 percent decline. The decrease in taxable value is anticipated to result in a \$265,600 decrease in General Fund Ad Valorem Revenue from the fiscal year 2011 beginning budget. Additionally, the fiscal year 2012 budget has been prepared with a reduction in the millage rate by 0.25 mills which further decreases the General fund Ad Valorem Revenue by \$707,700 for a total decrease of \$973,300. It is important to note that a decline in property valuation is rare. In fact, before the first reduction in FY 2009, property tax valuation had not experienced a reduction in the past twenty-five years. The property tax valuation reported for FY 2012 will mark the fourth year in a row that valuations have been reduced. The majority of the decrease is attributed to the decline in taxable value of real property as a result of the collapse in the real estate market. Additionally, the State of Florida mandated a formula to determine the maximum millage rate that a governmental entity can levy. Based on that calculation the maximum millage rate that the City can impose in fiscal year 2012 is calculated at 5.1087 which equates to an additional \$2,318,900 in potential Property Tax Revenue. However this budget has been prepared with a reduction in the millage rate by 0.25 mills bringing the fiscal year 2012 millage rate to 4.2895 mills and is below the calculated maximum millage rate allowed.

**ASHTON J. HAYWARD
MAYOR**



Budget In Brief

City of Pensacola, Florida

CITY OF PENSACOLA, FLORIDA FY 2012 CITY COUNCIL



Sherri F. Myers
District 2



P. C. Wu, Ph.D
Council Vice President
District 1



John Jerralds
District 5



Maren DeWeese
Council President
District 3



Ronald P. Townsend
District 7



Larry B. Johnson,
District 4



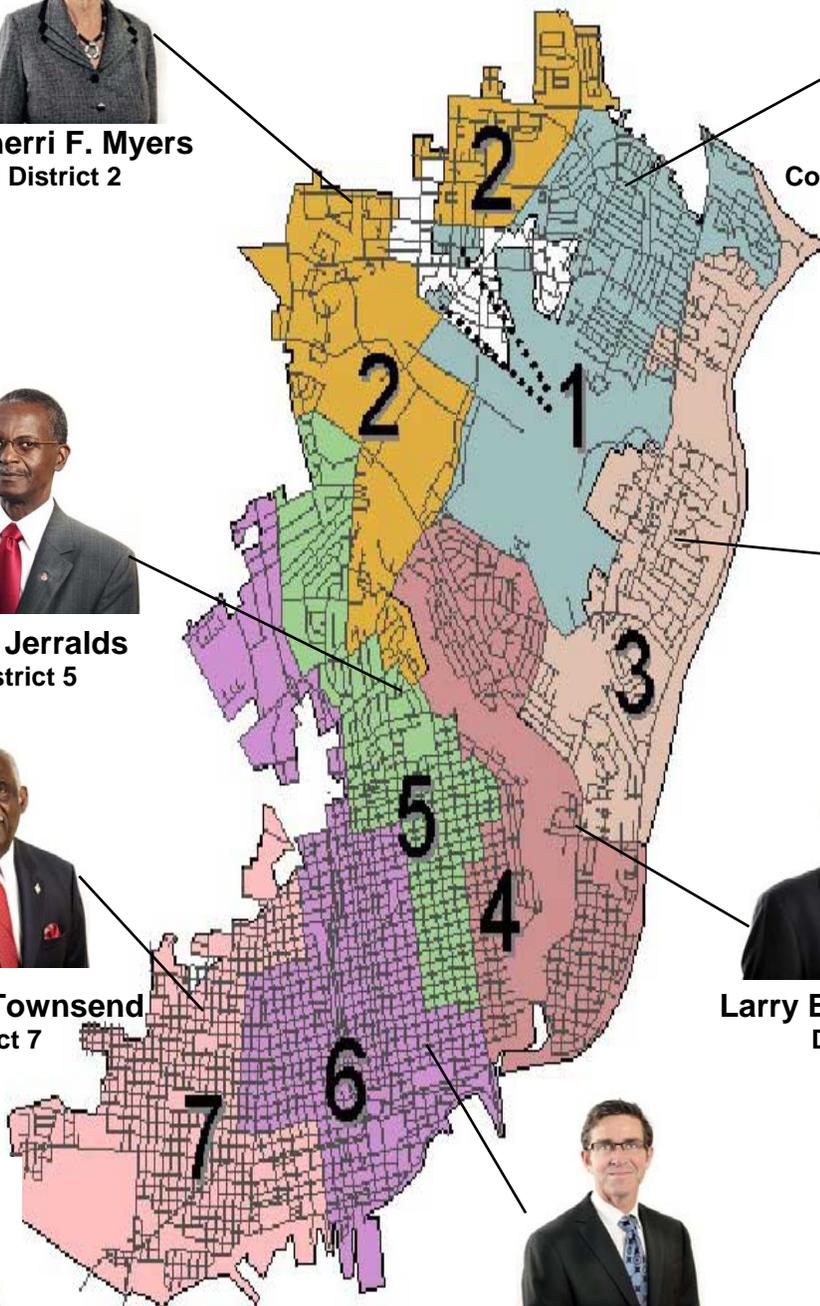
Sam Hall
At-Large



Brian Spencer
District 6



Megan B. Pratt
At Large



Budget In Brief

City of Pensacola, Florida

PUTTING CITIZENS FIRST
20 Solutions for 2011

MAYOR
Ashton Hayward

CREATING JOBS

- ★ **Give local businesses the opportunity to compete and to win city contracts** for construction and services, so we can create and save jobs for our neighbors and our families.
- ★ **Enhance the quality of our workforce through training and education programs**, so our young people and workers obtain the education and skills they need to be competitive in a global economy.
- ★ **Establish a united front with the city, county, and all non-governmental groups** that are dedicated to regional and national economic development to maximize our ability to recruit jobs, investment, and talent to our area.
- ★ **Determine the highest and best use for the Main Street wastewater treatment plant site** and look at ways to attract outside capital and investment from the private sector to fulfill that use.
- ★ **Develop Policies for using the dozens of acres of vacant, surplus city-owned and surplus buildings** to recruit new businesses to the city and to assist existing businesses in expanding, so we don't continue losing jobs.

