

**CITY OF PENSACOLA**

**POLICIES  
OF THE  
CITY COUNCIL**

**Adopted by Resolution 21-10  
Effective Noon, January 10, 2011  
Amended by Resolution 30-10, 31-10, 41-10, 42-10  
Effective Noon, January 10, 2011  
Amended by Resolution 24-11  
Amended by Resolution 17-13  
Amended by Resolution 18-19  
Amended by Resolution 2021-13  
Amended by Resolution 2021-32  
Amended by Resolution 2022-022  
Amended by Resolution 2022-034  
Amended by Resolution 2022-065  
Amended by Resolution 2022-076**

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## **I. CONSTRUCTION PROJECTS**

## **ARCHAEOLOGICAL REVIEW PROCEDURE**

Adopted by Resolution November 14, 1985, Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

### **I Intent**

The following archaeological review procedure shall apply to all proposed construction projects on property owned by the City of Pensacola and identified on the attached map. This procedure is patterned after the Federal archaeological review procedure established in Section 106 of the national Historic Preservation Act of 1966. The procedure is designed to identify, evaluate and preserve the limited non-renewable archaeological remains and artifacts on City-owned property. Where possible, the intent of this policy isto undertake the review procedure in early stages of project planning so that no construction delays occur.

### **II Responsibility**

The Mayor shall be responsible for coordinating the archaeological review procedure for City-owned property. Technical assistance in the review procedure shall be provided by a professional archaeologist meeting the standards of the Society of Professional Archaeology and having substantial experience in the archaeology and history of Pensacola. Said archaeologist will be appointed by the City Council to serve in this capacity.

### **III Procedure**

A. Initial Determination. Prior to the development of preliminary plans for proposed construction projects on City-owned property, the Mayor and the appointed Archaeologist shall confer to review the nature and extent of the ground disturbance associated with the project. Proposed construction projects include but are not limited to building construction, renovation, additions, landscaping underground utility activities, and disturbances within street rights-of-way.

B. Review of Project Impact. Based on the preliminary review required in III.A. above, if the proposed project is determined not to cause ground disturbance to the property, or there is no potential for archaeological deposits, then the archaeological review procedure will not be undertaken. If the proposed project is determined to cause ground disturbance to the property and there is a potential for archaeological deposits then the following review procedure shall be initiated.

1. The Mayor shall work with the appointed Archaeologist to determine if the site proposed for development contains significant archaeological resources. The criteria used to make this determination shall include, but not be limited to:

- a) National Register of Historic Places Criteria set forth in 36CFR800.10 which include sites:
    - (1) That are associated with events that have made a significant contribution to the broad patterns of our history; or
    - (2) That are associated with the lives of persons significant in our past; or
    - (3) That embody the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or
    - (4) That have yielded, or may be likely to yield, information important in prehistory or history
  - b) Inventory of significant archaeological sites identified by the Florida Bureau of Archaeological Research; and
  - c) Field survey of City-owned properties for possible archaeological potential prepared by UWF Archaeology Department.
2. If the presence of archaeological deposits is unknown and the location is at least of moderate potential for archaeological sites, a field assessment survey and possible testing (limited exploratory excavation) of that property shall be conducted, subject to the approval of the Mayor.
  3. Determination of Effect. For each property determined to contain significant archaeological resources, the appointed Archaeologist and the Mayor shall determine if the proposed project will affect the archaeological resources. The findings of effect shall include: 1) no adverse effect, or 2) adverse effect. If the findings indicate no adverse effect, then the archaeological review procedure stops. If the findings indicate an adverse effect, then a preliminary case report stating such findings shall be prepared.

4. Preliminary Case Report. The appointed Archaeologist shall prepare a written preliminary report presenting the archaeological significance of the site, the determination of effect findings and the recommended archaeological activity, if any, to preserve the archaeological resources. This report shall be forwarded to the Mayor and the State Historic Preservation Office for comments.
  - a) Contents of the report shall address: a verification of the legal and historical status of the property; an assessment of the historical, architectural, archaeological, or cultural significance of the property; a statement indicating the special value of features to be most affected by the undertaking; an evaluation of the total effect of the undertaking upon the property; a critical review of any known feasible and prudent alternatives and recommendations to remove or mitigate the adverse effect.
5. Memorandum of Agreement. In consultation with Mayor and the appointed Archaeologist, a proposed memorandum of agreement shall be prepared specifying actions to be taken to avoid or mitigate any adverse effects. Estimates of costs for such actions proposed to avoid or mitigate adverse effects shall be addressed in the memorandum. The proposed memorandum of agreement will be presented to the City Council for review and approval.

#### IV. Funding

A. Public Lands. All archaeological activities established in this policy shall be funded by the City, or in the case of a leased site, the assigned leasee

1. Initial determination, review of project impact and preliminary case report activities performed by the appointed Archaeologist will be compensated through a limited work-as-needed contract approved by the Mayor.
2. Funding for implementing memorandums of agreement shall be decided on a case-by-case basis by the City Council.
3. Funding from other sources, such as the State of Florida and private sources to undertake archaeological activities will also be pursued by the City and appointed Archaeologist.

V. Prohibitions

It shall be the policy of the City Council to prohibit the search for and/or removal of any archaeological material greater than 50 years old on City property. If such removal occurs, it will be considered a theft. This prohibition includes employees of the City and contractors working on City-owned property.

VI. Disposition of Archaeological Materials

All archaeological materials excavated under this policy shall become the property of the City of Pensacola. Such materials shall be housed in facilities that meet the standards set forth in the Society for American Archaeology Standards for Quality Control. While such materials cannot be sold, the materials may be loaned or donated to appropriate State or non-profit associations with standard curatorial facilities.

VII. Archaeological Review of Private Property

The appointed Archaeologist shall be informed of all meetings of the Architectural Review Board and the Planning Board in order to monitor the sub-surface impact of proposed private construction projects and make suggestions to the owners and/or developers of the project site to perform voluntary archaeological activities. All archaeological activities suggested by the appointed Archaeologist and agreed to by the private property owner shall be funded by the private property owner.

VIII Definitions

- A. **Impacted area** – the land area, or areas, where land may be disturbed or the environment changed in such a way as to effect their historic value.
- B. **Significant date** – data that can be used to answer research questions, including questions of present importance to scholars and questions that may be posted in the future.
- C. **Archaeological data** – material remains (artifacts, refuse, etc.) produced purposely or accidentally by human beings, and in the spatial relationships among such remains.
- D. **Archaeological artifacts** – objects made or used by humans in historic or prehistoric times greater than 50 years old.
- E. **Ecofacts** – plant and animal remains associated with past human activities.

**NOTE:**

This procedure was amended by adoption of Resolution No. 3-88 on January 14, 1988 so as to extend the application of such procedures to all public rights-of-way within the boundaries of the City of Pensacola which are maintained by the City government.