RESTORING TRUST

- ★ **Cultivate a "Citizens First" culture at City Hall.** Obtain feedback from surveys, comment cards and city staff to ensure the best customer service possible and responsive government.
- ★ **Produce monthly, line-item financial statements that will be posted online for the public to view**, along with explanations for any significant variances from budget projections.
- ★ **Implement a code of ethics for all city employees and department heads** that sets standards for behavior and professionalism, and institutes strict transparency requirements to prevent even the appearance of conflicting relationships between decision-makers and those doing business with the city.
- ★ **Make city information more readily available** and easy to understand by including in city budgets, resolutions, ordinances and other documents a "public summary" that outlines in clear, everyday language the impact of actions taken.
- ★ **Eliminate local government duplication and cut wasteful spending** by collaborating and/or consolidating with other government entities on services, such as purchasing, human resources, and technology.
- ★ **Create discretionary funds for each council district** that allow them to address community needs without bureaucratic red tape. These funds would be subject to approval by the Chief Financial Officer or Mayor.

TAKING ACTION

- ★ **Develop a cost reduction incentive plan for city employees who find ways to cut the budget**, allowing them to share in the benefits of the first-year savings.
- ★ **Evaluate the city pension plan** so we can continue the current level of essential services that we all expect for policing, firefighting, emergency response, garbage pickup, etc.
- ★ **Prioritize the city's spending of revenues**, moving from the current budgetary approach, to a "near-zero-based" budgetary approach, requiring all budget allocations to undergo a justification process.
- ★ **Find new ways to generate non-tax revenue** to address critical needs in our city, such as creating a "Grant Specialist," funded from secured grants, whose sole responsibility is pursuing outside funding from government and private foundations to ease the burden on taxpayers.
- ★ **Transition our Port of Pensacola** from an aggregate and cement-driven enterprise to one that hosts more downtown friendly, light industrial shipping, and mixed-use commercial development.

IMPROVING NEIGHBORHOODS

- ★ **Promote mixed-income housing** by developing incentives for redevelopment and for the creation of affordable living opportunities throughout neighborhoods within the city limits.
- ★ **Use the approximately \$1 million tree fund** – paid for by new construction – in the city to improve existing streets with narrower lanes, wider sidewalks or bike lanes, trees and beautification, and other enhancements to accommodate better walking, bicycling, and vehicle traffic.
- ★ **Transition the city's fleet to Natural Gas Vehicles** to help reduce greenhouse gases and urban pollution, and the dependence on foreign oil. Because the city owns and operates Energy Services of Pensacola, the use of NGVs will be a potential business opportunity.
- ★ **Green our city and protect our environment** by ensuring that new, city-owned construction is LEED-certified and create tax incentives for private developers that adhere to sustainable development standards.

BUDGET FACTS

The City's fiscal year begins October 1 and ends September 30. This is the time frame specified by state law for all local government budgets. Florida Statutes also require that budget appropriations be made each year and that each year's budget be balanced.

Each year the City Council approves a budget that funds operations and the capital improvement plan.

The Mayor presents a proposed budget to City Council each year. The Fiscal Year 2012 comprehensive budget document was available to City Council on August 8, 2011. Workshops to review and discuss the budget as presented by the Mayor were held on August 16, 2011, August 17, 2011 and August 25, 2011. Two official public hearings are required for adoption and were held at City Hall on:

- September 7, 2011 at 5:15 p.m.
- September 14, 2011 at 5:15 p.m. (Recessed)
- September 28, 2011 at 6:15 p.m. (Continued)

In addition to state law and the City Charter, the Council has adopted a series of Financial Policies that provide guidance in developing the annual budget. These guidelines cover such areas as revenue forecasting, fund balances, investment of City funds and issuance of debt.

City monies are budgeted and accounted for in a number of different "funds." This allows monies which must be spent for certain purposes to be separated, and it helps to show the full cost of certain City operations. The main types of funds in the City's budget are:

➤ **THE GENERAL FUND**, which supports all the services of general government that are not required to be accounted for separately.

This includes police and fire services, leisure activities such as neighborhood services, public works; and general administrative functions, such as the elected officials, city clerk and financial services.

➤ **SPECIAL REVENUE FUNDS**, which segregate monies received or set aside for specific purposes and activities which need to be accounted for separately. These include local option gasoline tax, housing, community redevelopment, library, stormwater, recreation, tennis, hurricane, golf and regulatory services, such as inspections.

➤ **DEBT SERVICE FUNDS**, from which general government payments of principal and interest are made for monies the City borrows.

➤ **ENTERPRISE FUNDS**, which account for the full cost of operations, maintenance, debt and capital improvements of City operated "businesses": Gas Utility, Sanitation, Port and Airport.

➤ **INTERNAL SERVICE FUNDS**, which include the costs of the City's internal support services, such as risk management, mail room, management information services, engineering services and fleet maintenance. The departments served pay these costs.

BUDGET FACTS

The following City operations are operated as self supporting enterprises for which fees charged to users are intended to pay the full cost of operations:

- ✓ Gas Utility
- ✓ Sanitation
- ✓ Port
- ✓ Airport

The following City operations are tracked separately in special funds:

- ✓ Stormwater
- ✓ Housing
- ✓ Transportation Projects
- ✓ Community Redevelopment
- ✓ Library
- ✓ Recreation
- ✓ Tennis
- ✓ Hurricane
- ✓ Golf Course
- ✓ Inspection Services

Amendment 1 brought a formula to determine the maximum millage rate that can be levied each year. Based on that calculation the maximum millage rate that the City can impose is 5.1087. However this budget has been prepared with a 0.25 mill reduction to the millage rate bringing it to 4.2895 mills and is below the calculated maximum millage rate allowed. City Property Taxes are estimated to generate \$12,142,200 to provide partial funding for essential services such as police and fire which total \$28,965,000.