**CONTINGENCY – CONSTRUCTION PROJECTS**

Adopted by Council Action June 9, 1988; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

Mayor may approve change orders on construction projects in a total amount not to exceed five percent (5%) of the original award of bid.

## **SIDEWALK POLICY STATEMENT**

Adopted by Council Action January 28, 1999; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

It shall be the policy of the City Council to provide for new sidewalk construction and the reconstruction of existing sidewalks to enhance the public safety, encourage community interaction, enhance access to and between public parks and other public facilities, facilitate environmentally sensitive methods of transportation and contribute to the overall well being of the community.

In order to accomplish these objectives it shall further be the policy of the City Council to provide an annual appropriation from the proceeds of the Local Option Sales Tax to accommodate the construction, repair, and maintenance of sidewalks within the City of Pensacola. The appropriation amount shall be determined at the time the City prepares and adopts the annual budget.

This policy statement shall not affect the application of existing ordinances requiring the repair and maintenance of existing sidewalks by the adjoining property owner when those sidewalks have become a public nuisance or a safety hazard, or any other existing ordinance regarding sidewalk maintenance, repair or construction. It is the sole intent of this policy statement to identify the Council's intention to implement a program to construct, maintain and reconstruct sidewalks within the budgetary limitations established by the City Council for this program.

A listing of proposed new sidewalk construction shall be prepared on an annual basis and a listing of existing sidewalks proposed for reconstruction shall be prepared twice each fiscal year by the Mayor and recommended to the City Council. The sidewalks proposed for reconstruction shall be selected based on the criteria of overall condition of the sidewalks, safety considerations, level of use, and the extent to which the sidewalk enhances pedestrian traffic between heavily utilized areas or facilities. The program of construction of new sidewalks shall be in accordance with the Master Plan accompanying this policy statement.

The program of construction of new sidewalks shall be in accordance with the Master Plan.

**USE OF NATIVE TREE, TREE POLICY**

Adopted by Council Action August 18, 2022

**PURPOSE:**

The Pensacola City Council recognizes the need and advantages of establishing a viable and sustainable tree canopy throughout the city. To that end, it is determined the most appropriate way to achieve this goal is through the use of native trees upon the need for the placement or replacement of trees.

**APPLICATION:**

It shall be the policy of the City Council that upon the placement or replacement of trees on public property, which is controlled by the City, that native trees be used unless an alternative is approved, in advance, by City Council. In determining the appropriateness of a native tree, the UF IFAS Florida Friendly Plant List shall be consulted.

**CAPITAL PROJECTS:**

Regarding the placement or replacement of trees related to Capital Projects, the above application shall apply. In the event that a request is made to City Council for the use of an alternative species, such a request shall be relayed to the City Council and the City Council shall make a determination prior to 30% of the design phase being completed.

## **II. ENTERPRISE**

## **AIR SERVICE DEVELOPMENT -- FINANCIAL INCENTIVES POLICY**

Adopted by Council Action April 28, 2005; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

Pensacola Regional Airport's air service development program includes providing certain financial incentives to incumbent airlines to implement new or enhanced air service to certain markets and to attract new airlines to the airport. The ability to move quickly when offering financial incentives can be critical when negotiating with the airlines. The City Council, on April 28, 2005, authorized the Mayor to offer and provide financial incentives to promote new or enhanced air service at Pensacola Regional Airport.

### **Authority**

The Mayor has the authority to approve the expenditure of funds for marketing air service development incentives and to waive airport rents or fees.

### **Scope**

This policy authorizes the Mayor to approve the expenditure of funds for marketing for air service development incentives in amounts not-to-exceed \$25,000 for each new air service initiative. The Mayor is also authorized to waive certain rents or fees at the airport for up to one year to promote new or enhanced air service at Pensacola Regional Airport.

### **Objective**

The objective of the Air Service Development Financial Incentives Policy is to allow the City and the airport to react proactively when negotiating with airlines for new or enhanced air service, allowing the Mayor to make certain financial incentive commitments without first going to the City Council, due to the timing of the proposed service. The Mayor shall report any air service development incentives that have been offered to and accepted by the airlines, to the City Council, at the next available City Council meeting following the acceptance of the offer, including the dollar amount of the incentives, the form in which these incentives were made, and the length of time these incentives will be in force.

**POLICY REGARDING MILITARY SHIP VISITATION TO THE PORT OF**

**PENSACOLA** – Adopted by Council Action November 12, 1998; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

Sponsors considering military ship visitation to the Port of Pensacola, which includes general public visitation, must comply with the following:

- Contact the Mayor, or his representative, prior to committing the Port of Pensacola as a berthing option for military vessel. The request to use the Port for berthing of a military vessel which is to include general public visitation, must be in writing to the Mayor and made a minimum of ninety (90) days prior to the anticipated event.
- The Mayor will have City Staff, working with the sponsoring group, determine what support requirements may be necessary for public movement on the port while visiting the vessel, e.g. security/crowd control, emergency medical response personnel, portable toilet facilities, public liability insurance, etc.
- If the sponsor of the event wants to request funding consideration from City Council to cover the cost of support requirements, a written request for funding support must be made to Council, via the Mayor, a minimum of forth-five days (45) prior to the arrival of the vessel.
- Military vessels berthing at the Port on a routine basis, which does not involve public visitation, shall be handled in accordance with applicable Port of Pensacola tariff provisions.

**PENSACOLA REGIONAL AIRPORT POLICY STATEMENT – LAND**

**DEVELOPMENT** - Adopted by Council Action November 6, 1997; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

It is the policy of the City of Pensacola to protect Pensacola Regional Airport from non-compatible land development on parcels contiguous to airport property.

The City discourages residential development on property contiguous to airport property and/or within the 65 Ldn noise contour. The City will not make airport property available, by sale, lease, or easement, to either assist or enhance the development of residential property.

The leasing of airport property for on-airport commercial, non-aeronautical development, or for use by an off-airport commercial activity will be done only in compliance with Federal Aviation Regulations concerning airport property leasing and to protect the future interests of the Airport. This shall include the refusal of the Airport to provide airport property, or access to airport property, in any manner which would contribute to or enhance development activity that is incompatible with Airport activities.

**PROCEDURE FOR CITY COUNCIL AND PUBLIC NOTICE OF PROPOSED LEASES  
AT PENSACOLA REGIONAL AIRPORT** – Adopted by Council Action January 23, 2003;  
Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

**Purpose:**

To identify the notification procedures between Pensacola Regional Airport and the City Council and the general public for the leasing of airport property.

**Leasing Of Airport Property:**

The leasing of airport property is fundamental to the business model that guarantees the ability of the airport to generate revenues sufficient to cover all operating, maintenance and debt service costs. The leasing of Airport property must consider the use of the property for aviation activities, or to support the operations of the Airport. Non-aviation-related activities, such a recreational uses, must be coordinated with the Federal Aviation Administration and leases will be developed to guarantee the Airport a fair market rent for the use of the property.

**Applicability:**

The following notification procedure does not apply to the leasing of terminal building space and associated aircraft parking space to airlines serving Pensacola Regional Airport for the carriage of persons and cargo.

**Procedure For Notification Of Concession (Competitive) Leasing:**

1. Concession leasing at Pensacola Regional Airport is offered on a competitive bidding or competitive proposal basis. A thirty (30) day advertisement will be published by the Airport in the local newspaper and in national airport industry publications. The advertisement shall indicate the type of concession that is being offered and the location where copies of the bid or proposal documents can be obtained. The bid/proposal document shall include a more detailed description of the service(s) to be provided, the lease payment to be paid to the airport, and the location, date and time of a pre-bid or pre-proposal meeting that will offer all respondents the opportunity to ask questions and obtain additional information about the bid/proposal.
2. The Mayor will notify the City Council in an information memorandum that a competitive bid or request for proposal has been issued by the Airport. The information memorandum will include a brief description of the concession, the pre-bid or pre-proposal meeting date and the date of the bid/proposal opening.

3. If the proposed use of the property involves activities that are likely to create off-airport noise or other conditions that might affect the residential areas immediately adjacent to the Airport, the Airport will provide public notification to all property owners within 2500 feet of the location of the proposed lease site at the time that negotiations begin with the individual or company to whom the property will be leased. The public notification will include a description of the proposed activity, the location of the property, and the name of the company. Public notification will also be given to all property owners within 2500 feet of the location of the proposed lease, 14 days prior to the date at which the proposed lease will be submitted to City Council for consideration.

**Procedure For Notification Of Non-Competitive Leases:**

1. When contact is made with the Airport requesting the leasing of Airport property that is available on a non-competitive basis, the Mayor will notify the City Council in an information memorandum that the Airport is entering into negotiations for the leasing of airport property. The memorandum will include a brief description of the proposed activity.
2. The Airport website will provide information that identifies the name of companies or individuals that are in discussions with the Airport for the purpose of leasing property. The information will identify the name of the company or individual and the purpose of the lease.
3. If the proposed use of the property involves activities that are likely to create off-airport noise or other conditions that might affect the residential areas immediately adjacent to the Airport, the Airport will provide public notification to all property owners within 2500 feet of the location of the proposed lease site at the time that negotiations begin with the individual or company to whom the property will be leased. The public notification will include a description of the proposed activity, the location of the property, and the name of the company. Public notification will also be given to all property owners within 2500 feet of the location of the proposed lease, 14 days prior to the date at which the proposed lease will be submitted to City Council for consideration.

## **PORT ADMINISTRATION AND OPERATIONS POLICY**

Adopted by Council Action and Resolution February 24, 2005; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

The following policy of the City Council relates to the administration and operation of the Port of Pensacola. The policy addresses: the types of uses for port property; port cargo and lease administration; and port financial obligations.

In approving this policy statement, the City Council acknowledges the importance of a vibrant, highly diversified seaport as an economic stimulator for the region. Council further recognizes that the Mayor must be allowed to conduct routine business and make day-to-day decisions. Therefore, the guiding principles contained in this policy statement are designed to reinforce staff's role in making routine business decisions while, at the same time, setting forth the guidance required to ensure judicious use of port assets, facilitate the optimum practical level of diversification of business lines, and maximization of revenues to the port.

### **Types of Uses/Operations for Port Property**

- In order to maximize revenues and buffer industrial uses from their surrounding neighbors, the Port of Pensacola should operate as a combination of industrial maritime, cruise maritime/maritime related and mixed-use operations.
- The City should honor its lease commitments; therefore, existing port leases should be allowed to run to term.
- As a component to honoring lease commitments, the port should continue to maintain existing infrastructure, improve existing infrastructure and/or develop new infrastructure as required to service existing lease tenants' operational requirements.
- Transient cargo operations (traditional import/export operations not associated with specific lease tenants) are a critical component of any successful commercial seaport operation; therefore, the port should continue to undertake all compatible transient cargo opportunities in accordance with the rules, regulations and authorities granted under the Port tariff.
- In its efforts to explore development of a mixed-use port that includes industrial maritime, maritime related and retail/commercial ventures, all reasonable and compatible business opportunities should be fully evaluated.

## **Port Cargo and Lease Administration**

The following operational practices are critical in establishing the framework under which these future development principles are implemented and in recognizing the inherent operational differences between transient cargo/tariff operations, short-term operating agreements, and long-term leases.

- Port Cargo - The Port's Tariff details rates and charges on commodities/cargoes that the Port may handle. Tariff Section IX details those cargoes. For those cargoes not listed, there is Tariff Item #900 Articles Not Otherwise Specified (N.O.S.). Any potential port cargo that is an N.O.S. item shall be presented to Council for approval prior to the Port's acceptance of that cargo.
- Short-Term Operating Agreements – Port staff, with Mayor approval, may enter into short-term operating agreements with port users. Such agreements are not to exceed 12 months in duration and must include a 30-day cancellation clause. Council will be notified through information item memorandum of all such agreements at the next Council meeting following execution of any such agreements.
- Long-Term Lease Agreements –The Mayor should continue to consider and evaluate all (industrial maritime, maritime related, and mixed use) long-term lease opportunities. Appropriate proposals should be brought forward to Council for consideration in accordance with established City policy on Council and public notification of proposed port leases.

## **Financial Obligations**

- As an Enterprise Department of the City of Pensacola, the Port is required to meet certain financial obligations including covering 100% of its operating, maintenance and administrative costs, funding its capital improvement requirements, paying its debt service obligations, and maintaining operating and capital project reserve funds.
- In order to meet these obligations, the Mayor should negotiate all leases on port property and the revenues will be retained by the Port.
- In cases where the port generates revenue greater than that required to meet these obligations, excess revenues could be retained by the port, contributed to the city general fund, or a combination thereof, as Council may determine on an annualized basis in accordance with its legal authority to determine disposition of excess revenues.

## **General Port Administration Policies**

The following policy items are intended to be general in nature. While they may not apply in every situation, they should be considered as appropriate:

- The port's historic prominence in the community should be preserved.
- Improvements should be made to port property that are, to the extent practical, compatible with surrounding historical and cultural assets.
- The professional services necessary to identify appropriate parcels of land within the port for possible mixed-use development should be retained.
- Development strategies that are common to other heritage harbors and historic port places should be examined and considered.
- Opportunities to improve transportation planning should be sought out.

**PROCEDURE FOR COUNCIL AND PUBLIC NOTICE OF PROPOSED LEASES AT THE PORT OF PENSACOLA** Adopted by Council Action December 18, 2003; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

**Objective:**

To improve communication with and between Port of Pensacola, Pensacola City Council, and the General Public when a lease of Port property is being proposed.

**Application:**

The following policy and procedure applies only to the lease of property and/or facilities at the Port of Pensacola to private terminal operators for the expressed purpose of establishing a permanent, semi-permanent, or long-term commercial or industrial facility or operation at the Port. This policy does not apply to the General/Transient Cargo and Vessel Operations of the Port or to month-to-month or other short-term operating agreements of less than 13-months duration.