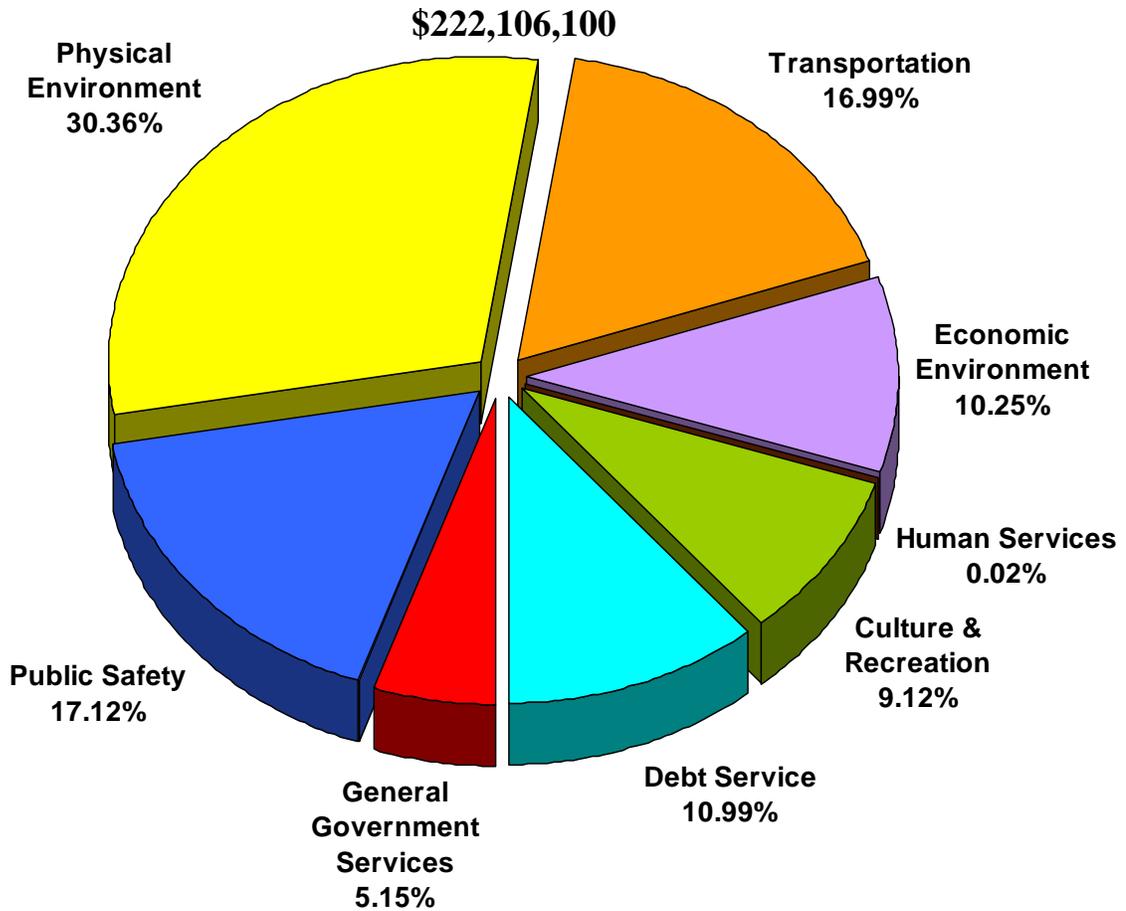
Other City general revenues pay for:

- ✓ Mowing and maintenance of parks and rights-of-way
- ✓ Operation and maintenance of senior center, athletic and recreational facilities
- ✓ Traffic signs and signal control; street lighting
- ✓ Maintenance of city's infrastructure such as streets and sidewalks
- ✓ Comprehensive and neighborhood planning
- ✓ Intergovernmental coordination
- ✓ Acquisition and management of City property
- ✓ Economic development and redevelopment coordination
- ✓ City administrative services such as legal, city clerk, employee services, and financial services.