**Procedure For Council Notification:**

1. The Mayor will notify Council by an "Information Memo" that the Port is planning to enter into formal lease negotiations with a firm to conduct business at the Port. However, should the firm make a written request to the Mayor requesting confidentiality, only the name of the company and a general description of the proposed activity shall be released. All other information regarding lease negotiations will be withheld pending the conclusion of negotiations between staff and the potential firm as permitted pursuant to provisions of Florida Statute 315.18.
2. A minimum of thirty (30) days before any such lease is considered for approval by City Council, Council will be notified by an Information Memorandum that a Port lease is expected to be presented to Council. This Information Memorandum will include, at a minimum, the name of the proposed company, the type of business to be conducted, and the proposed length of the lease. For purposes of this notification procedure, notification shall be submitted thirty (30) days prior to the scheduled Council meeting at which said lease would be considered. At this time, the name of the firm and other information falling under the confidentiality protections of Florida Statute 315.18 will be released.

**Procedure For Public Notification:**

3. A minimum of fourteen (14) days before any such lease is considered for approval by City Council, or a committee of the City Council, written notification will be mailed to property owners (as identified on the most recent Escambia County tax roll) within a radius of approximately 2,500 feet from the main entrance gate to the port. Such notification will inform property owners that City Council will consider a port lease at specified Committee and Council meetings and will note the times, dates, and places of both meetings, as well as the name of the company and the type of business to be conducted under the lease. For purposes of this notification procedure, notification shall be mailed fourteen (14) days prior to the scheduled Committee meeting immediately preceding the Council meeting at which said lease would be considered.

**FLORIDA STATUTE 315.18**  
**CONFIDENTIALITY OF CERTAIN RECORDS HELD BY DEEPWATER PORTS**

Any proposal or counterproposal exchanged between a deepwater port listed in s. 311.09(1) and any nongovernmental entity, relating to the sale, use, or lease of land or of port facilities, and any financial records submitted by any nongovernmental entity to such a deepwater port for the purpose of the sale, use, or lease of the land or the port facility, are confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution. However, 30 days before any such proposal or counterproposal is considered for approval by the governing body of such a deepwater port, the proposal or counterproposal shall cease to be exempt. If no proposal or counterproposal is submitted to the governing body for approval, such a proposal or counterproposal shall cease to be exempt 90 days after the session of negotiations.

**POLICY STATEMENT -- SEAPORT AND WATERFRONT DEVELOPMENT**

Adopted by Council Action January 31, 1989; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

The City of Pensacola believes that waterfront development and the operation of a seaport are compatible land uses and functions.

Therefore, the City of Pensacola shall continue to own and operate a seaport. The City shall manage that seaport as a public service enterprise. The City shall seek diversification of waterside and landside activities of the seaport.

Further the city shall continue to operate a seaport so long as the seaport shall provide:

- a) positive area wide economic impact
- b) service to water transportation users
- c) complementary land use with overall waterfront development
- d) be within the public funding capacity of the area

### **III. FINANCE**

**ASSESSMENT OF STORMWATER UTILITY FEE ON RIGHT-OF-WAY SUBJECT TO LICENSE TO USE AGREEMENT** – Adopted by Council Action February 28, 2002; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

1. The stormwater utility fee will apply only to an increase in impervious surface area created by the property owner within the right-of-way that is the subject of the license to use agreement.
2. The stormwater utility fee assessed will be based on the current formula used to calculate the stormwater utility fee including any applicable exemptions.
3. Construction of awnings over existing sidewalks and construction of new sidewalks for public use within the area of the license to use agreement will be exempt from the stormwater utility portion of the license to use fee.
4. The stormwater utility fee will be added to the annual license to use fee of \$250. The fees collected will be deposited into the stormwater utility fund. Fee waivers will not be considered for the stormwater utility portion of the license to use fee.
5. The stormwater utility fee will be assessed on any new license to use agreements and to any renewal of existing license to use agreements. The stormwater utility fee is not retroactive to existing license to use agreements.

**DEBT INCURRENCE AND ADMINISTRATION POLICY** – Adopted by Council Action February 22, 1996; Amended August 11, 2005; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

The following policy of the City Council covers the incurrence and administration of debt (both short and long term) by the City. It is intended to apply to all situations, except for those normal transactions with vendors, suppliers and service providers (essentially transactions covered by the City's Purchasing Policies) that result in the City incurring debt. It serves as a guide under which new debt may be incurred and existing debt refinanced or repaid. As a part of this policy statement the City Council reserves the right to provide exceptions and waivers when unexpected circumstances justify such exception or waiver.

In approving this policy statement, the City Council acknowledges the importance of debt as a tool in financing needed capital. Judicious use of debt provides an equitable financing method. Projects with long lives (parks, roads, etc.) provide benefits each year to the same citizens who are responsible for providing the funds to meet the debt service requirement on the bonds that financed the original construction/acquisition. Debt is the one financing method that provides that matching of benefit with payment.

- Long-term debt should be used to meet capital needs when such needs cannot be financed from current revenues. Further, it should only be used when adequate funds are likely to be available to meet future debt service requirements.
- The City will not use long-term debt to finance current operations.
- On all debt issuances the City Council will be informed of the nature of the financing and the proposed structure of the financing team. In the instance of a negotiated sale or private placement, City Council will also be informed of the underwriter(s) to be selected and the reasons for the selection.
- Repayment of long-term debt should occur within a time period that does not exceed the estimated useful life (lives) of the project(s) financed. (For multiple acquisition long-term debt, acquisition lives should be measured against principal retirements during the early years.)
- The average life of any long-term debt issuance will not initially exceed 20 years.
- The ratio of general government debt service expenditures to general government total expenditures should not exceed 15 percent (as measured by either the most recent comprehensive annual financial report or the adopted current year budget) except when a proposed borrowing is necessitated to finance reconstruction following emergencies (such as a hurricane or other natural disaster).

- Except for Pensacola Gulf Coast Regional Airport whose coverage requirements are established by contracts with the airlines, long-term debt of City enterprises should be maintained at minimum coverages of 130 percent.
- The City will meet full disclosure requirements/needs on all debt issuances. In order to meet our commitment to full disclosure the following will be implemented:
  - The City will annually produce and distribute to interested parties, a "Report to Bondholders", updating information on the City's finances and debt.
  - The Mayor will establish procedures dealing with requests for information about the City's finances and/or debt. The policy should designate a single source for response. Further, information provided as a result of a request, also when appropriate, be provided to the market. Finally, the procedures should provide that whenever a material event occurs, timely notification to the market will be provided.
- The City will maintain good communications with rating agencies and bond insurance companies.
- The City will take advantage of the technical expertise and professionalism of its financing team (financial advisor, bond counsel and disclosure counsel) on all debt issuances.
- Prior to issuing long-term debt, the City shall consider the alternatives of competitive bids, negotiated sales or private placements giving consideration to the following criteria:
  - Is the issue viewed by the market as carrying complex or innovative features and/or requiring explanation as to the bonds' soundness?
  - Are interest rates stable, is market demand strong, and/or is the market able to absorb a reasonable amount of buying or selling without substantial price changes?
  - Does the issue have a non-enhanced credit rating of an A or greater or can a credit enhancement be obtained prior to the sale?
  - Is the debt structure backed by the City's full faith and credit or a strong, known or historically performing revenue stream?

- The following requirements must be met by any applicant for conduit financing:
  - The applicant should submit audited financial statements for its three most recent years.
  - The applicant must pay a fee of not less than \$1,000 to cover the administrative cost of processing the application. In addition, the applicant must pay for a financial review by the City's financial advisor. Applicant must also pay reasonable fees for legal reviews by or for the City.
  - The applicant must agree to include in the bond resolution, provisions that insure adequate disclosure relating to the issuance and all post issuance disclosures (see disclosure requirements outlined above).
- Refunding or advance refunding of outstanding debt can be a valuable tool in reducing annual borrowing costs. Such refundings can be undertaken within the following parameters:
  - The final maturity is not later than that of the refunded issue.
  - The refunding results in present value savings of at least 3 percent. (Present value savings may be used to reduce debt service or fund capital projects.)
  - The refunding itself does not result in net new debt service. (However, a refunding may be combined with issuance of new debt for capital projects.)

The following definitions apply to this policy:

**Advance Refunding** - When the issue to be refunded cannot presently be retired. Refunding bond proceeds are placed in escrow and the proceeds plus earnings are used to meet debt service on the refunded issue until it can be retired.

**Average Life** - The point when half of the original principal has been retired as opposed to the final maturity which is the point at which the total original principal has been retired.

**Capital** - Includes projects, improvements or equipment (individually or related) with a cost in excess of \$50,000 and an estimated useful life of at least 5 years.

**Coverage** - Net profit plus interest and non-cash charges against net profit divided by average annual debt service

**Conduit Financings** - Financings issued in the name of the City for which a third party accepts responsibility for payment (for example: industrial revenue bonds, hospital authority bonds).

**Current Operations** - Includes regular, recurring expenditures for "personal services" and "operating expenses".

**Debt** - Includes any form of borrowing monies. Bonds, contracts, letters, notes, or lines of credit, etc. are forms of debt. For purposes of this policy, debt does not include normal day-to-day transactions with vendors, suppliers or service providers that result in accounts payable. Debt has two time frames: short-term which is payable in full within one year of incurrence and long-term which has a final maturity beyond one year.

**Debt Service** - The annual principal and interest payments and service charges required to repay debt.

**Market** - Includes the Municipal Securities Rulemaking Board and the Nationally Recognized Municipal Securities Information Repositories, as appropriate.

**Material Event** - An occurrence that when material requires notice to investors. The Securities and Exchange Commission has determined that the following, among others, are such events.

- a. Principal and interest payment delinquencies
- b. Nonpayment related defaults
- c. Unscheduled draws on reserves
- d. Unscheduled draws on credit enhancements
- e. Substitution of credit or liquidity providers, or their failure to perform
- f. Adverse tax opinions or events affecting the tax exempt status of the security
- g. Modifications to rights of security holders
- h. Bond Calls
- i. Defeasances
- j. Matters affecting collateral
- k. Rating changes

**FINANCIAL PLANNING AND ADMINISTRATION POLICY** – Adopted by Council Action November 18, 1999; Amended 9/13/01; Amended 9/27/01; Amended 9/30/04; Amended 11/6/2006 by Council Action and Resolution; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011; Amended by Resolution September 9, 2010 effective Noon, January 10, 2011; Amended November 18, 2010 by Resolution, effective Noon, January 10, 2011; Amended September 8, 2011 by Resolution; Amended May 10, 2018 by Resolution; Amended May 27, 2021

The following policy of the City Council covers the broad topics of financial planning and administration. It serves as a policy guide for the conduct of all financial operations of the City except for those operations covered by other specific policies (example: Debt Incurrence and Administration, Fund Balance of Governmental Funds, Investment or Purchasing). As part of this policy statement, the City Council reserves the right to provide exceptions and waivers when unexpected circumstances justify such exception or waiver.

#### Accounts Receivable

- The Mayor shall have the authority to write-off uncollected accounts receivable(except for gas and sanitation utility accounts receivable and accounts receivables in which liens have been filed) in individual accounts not greater than \$1,000. Write-off of such accounts in amounts in excess of \$1,000 must be approved by the City Council. Gas and Sanitation uncollectible accounts receivable and uncollectible accounts receivable in which liens have been filed may be written off by the Mayor with the concurrence of the City’s external auditor. Adopted 11/18/99; Amended 11/18/10
- The City will not back-bill ESP and Sanitation customers for any period greater than twelve (12) months for any undercharge in billing which is the result of the City’s mistake. The Mayor shall establish a program to create and enforce liens on property within the City. The City shall allow the customer to pay the unbilled service over the same time period as the time period during which the under-billing occurred or some other mutually agreeable time period. The Mayor has the final authority on the disposition of billing and collection remedies. Adopted 9/30/04; Amended 9/9/10
- The Mayor shall create a policy for lease agreements to ensure all are reviewed before execution for recording on the City’s official records, billing and collections of accounts. Adopted 9/9/10

#### Budget Policies

- The Mayor annually should prepare and present to City Council, within a time frame that meets TRIM requirements, a budget covering all required funds of the City. Following review, desired modification and the State prescribed public hearings, City Council will approve a final budget. All such budgets shall be balanced with projected opening fund balances, revenues and transfers equaling proposed expenditures, transfers, contingencies and ending fund balances.

### Budget Policies (continued)

- Revenue estimates included in the proposed and final budget will be those prepared or concurred with by the Mayor.
- As required by State statute, the City's millage rate shall be established each fiscal year as part of the budget process. As part of the budget process the Mayor shall, in the proposed budget, recommend a millage rate that establishes a balanced budget each fiscal year.
- General Fund's maximum amount of appropriated Beginning fund Balance each fiscal year should be no more than 3 percent of budgeted revenues. *Adopted 11/9/06*
- Recurring expenditures should be financed only with recurring revenues. Nonrecurring/one time revenues (a source that won't be repeated or one that is higher than normal because of weather or other issues beyond the City's control) should be used only to finance non-recurring expenditures and/or maintain or increase reserves.
- The City's annual budget shall conform to the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation program requirements and shall be submitted for consideration for the award.
- The budget format should include information necessary to establish an adequate base for budgetary control including control over expenditures and positions.
- The budget should be prepared by department or programmatic activity. Within each department or programmatic activity it should be further divided by expenditure categories, personnel services, operating expenses, capital, grants in aid, debt service and non-operating. Within the personnel services expense category, salaries, salary increases (not coincident with employee promotion to a different job classification and excepting those covered under collective bargaining agreements,) and employee bonuses (if established consistent with State of Florida Statute Section 215.425) will be included as separate budget line items. *Amended 5/10/18*
- The Mayor shall have the authority to transfer appropriations within expenditure categories between different departments or programmatic activities, except for amounts appropriated in budget line items for salary increases (not coincident with employee promotion to a different job classification and excepting those covered under collective bargaining agreements,) and employee bonuses (if established), which must remain as adopted unless changed by supplemental budget resolution. 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. *Amended 9/9/10; 5/10/18*