Budget In Brief

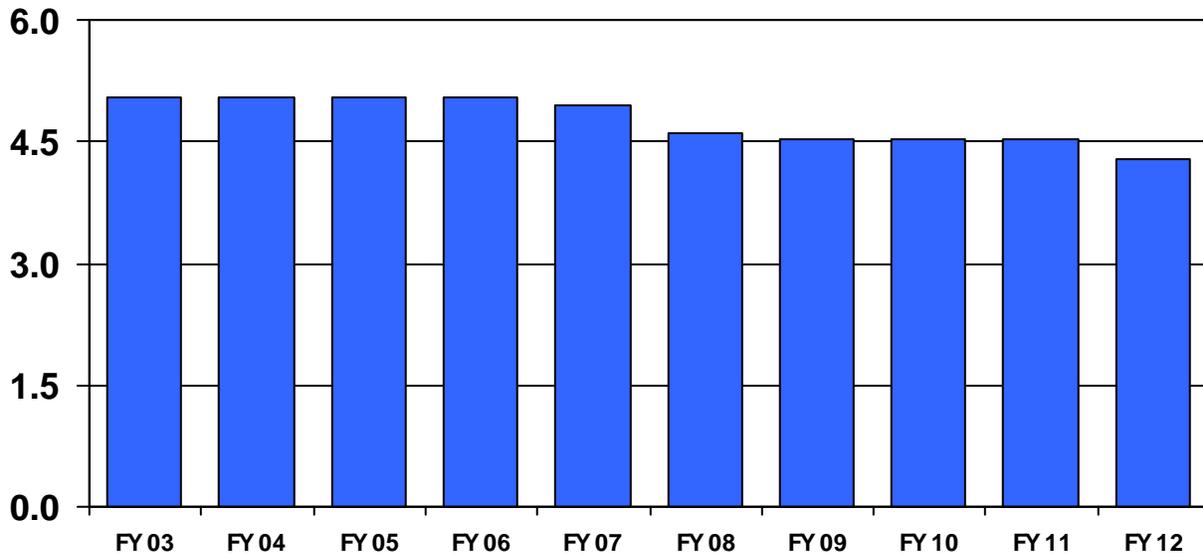
City of Pensacola, Florida

FISCAL YEAR 2012 APPROVED OPERATING BUDGET



Adopted Millage Rate: 4.2895 mills

Millage rate will be reduced by 0.25 mills



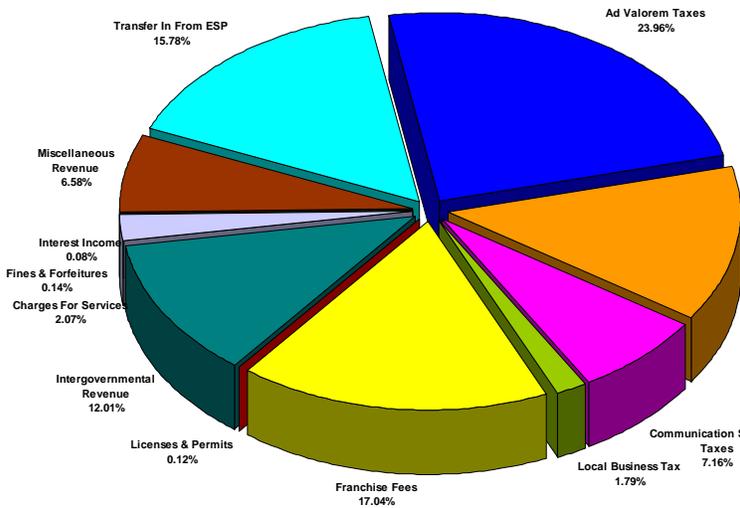
Budget In Brief

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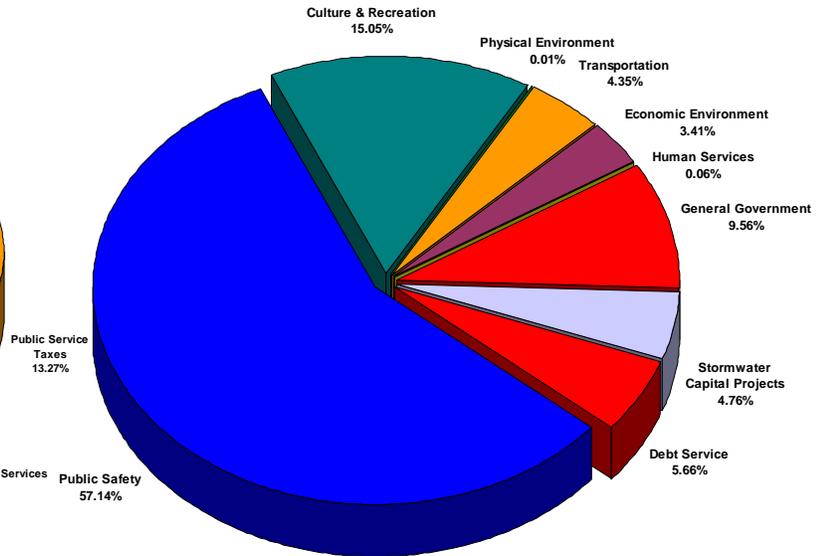
FISCAL YEAR 2012 APPROVED BUDGET GENERAL FUND

\$50,681,600

Revenues

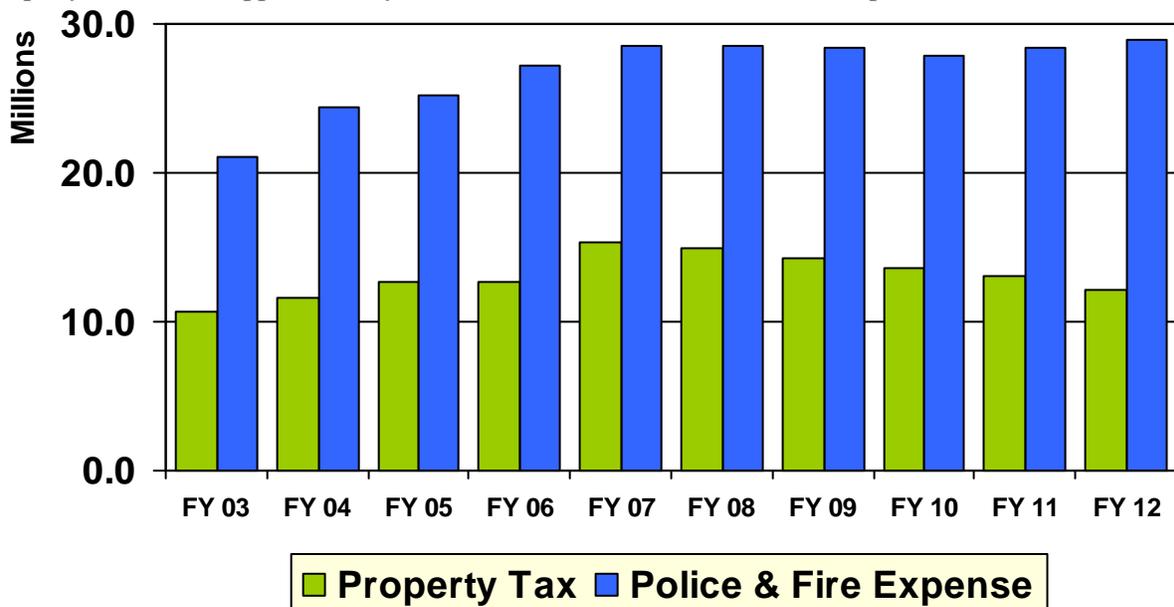


Expenditures



Property Tax vs. Police & Fire Requirements

Property taxes cover approximately 42% of the cost of the Police & Fire Departments in Fiscal Year 2012.



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City of Pensacola, Florida

PROPOSALS FOR DEVELOPING THE FY 2012 BUDGET

On January 10, 2011, the citizens of Pensacola elected to change the form of government from Council-Manager to Mayor-Council after an 18-month review of the City's 1931 Charter.

Subsequently, on November 9th, 2010, Mayor Hayward was elected Mayor. Mayor Hayward's vision for the City of Pensacola focuses on creating jobs, improving neighborhoods, restoring trust in city government, and taking action on lingering problems facing the City. These four goals comprised the backbone of his *20 Solutions for 2011* campaign platform, and form the foundation for this fiscal year 2012 Budget.

In order to reach these goals, this budget focuses on creating economic opportunity, improving neighborhoods, a healthier environment, restoring citizen confidence in City operations and financial management, and planning for the future by taking action today.

Fee Adjustments

The fiscal year 2012 budget recommends a return to the Council's policy of financial independence for the City's Enterprises. In order to free up General Fund dollars to be used for job-creating, neighborhood-improving capital projects, this budget is recommending fee adjustments to various Enterprises and Special Revenue Funds. These adjustments will allow the Sanitation Department to purchase new trucks, and allow Inspections to continue operations on its own revenues. Each of these fee

adjustments will allow the City's Enterprises and Special Revenue Funds to remain fiscally sound and financially independent, while protecting the taxpayers and citizens from any reductions in the high level of service for which our City is known. More importantly, these adjustments will enable us to continue investing in a cleaner and more livable city, by freeing up General Fund dollars for program and infrastructure needs.

Property Taxes - Millage Rate

The City's preliminary taxable value decreased by \$56 million, representing a 1.88 percent decline. The decrease in taxable value is anticipated to result in a \$265,600 decrease in General Fund Ad Valorem Revenue from the fiscal year 2011 beginning budget. Additionally, the fiscal year 2012 budget has been prepared with a reduction in the millage rate by 0.25 mills which further decreases the General fund Ad Valorem Revenue by \$707,700 for a total decrease of \$973,300. It is important to note that a decline in property valuation is rare. In fact, before the first reduction in FY 2009, property tax valuation had not experienced a reduction in the past twenty-five years. The property tax valuation reported for FY 2012 will mark the fourth year in a row that valuations have been reduced. The majority of the decrease is attributed to the decline in taxable value of real property as a result of the collapse in the real estate market. Additionally, the State of Florida mandated a formula to determine the maximum millage rate that a

Budget In Brief

City of Pensacola, Florida

governmental entity can levy. Based on that calculation the maximum millage rate that the City can impose is 5.1087 which equates to an additional \$2,318,900 in potential Property Tax Revenue. However this budget has been prepared with a reduction in the millage rate by 0.25 mills bringing the fiscal year 2012 proposed millage rate to 4.2895 which is below the calculated maximum millage rate allowed.