### Budget Policies (continued)

- It is understood that the citizens of Pensacola are entitled to a return on their investment for the purchase of the natural gas utility from Gulf Power in 1948. However, with the competitive nature of the energy industry the amount of transfer from ESP to the General Fund should be adjusted each year to assure ESP's competitive edge. Long-term, the budgeted transfer should not be more than 15 percent of budgeted ESP revenues. The amount of the transfer will be reported in each fiscal year budget.  
Amended 11/6/06

### Capital Assets

- The threshold for assets that will be capitalized, depreciated and reported in the City's annual financial statements will have a value of \$5,000 and a useful life of more than one year. Adopted 9/27/01

### Capital Improvement Plan

- Annually, the Mayor shall prepare and present to City Council for approval a comprehensive Capital Improvement Plan (CIP) covering at least 3 years for meeting infrastructure needs. The plan should include all potential funding sources that are available to finance the identified needs. Amended 9/9/10
- The CIP and the more narrowly focused Capital Improvement element of the comprehensive plan should be coordinated to ensure that all capital needs are met.
- Additional operating costs associated with any capital project should be identified and funding of the additional costs provided for in the City's annual budget.

### Fund Balance Policy (Enterprise Funds)

- The Mayor will develop and present to City Council a reserve implementation plan for each of the City's enterprises. Each plan will provide for no less than a 15 percent operating reserve. A capital reserve will also be established to ensure that ongoing capital and infrastructure needs are adequately met. This policy does not apply to the Airport whose reserve requirements are established by contracts with the airlines.  
Amended 9/30/04

### General Financial Policies

- The City should undertake an annual cost allocation study no less than bi-annually to ensure that all indirect costs are equitably allocated to the various enterprise and other appropriate operations. Amended 9/9/10

### General Financial Policies (continued)

- The Mayor shall provide quarterly financial reports explaining and comparing budgeted and actual revenues and expenditures presented to the City Council following the end of each quarter. (Presentation of the comprehensive annual financial report will suffice for the year-end).
- The City's Comprehensive Annual Financial Report (CAFR) will conform to the GFOA's Certificate of Achievement for Excellence in Financial Reporting program requirements and will be submitted for consideration for the award.
- Annually, the city will prepare a revenue manual.
- The Mayor will maintain an effective system of internal administrative and accounting controls. Adopted 9/30/04
- Any request for financial related information, however communicated, shall be promptly forwarded to the Mayor for approval prior to distribution. Adopted 9/9/10

### Outside Agency Funding

- Grants that equal \$25,000 or more in total expenditures (i.e. grant expenditures plus match expenditures) or involve hiring additional staff will have City Council approval prior to grant acceptance. Acceptance of grants that equal less than \$25,000 in total expenditures will be approved by the Mayor. Adopted 9/30/04; Amended 11/6/06
- Funding to outside agencies, including non-profit organizations and sponsorships, shall be awarded in accordance with City Council's Outside Agency Funding Request Policy and shall require appropriation by the City Council prior to expenditure. Adopted 9/9/10

### Revenues and Fees

- The Mayor shall recommend to City Council for approval of the stormwater utility fee each fiscal year as part of the budget process. At the beginning of each fiscal year, an amount equal to \$2,735,000 will be appropriated in the Stormwater Capital Project Fund for stormwater and flooding related capital projects and stormwater capital equipment, including stormwater basin master plans, as presented by the Mayor and approved by City Council. At the end of each fiscal year the budget will be adjusted to reflect actual revenue received. Adopted 9/13/01; Amended 9/9/10' Amended 5/27/21

### Revenues and Fees (continued)

- When the provision of service is predicated on payment of a fee (for example: building inspections), the Mayor should periodically review the relationship between revenues and expenses for services provided and fee should be set at levels sufficient to recover all costs. Fees for other programs (for example: adult or youth softball) should be set at levels that do not discourage participation in the program. The Mayor should present recommendations to City Council for approval. Amended 9/9/10

### Services and Contracts

- The City shall utilize the Request for Proposal (RFP) procedure for major banking services. The Banking Services Agreement shall be presented to City Council for approval. Adopted 9/9/10
- The City shall utilize the Request for Qualifications (RFQ) procedure for external audit services. An audit selection committee (appointed by City Council) shall present a recommendation to City Council for approval. Adopted 9/9/10
- Contracts for the City's financial advisor, bond counsel and disclosure counsel shall be presented to City Council for approval. Adopted 9/9/10
- All executed contracts or issued purchase orders for purchases, including capital and construction purchases, exceeding \$25,000, and all executed contracts for services, excluding employment contracts, exceeding \$25,000, shall be reported to City Council following execution of the contract or issuance of the purchase order. Adopted 9/8/11
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**FUND BALANCE POLICY** - Adopted by Resolution September 9, 2010 effective Noon, January 10, 2011; Amended by Resolution March 10, 2022

**A. Fund Balance Policy**

The City hereby establishes and will maintain reservations of Fund Balance, as defined herein, in accordance with Governmental Accounting and Financial Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Policy shall only apply to the City's governmental funds. Fund Balance shall be composed of restricted, committed, assigned, non-spendable and unassigned amounts.

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.

**B. Definitions**

**Fund Balance** – refers to the difference between assets and fund liabilities in the governmental funds balance sheet and is referred to as fund equity.

**Non-Spendable Fund Balance** – Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (principal of an endowment fund, for example).

**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.

**Assigned Fund Balance** – Amounts the City intends to use for a specific purpose.

**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.

**C. 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.

**D. Reservations of Fund Balance**

The fund balances of the City's governmental funds include but are not limited to:

1. Non-spendable Fund Balance

*a. Inventory Reserve*

The inventory fund balance reserve is established to indicate those amounts relating to inventories that are not in spendable form.

*b. Prepaid and Deposits Reserve*

The prepaid and deposits fund balance reserve is established to indicate those amounts relating to prepaids and deposits that are not in spendable form.

2. Restricted Fund Balance

*a. Encumbrances*

The City encumbers funds associated with a purchase order which is evidence of a contract by third party restriction.

3. Committed Fund Balance

The City Council hereby establishes the following committed fund balance reserves:

*a. Tree Planting Trust Fund Reserve*

Ordinance 31-09 establishes and provides for funding of the Tree Planting Trust Fund. Expenditures are also authorized by ordinance and may be made with appropriate approval.