Position Changes

A total of 159 full-time positions have been eliminated since fiscal year 2007 resulting in a total savings of personnel costs over \$6.1 million. In fiscal year 2012 a net of 18 full-time positions will be eliminated with a \$642,000 savings. During fiscal year 2011 a decision was made to eliminate 20 vacant City positions. Additionally, with the transition of the Mayor's office, vacant positions have been transferred between departments to enable the Mayor to restructure the organization of the City in order to accomplish his vision of how the City of Pensacola Functions. The former Assistant City Administrator and Community Development Director positions will now function as Chief of Staff and Chief of Economic Opportunities and Sustainability within the Mayor's Office. The Neighborhood Enhancement Team Coordinator in Community Development was transferred to the Mayor's Office and will function as the Chief of Neighborhoods. Vacancies occurred allowing for the transfer of two Executive Assistants to the Mayor's Office which will provide the Mayor with the professional staff necessary to

accomplish his *20 Solutions for 2011*. Within the City Council, a Council Executive position has been created to provide support to the City Council. In the departments of Community Development, Parks & Recreation and Public Works, restructuring has occurred which will consolidate the functions performed within these three departments into two separate departments, Neighborhood Services and Public Works & Facilities. A Volunteer coordinator position within Neighborhood Services has been established to coordinate private-sector efforts to engage citizens and businesses to become stakeholders in neighborhoods, parks, resource centers and beautification efforts. During fiscal year 2011 an Assistant City Attorney was transferred to the Police Department and will serve as a Legal Advisor within that department. With that transfer a void occurred within the City Attorney's Office and an Assistant City Attorney and a Legal Assistant have been added in fiscal year 2012 to enable the City Attorney's Office to continue to provide legal services to the City. During fiscal year 2011, City Council approved the change in the Airport policing efforts by putting that function under the supervision of the Police Chief. With that change in structure, it was apparent that there no longer was a need for an Airport Police Captain and thus, that position has been eliminated in the fiscal year 2012 budget. Within the Police Department, the vacant Assistant Police Chief has been eliminated and a Police Officer position has been created which will put another officer on the streets in a continuing effort to keep the citizens of our city safe. Within Human Resources,

Budget In Brief

City of Pensacola, Florida

a Clerk III position became vacant with the retirement of an employee. That position is being deleted within the fiscal year 2012 budget. With all of these changes in structure and position, a net decrease of 18 positions will occur in fiscal year 2012, bringing the City's staffing level to 842 positions.

Reserves

In previous years, proceeds from the sale of surplus City property has been the only addition to the General Fund reserve balance. Beginning in fiscal year 2007, interest earnings were applied towards the reserve amount which provided another avenue to increase reserves. With the uncertainty surrounding the economic climate of the nation, it is imperative that adequate reserves be maintained and not used for reoccurring operating expenditures.

Also, in fiscal year 2007 council revised the Financial Planning and Administration Policy to stipulate that the General Fund's maximum appropriated Beginning Fund Balance each year should not be more than three percent of budgeted revenues. In future budget years there may not be expenditure savings and revenue collected over budget estimates to produce resources for fund balance drawdowns to balance future year budgets. With the exception of the Sale of Assets for the Army Reserve Property, the City of Pensacola's fiscal year 2012 budget in the General Fund is structured so that ongoing revenues will fund ongoing expenditures and therefore, no fund balance is appropriated for fiscal year 2012.

Employee Salaries and Benefits

As with the fiscal year 2009, 2010 and 2011 Budgets the fiscal year 2012 Budget does not provide funding for pay increases for any employees. This year will mark an unprecedented four fiscal years that employees have not received a pay increase. In the fiscal year 2010 budget, longevity increases were frozen and in the fiscal year 2011 budget, the progression of longevity pay ceased and longevity pay would roll into regular salaries. Therefore no increases in longevity pay will be given in the future

As a result of a benefits study in 2010, City Council reduced the maximum payout of Personal Time Off (PTO) amount for employees to 500 hours at the time of their separation with the City of Pensacola. With that measure came an approval to pay the employees the balance of their PTO between the 500 hours and the employee's current maximum PTO payout. For those employees not represented by a collective bargaining unit (i.e. union), half of that balance was paid on April 30, 2010 and the remaining half was paid on January 4, 2011. For those employees represented by a collective bargaining unit, negotiations were necessary before this PTO could be paid. The Police Lieutenants were paid their PTO payout on June 3, 2011 and the Police Sergeants were paid on June 30, 2011. The Police Officers and Firefighters have yet to come to an agreement regarding the PTO payout. For those that received their PTO payout some monetary benefit was provided while at the same time reduced the City's liability of the outstanding PTO balances.

Budget In Brief

City of Pensacola, Florida

Throughout the nation, health insurance costs continue to rise. However, for fiscal year 2012, the cost of employee health insurance will not experience an increase in premiums, or a decrease in benefits. As directed by City Council, the City has begun a shift towards providing more funding for family plans as was indicated in the benefit study conducted in fiscal year 2008. Currently, the City pays 61% of the family premium and depending on the economic climate in future years will work towards a 72% contribution towards family premiums.

The improved plan included a provision to increase salary range minimums and maximums on a biennial basis up to a maximum of three percent based on the percentage change in the Consumer Price Index. The two year percentage change in the Consumer Price Index was 5.05% and, under normal circumstances the salary ranges would have been adjusted upward by three percent for fiscal year 2012. However, in light of the economic conditions and the freeze in annual increment adjustments no changes to the salary ranges will be recommended.

While Property Tax revenues continue to decline, pension costs in total are anticipated to decrease \$74,600. Both the General and Fire Pension plans are anticipating increases of \$9,700 and \$3,400, respectively. However, the Police Pension is anticipating a \$52,400 decrease and the Florida Retirement System will experience a \$386,100 decrease in fiscal year 2012. The decrease in the Florida Retirement System is a result of changes within the State of Florida Legislature mandating that all employees enrolled with the Florida Retirement System begin to contribute 3% towards their pension plan. While this move is difficult for the employees who haven't had a pay increase in four years, it also provided some financial relief to governmental entities as their portion was reduced by the employee portion.

General Fund Capital Equipment

In spite of the downturn in revenue, one favorable development is the ability to fund capital equipment purchases. Funds have been programmed to cover the purchase of Police vehicles, Fire apparatus, as well as various other capital equipment items through fiscal year 2017. This funding will allow departments to replace the capital equipment on normal replacement cycles.

In fiscal year 2002 City Council approved the first major revision of the civil service pay plan since the 1980's.

Beginning with fiscal year 2007 funding for General Fund capital items was programmed for funding in the Penny for Progress (the extension of the Local Option Sales Tax is referred to as Penny for Progress). The fiscal year 2012 Budget provides Penny for Progress funding of \$1,486,900 in capital equipment for General Fund departments, including police and fire as well as the Osceola Golf Course.

Budget In Brief

City of Pensacola, Florida

FY 2012 CITY-WIDE APPROVED BUDGET

The **APPROVED** City budget looks like this:

GENERAL FUND

Public Safety	28,965,000	Economic Environment	1,727,600
Police and Fire		Agency Funding for Pensacola	
		Escambia Development	
General Government	4,844,100	Commission, Gulf Coast	
City Council, Office of the Mayor		African American Chamber	
City Clerk, Legal, Human		Of Commerce, Foundations	
Resources, Civil Service, Financial		For the Future and Payments to	
Services, Planning, Building		Tax Increment Districts	
Maintenance, Agency			
Funding For Escambia-Pensacola		Other Financing Uses	5,390,800
Human Relations Commission		Transfer to Stormwater	
		Capital Projects Fund,	
Culture & Recreation	7,515,500	Osceola Golf Course, and	
Neighborhood Services, Agency		Tax & Franchise Fee	
Funding for Saenger Theatre, Various Arts,		Debt Service Fund for	
Culture and Historical Organizations, The		Debt Service Payment	
Naval Aviation Flight Academy and the			
City's Share For The Library System			
		Human Services	30,000
Transportation	2,205,600	Agency Funding for First	
Public Works		Call for Help and Lakeview Center,	
Physical Environment	3,000		
Agency Funding for Bay Area			
Resources Council		TOTAL GENERAL FUND	50,681,600

Budget In Brief

City of Pensacola, Florida

FY 2012 CITY-WIDE APPROVED BUDGET

SPECIAL REVENUE FUNDS

Special Grants	361,000
Local Option Gasoline Tax	1,619,400
Community Development Block Grant	880,000
Community Redevelopment Agency	3,625,600
Urban Core Redevelopment Trust	3,985,800
Library	4,809,500
Stormwater	2,510,600
Section 8	16,539,000
Golf Course	731,100
Eastside TIF	87,700
Inspection Services	928,100
Recreation	761,600
Tennis Center	188,500

**TOTAL SPECIAL
REVENUE FUNDS 37,027,900**

DEBT SERVICE FUNDS

Tax & Franchise Fee Debt Service	3,296,600
CRA Debt Service	429,500

**TOTAL DEBT SERVICE
FUNDS 3,726,100**

CAPITAL PROJECTS FUNDS

Local Option Sales Tax	6,496,100
Stormwater Construction	2,412,000
Community Maritime Park	5,190,900

**TOTAL CAPITAL
PROJECTS FUNDS 14,099,000**

ENTERPRISE FUNDS

Gas Utility	54,621,100
Sanitation	6,961,200
Port	4,341,200
Airport	29,747,100

**TOTAL ENTERPRISE
FUNDS 95,670,600**

INTERNAL SERVICE FUNDS

Insurance Retention	16,445,100
Central Services	4,455,800

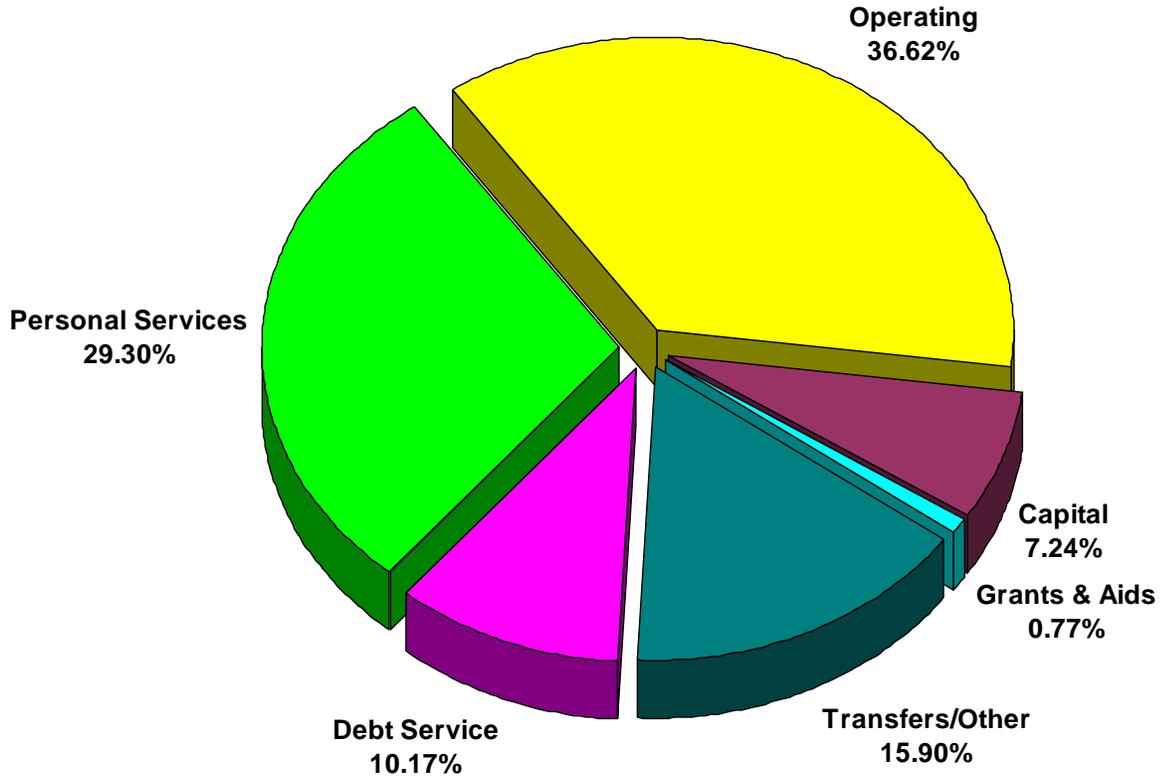
**TOTAL INTERNAL
SERVICE FUNDS 20,900,900**