*b. Park Purchases Reserve*

Ordinance 9-96 establishes and provides for funding of an escrow account for park, recreation or open space needs in lieu of dedication of land for residential subdivisions. The funds are to be used for acquiring parks and developing playgrounds with appropriate approval.

c. *Council Reserve (General Fund)*

Effective January 12, 2017, a minimum reserve of 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. (Amended 10/09/14, Ord No. 39-14; Amended 03/09/17; Ord. No. 04-17; Amended 02/24/22; Ord. No. 05-22)

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 vote of City Council. Use of funds may only be initiated when current fiscal year revenues decrease by 5 percent or more of the total adopted beginning estimated revenues, including transfers. A maximum of fifty percent of the shortfall or fifty 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 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 consecutive years.
2. Replenishment of Council Reserve. If the reserves are drawn down below the minimum required level of 20 percent, then a budgetary plan shall be implemented to return the reserve to a minimum 20 percent level in no more than a 5 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 purposes, and any other funds identified in the annual budget (and any amendments thereto) will be used to increase the reserve. Interest earnings may, upon discretion of the City's Finance Director be applied on the reserve balance each fiscal year.

4. Assigned Fund Balance

a. *Carry Forward*

The carryforward fund balance reserve is identified by the Mayor at the close of each fiscal year, subject to approval of City Council, and is comprised of the designated and departmental carry forwards.

1. Designated Carry Forward – funds identified in the annual budget (and any amendments thereto) to provide for differences, if any, between budgeted revenues and expenditures.

2. Departmental carry forward – funds for which appropriations have been made in previous fiscal years that have been approved by the Mayor to be carried forward to subsequent fiscal years, subject to City Council approval.

*b. Special Assessments*

The special assessment fund balance reserve is established to indicate those funds derived from and available for the special assessment program.

**E. Authority to Assign**

The Mayor shall have authority to assign amounts of fund balance to a specific purpose; however, before expenditure, amounts must be appropriated by City Council.

**F. Minimum Level of Unassigned Fund Balance**

The City does not currently have a formal minimum fund balance policy.

**G. Annual Review and Determination of Fund Balance Reserve Amounts**

Compliance with the provisions of this policy shall be reviewed, presented and discussed as part of the annual Comprehensive Annual Financial Report (CAFR) process and presentation to City Council, and the amounts of restricted, committed, assigned, non-spendable and unassigned fund balance shall be reported. In addition, the amount of the Council reserve will be reviewed as part of the annual budget.

**H. Additional Information, Requirements and Responsibilities**

It will be the responsibility of the City to keep this policy current.

**INVESTMENT POLICY** - Adopted by Council Action and Resolution September 26, 2002;  
Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

Resolution 35-02, adopted under the authority of Sections 166.261 and 218.415, Florida Statutes, sets forth the policy of the City of Pensacola with regard to the investment of funds in excess of those required to meet short-term expenditures. The Mayor shall be responsible for implementing this policy, subject to the provisions of Section 1-1-1 (c) of the Code of the City of Pensacola. No person may engage in any investment transaction with City funds or funds held in a trust relationship by or for the City, except as authorized by the Finance Director or authorized designee. Provided, however, this policy shall not apply to pension funds, trust funds, or funds related to the issuance of debt.

**Authority**

The responsibility for administering the investment program of the City resides with the Finance Director. The Finance Director has the responsibility to insure the proper management, internal controls, safekeeping and recording of all investment assets held or controlled by the City. No person may engage in any investment transaction with City funds or funds held in a trust relationship by or for the City, except as authorized by the Finance Director or authorized designee.

**Scope**

This policy sets forth guidelines with regard to the investment of funds in excess of those required to meet short-term obligations and does not apply to pension funds, trust funds or funds related to the issuance of debt. All financial assets held or controlled by the City, not otherwise classified as restricted assets requiring separate investing, shall be identified as “general operating funds” of the City for the purpose of this policy, and shall be invested using the guidelines as herein set forth. This Policy is promulgated pursuant to and consistent with the provisions of Section 218.415, Florida Statutes, and City Ordinance No. 48-98.

Although restricted assets such as pension funds, certain bond-related funds and trust funds are not required to be covered by this Policy, such funds may be invested under this Policy, when deemed to be in the City’s best interest to do so, and when permitted by governing policies or documents.

## **Objectives**

Safety of capital is regarded as the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Each investment transaction shall be entered into with every effort to prevent capital losses, whether they are from securities defaults, theft, or the impact of adverse market conditions. The City's investment strategy will provide sufficient liquidity to meet operating, payroll and capital requirements. Investments shall be made to maximize income on surplus funds but only after the objectives of security and liquidity have been met.

## **Ethical Standards**

The standard of prudence to be used by the City of Pensacola is that of the Prudent Person Rule, which states that: "Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment." The Finance Director and authorized designee, acting in accordance with established policies and procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to minimize adverse developments. The Prudent Person Rule shall be applied in the context of managing all assets invested under this Policy.

Employees of the City who are involved in the investment process shall refrain from personal business activity that could conflict with State Statutes, City Ordinances, proper management of the City's investment program, or which could impair their ability to make impartial investment decisions.

## **Continuing Education**

The Finance Director and appropriate staff shall annually complete eight (8) hours of continuing education in subjects or courses of study related to investment practices and products.

## **Performance Measurement**

The City of Pensacola seeks to optimize return on investments within the constraints of safety and liquidity. The investment portfolio shall be designed with the annual objective of exceeding by 50 basis points the weighted average return earned on investments held by the State Board of Administration Investment Pool. The State Board of Administration Investment Pool is the most appropriate benchmark given the imposed limits in maturities. (See “Portfolio Composition” for maturity limits).

## **Authorized Investments**

The following is a list of authorized investments as provided by Section 218.415(16), Florida Statutes:

- (a) The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in Section 163.01, Florida Statutes.
- (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Interest-bearing time deposits or savings accounts in qualified public depositories as defined in Section 280.02, Florida Statutes.
- (d) Direct obligations of the United States Treasury.
- (e) Federal agencies and instrumentalities.
- (f) Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency of instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.
- (g) Other investments authorized by law or by ordinance for a county or a municipality.

Additional investments types permitted by the City of Pensacola are granted authority through a separate ordinance approved by the Pensacola City Council. Investments not listed in this Policy or that have not been given separate approval by City Council are prohibited.

## **Bid Requirements**

The City of Pensacola will attempt to make investments with local banks that have been approved by the State Treasurer to act as qualified public depositories (QPDs) as governed by Chapter 280, Florida Statutes, and Rule 4C-2, Florida Administrative Code. In the case where interest rates of the local banks are not competitive, investment-banking firms with national reputations can be selected at the Finance Director's discretion.

The City of Pensacola will engage in a competitive bid selection with a minimum of three bids solicited. The bid deemed to best meet the investment objectives will be selected. These bids will be recorded and retained in the Financial Services Department.