**TOTAL APPROVED
BUDGET 222,106,100**

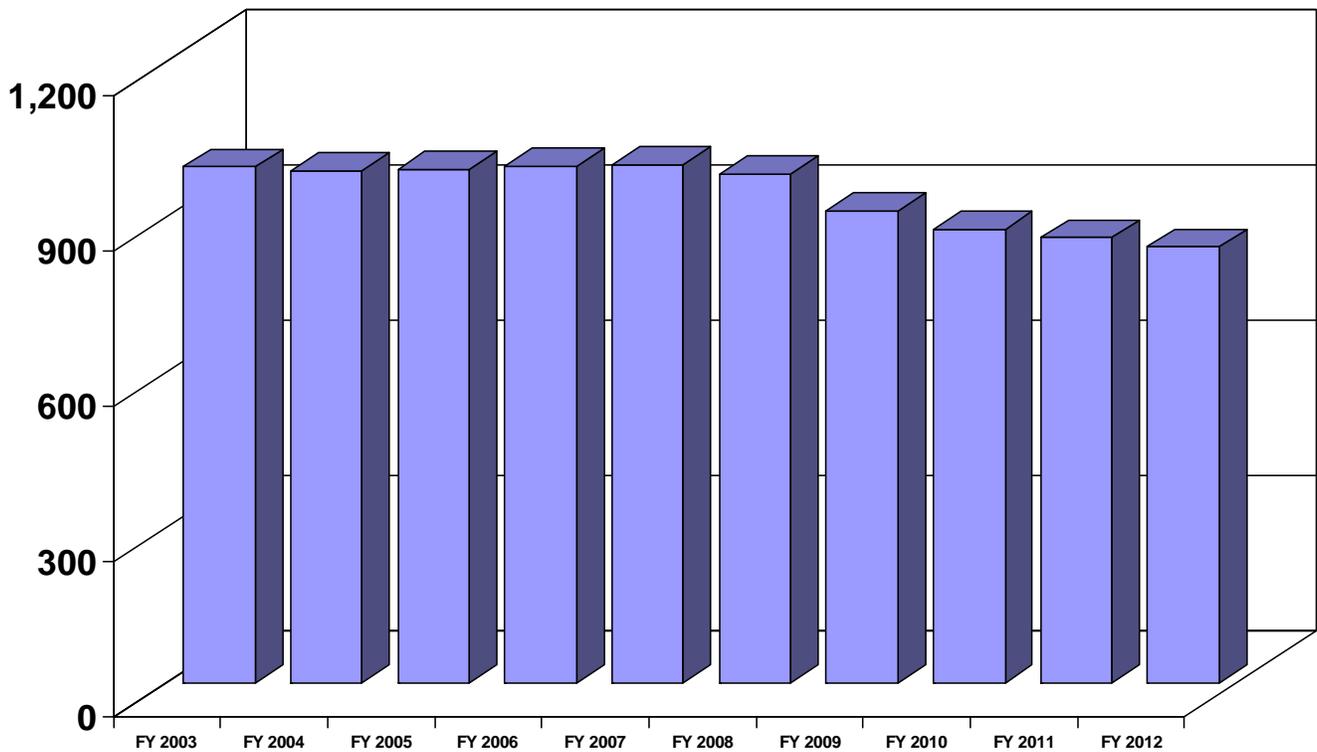
Budget In Brief

City of Pensacola, Florida

FY 2012 CITY-WIDE EXPENDITURES BY CATEGORY



FULL-TIME CITY-WIDE FUNDED POSITIONS LAST TEN YEARS



PROPERTY TAXES

MILLAGE RATE

The property tax rate is expressed in mills and is also called an “ad valorem” tax because it is based on value.

A MILL is \$1 for every \$1,000 of taxable property value (your assessed value minus any exemptions).

The operating millage cannot exceed 10 mills. Amendment 1 brought a formula to determine the maximum millage rate that can be levied each year. Based on that calculation the maximum millage rate that the City can impose is 5.1087. However this budget has been prepared with a 0.25 mill reduction which will provide for a millage rate of 4.2895 in FY 2012 and is below the calculated maximum millage rate allowed.

AD VALOREM TAXES

The final certified value for all taxable property assessed on January 1, 2010 is \$2.967 billion, a decrease of 1.67% from last year’s final value. The budget is prepared based on 95.6% of the taxable value.

For the FY 2012 budget, this taxable value will generate \$2.83 million for each mill levied by the City.

EXEMPTIONS

The Florida Constitution provides for a homestead exemption of \$25,000 from a property’s assessed value for Florida residents living in a dwelling and making it their permanent home on January 1 of each year. In addition, a referendum was held in January 2008 which enacted the following ad valorem tax reforms: 1) an exemption of an additional \$25,000 of the assessed value of homestead property (to be applied on the assessed value between \$50,000 and \$75,000); (2) a cap of 10 percent on yearly assessment increases on non-homestead residential and commercial property (provided however, this reform does not apply to school districts); (3) portability of the three percent cap on homestead residential property, up to \$500,000, when relocating to a new home in the State; and (4) a \$25,000 exemption from the tangible personal property tax. The 10 percent cap affecting assessments began on January 1, 2009.

Cities and counties also have been authorized by State Legislation to approve an additional Homestead Exemption under the “Save our Seniors” Amendment. In November, 2001, City Council approved an Ordinance authorizing an additional \$25,000 exemption. The County Appraiser is responsible for processing and verifying applications. To qualify, a household must have at least one member age 65 or older AND have a combined income of \$26,203 per year or less. This income cap amount is established by the Legislature and is adjusted annually by the percentage change in the average cost-of-living index in the period January 1 through December 31 of the immediate prior year compared with the same period for the year prior to that.

Beginning with the 1995 tax roll, the Save Our Homes Amendment went into effect for residential homestead property. The increase cap for the 2011 roll was 1.5%. Your property value may be affected by this change, which the County Property Appraiser is responsible for implementing.

When property owners appeal their appraised value to the Value Adjustment Board, it can reduce the City’s total taxable value. The final taxable value for FY 2012 will be received from the Property Appraiser’s office in October 2011.

USES

Comparing the cost of essential police and fire services to all property taxes resulting from the City’s operating millage you will find that the tax will cover approximately 42% of the cost of police and fire services in FY 2012. Remaining general government services and the balance of police and fire costs will be paid from other general revenues of the City.

Your property tax bill contains more than just your City taxes. You also pay property taxes to the Escambia County Board of County Commissioners, the School Board, the Northwest Florida Water Management District and if your property is within the Downtown Improvement District, taxes may also be levied for that as well. Your CITY taxes will make up less than 20 percent of your total property tax bill. Even though the City’s tax rate has reduced, you may pay more taxes if your property value increases or other taxing authorities raise their rates.

**MILLAGE RATE HISTORY
FY 2003 – FY 2012**

FISCAL YEAR	MILLAGE RATE
FY 2003	5.0570
FY 2004	5.0570
FY 2005	5.0570
FY 2006	5.0570
FY 2007	4.9500
FY 2008	4.5980
FY 2009	4.5395
FY 2010	4.5395
FY 2011	4.5395
FY 2012	4.2895

**PROPERTY TAX AND POLICE/FIRE EXPENDITURE COMPARISON
FY 2003 – FY 2013**

FISCAL YEAR	PROPERTY TAX	POLICE/FIRE	% COVERED
FY 2003	10,729,010	21,049,593	51%
FY 2004	11,535,736	24,419,686	47%
FY 2005	12,624,627	25,135,894	50%
FY 2006	12,612,006	27,147,696	46%
FY 2007	15,328,152	28,496,775	54%
FY 2008	14,963,002	28,523,556	52%
FY 2009	14,319,600	28,397,800	50%
FY 2010	13,535,300	27,891,500	49%
FY 2011	13,115,500	28,441,000	46%
FY 2012	12,142,200	28,965,000	42%

PROPERTY TAX CHARTS

If you own a home in Pensacola, you can find how the FY 2012 city property tax rate of 4.2895 mills will affect you by finding the figure nearest your home value on the chart below:

ASSESSED HOME VALUE	TAXABLE VALUE *	PROPOSED CITY PROPERTY TAX	PROPOSED OTHER GOVERNMENTAL ENTITIES PROPERTY TAX**	TOTAL PROPOSED PROPERTY TAX
\$25,000	\$ -	\$ -	\$ -	\$ -
50,000	25,000	107.24	371.04	478.28
75,000	25,000	107.24	565.44	672.68
100,000	50,000	214.48	935.35	1,149.83
125,000	75,000	321.71	1,305.26	1,626.98
150,000	100,000	428.95	1,675.18	2,104.13
175,000	125,000	536.19	2,045.09	2,581.28
200,000	150,000	643.43	2,415.00	3,058.43
225,000	175,000	750.66	2,784.91	3,535.58
250,000	200,000	857.90	3,154.83	4,012.73
275,000	225,000	965.14	3,524.74	4,489.88
300,000	250,000	1,072.38	3,894.65	4,967.03

* With \$25,000 Homestead Exemption and Amendment 1 Additional \$25,000 Exemption on Property Valued over \$50,000

** Not including the Downtown Improvement District

WHERE A PENSACOLA TAXPAYER'S PROPERTY TAX DOLLAR GOES*

Nineteen cents of every dollar you pay in property taxes goes to the City. Most of your property taxes are paid to other taxing authorities, such as Escambia County or the School Board.

City		18 cents
County	30 cents	
School Board	51 cents	
Water Management District	1 cents	
		82 cents

* FY 2012 Proposed Millage Rates

GENERAL FUND SERVICES

General Fund Services will cost \$2.50 per resident per day in FY 2012.

**What \$2.50 per RESIDENT
per DAY buys:**

Police Services	92.2¢
Fire Services.....	50.8¢
Public Works & Facilities	31.2¢
Neighborhood Services	17.5¢
Debt Service	14.1¢
Stormwater Capital Projects.....	11.9¢
Legislative/Administrative	7.6¢
Tax Increment Financing District Pmt	7.3¢
Library Services Contribution.....	6.3¢
Planning Services	3.6¢
Agency Funding	3.0¢
Fiscal Control	2.3¢
City Employment	1.7¢
Golf Course Subsidy	0.5¢

2012 BUDGET COMPARISONS

The charts below compare 2011 to 2012 in the following areas:

- General Fund Expenses and Revenues
- All Operating Fund Expenses and Revenues
- Total Operating Budget Expenses and Revenues

EXPENDITURES	FY 2011	FY 2012	\$ CHG	% CHG
General Fund	49,561,200	50,681,600	1,120,400	2.3%
Public Safety	28,443,400	28,965,000	521,600	1.8%
Culture/Recreation	7,210,600	7,515,500	304,900	4.2%
General Government Services	4,337,400	4,844,100	506,700	11.7%
Physical Environment	3,000	3,000	-	0.0%
Transportation	2,182,100	2,205,600	23,500	1.1%
Economic Environment	1,779,200	1,727,600	(51,600)	-2.9%
Human Services	37,500	30,000	(7,500)	-20.0%
Transfers to Other Funds	5,568,000	5,390,800	(177,200)	-3.2%
Total Other Funds	167,217,600	171,424,500	4,206,900	2.5%
Total All Funds	216,778,800	222,106,100	5,327,300	2.5%
REVENUES	FY 2011	FY 2012	\$ CHG	% CHG
General Fund	49,561,200	50,681,600	1,120,400	2.3%
Property Tax Revenue	13,115,500	12,142,200	(973,300)	-7.4%
Public Service Taxes	6,405,000	6,723,900	318,900	5.0%
Communication Services Taxes	3,827,700	3,627,700	(200,000)	-5.2%
Sales & Use Taxes	3,468,700	3,723,700	255,000	7.4%
Local Business Tax	904,000	905,000	1,000	0.1%
Franchise Fees	8,636,100	8,637,700	1,600	0.0%
Licenses & Permits	60,400	59,700	(700)	-1.2%
Intergovernmental Revenue	2,341,700	2,361,100	19,400	0.8%
Charges for Services	947,900	1,051,300	103,400	10.9%
Fines & Forfeitures	134,200	73,300	(60,900)	-45.4%
Interest Income	40,000	40,000	-	0.0%
Miscellaneous	1,680,000	3,336,000	1,656,000	98.6%
Other General Fund Resources	8,000,000	8,000,000	-	0.0%
Total Other Funds	167,217,600	171,424,500	4,206,900	2.5%
Total All Funds	216,778,800	222,106,100	5,327,300	2.5%

FY 2012 BUDGET CALENDAR

Planning

- October through March – Staff review of previous budget process, comments from Government Finance Officers Association reviewers and development of broad objectives.

Preparation

- March 3 - Budget Rolled Out to Departments/Divisions
- April 1 – Final Budget Submissions Due for all Departments/Divisions

Review

- March through April – Mayor and Staff review the current and proposed budget requests and meet with individual departments/divisions to review requests.
- June 1 – Preliminary tax roll information from the Property Appraiser’s Office available.

Public Adoption

- July 1 – Official preliminary taxable values provided by the Property Appraiser’s Office.
- July 21 – TRIM Rate is tentatively set by City Council.
- August 8 – Proposed Budget Document made available to City Council.
- August 16 – City Council Workshops to Accept Public Input on the Proposed Budget.
- August 25 – City Council Workshop to Accept Public Input on the Proposed Budget.
- September 7 – First State-Required Public Hearing to Adopt Tentative Millage Rates and Tentative Budget.
- September 14 – Second State-Required Public Hearing to Adopt Final Millage Rates and the Fiscal Year 2012 Budget. (NOTE: This meeting was recessed and was continued on September 28.)



**Prepared by
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