## **Portfolio Composition**

There are no limits set by this Policy as to the maximum amount that any particular institution can hold. The institution will set its own limits by virtue of its ability to collateralize the investments.

Certificates of deposit purchased under the authority of this Policy will be purchased only from Qualified Public Depositories of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280, Florida Statutes.

Repurchase agreements shall only be entered into with the City's primary depository, Wells Fargo & Company, which is also identified as a qualified public depository.

Dollar limits for types of investments such as, Treasury's, Agencies or Certificates of Deposit, will be based on market conditions at the time of the investment or will be governed by the Finance Director's discretion.

Average maturity of all surplus investments is not to exceed two years with the maximum maturity of any investment not to exceed five years.

## **Safekeeping And Custody.**

All securities purchased by the City's Finance Director under this Policy, except certificates of deposits, shall be properly designated as assets of the City of Pensacola and shall be protected through a third-party agreement. The City shall enter into a formal agreement with an institution of such size and expertise as is necessary to provide the services needed to protect and secure the investment assets of the City. Certificates of deposit may be held in safekeeping at the issuing financial institution or may be held in physical custody by the City's Financial Services Department.

The City's Finance Director shall establish appropriate safekeeping procedures so that, whenever possible, all investments are custodied in accordance with Governmental Accounting Standards Board Statement Number 3, Category (1), which specifies that all securities are insured or registered, or held by the City or its agent, in the City's name. Repurchase Agreements are disclosed as Category (2) as uninsured and unregistered investments for which the securities are held by the counter party, or by its trust department or agent in the City's name.

### **Collateral**

Collateral for public deposits is regulated by the State of Florida through, Chapter 280, Florida Statutes. The City shall not be under any obligation to secure additional collateral beyond the provisions set forth in Chapter 280, except in the case of Repurchase Agreements. Collateral requirements for Repurchase Agreements are contained in the Master Repurchase Agreement.

### **Master Repurchase Agreement**

The City has entered into only one Master Repurchase Agreement. Wells Fargo & Company, the City's primary depository, holds the contract.

Overnight ("sweep") Repurchase Agreements are collateralized by full faith or general faith and credit obligations of the United States Government or United States Government Agency securities.

- (a) Purchased only from the City's contracted banking service provider.
- (b) Securities used as collateralization for the overnight (sweep) Repurchase Agreement will be held for the benefit of the City with a third party, the Federal Reserve Bank or the contracted bank's correspondent bank in an amount not less than 100% of the overnight amount of the Repurchase Agreement.
- (c) The City's primary depository must have on file an executed copy of the City's Master Repurchase Agreement for overnight repos and an executed Sweep Investment Service Agreement.
- (d) Repurchase Agreements for the City of Pensacola will exist only for the purposes of an overnight "sweep".

At this time the Sweep agreement is dormant. On August 1, 2001, the Financial Services Department changed its venue for daily investment of surplus funds. Surplus funds are being invested in a First Union product entitled "Public Funds Now". This is an interest bearing account that mirrors the Sweep agreement. It calculates interest daily according to the agreed upon interest rate, adheres to collateralization rules, but posts

an aggregate interest earnings amount at the end of the month instead of daily recording. The change was instituted to simplify the recording of interest on surplus funds that remain in the General Clearance Account.

### **Internal Controls**

The Director of Finance has established internal controls to prevent loss of funds by fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City. The internal controls are as follows:

- (a) Investment transactions authority is limited to specific persons within the Financial Services Department.
- (b) All investment transactions require approval of the Director of Finance.
- (c) Staff in the Financial Services Department reconciles the City's general depository account on a monthly basis by comparing the City's general ledger with the applicable bank account statements. The reconciliation of the general depository account would reveal any difference in investment transaction recording and the actual movement of funds.
- (d) Each month the designated staff person authorized to transact investments shall prepare an Investment Schedule. The schedule is then reviewed and reconciled to the general ledger by a person independent of the investment functions.
- (e) Authority for wire transfers is restricted to specific individuals with specific dollar limits within the Financial Services Department. All non-repeat type wire transfers require verification authorization by a second individual specified in wire authority documents executed with the City's primary depository.
- (f) Transfer of all funds through a central account only.
- (g) Each year the City's external auditors review existing internal controls as well as investment transactions by examining data on a random basis.

The internal controls are designed to prevent losses of funds which might arise from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees. As required by Section 218.415(13), Florida Statutes the internal controls shall be reviewed, at least annually, by the City's external auditors, as part of the required financial audit.

## **Accounting Method**

For all investments with a remaining maturity of 1 year or less, the City of Pensacola has elected to use amortized cost method. All investments with a remaining maturity of 1 year or more are restated to fair value. All investment income, including changes in fair value of investments, shall be reported as revenue in the operating statement. The City shall comply with Statement No. 31 of the Government Accounting Standards Board.

## **Reporting**

The Director of Finance shall generate monthly investment reports for internal management purposes. Quarterly investment reports shall be prepared and reviewed by the City's financial advisors to evaluate overall performance and to assess the security of the investment types. It is incumbent on the financial advisor to notify the Director of Finance of any unsafe or unsecured investments. A plan of action will be obtained from the financial advisor when adverse circumstances occur.

NOTE: September 4, 2001 – First Union Corporation and Wachovia Corporation merged. Therefore, the name “First Union National Bank” was replaced with “Wachovia Bank National Association (N.A.)” in this policy to be consistent with the November 18, 2002 name change.

December 31, 2008 – Wachovia Corporation was acquired by Wells Fargo & Company effective December 31, 2008. To be consistent with the 2008 name change the name “Wachovia Bank National Association (N.A.)” has been replaced with “Wells Fargo & Company” in this policy.

October 1, 2011 – The Director of Finance title was changed to Chief Financial Officer. To be consistent with the name change the name “Director of Finance” has been replaced with “Chief Financial Officer” in this policy.

January 16, 2020 – The Chief Financial Officer title was changed to Finance Director. To be consistent with the name change the name “Chief Financial Officer” has been replaced with “Finance Director” in this policy.

## **OUTSIDE AGENCY FUNDING REQUEST POLICY**

Adopted by Council Action July 22, 1999; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

### **Policy Objective**

The City Council of the City of Pensacola sets forth the following policy regarding requests for funding from agencies or groups outside the organizational structure of the city of Pensacola. The intent of the policy is to ensure that City funds are provided only to organizations that are not for profit, provide a service to the citizens of Pensacola, provide for effective accounting of funds received and provide a report on impact of funds awarded by the City. This policy does not affect contract for services or interlocal agreements with outside agencies or organizations.

### **Eligible Requests**

The City Council has the final authority on what is eligible for funding from the City. In general, the type of activities or projects that are eligible for City funding are those that provide a human or social service, promote economic development, promote or preserve Pensacola's historical legacy, promote or enhance cultural activities and the arts, or assist the City with achieving its mission or stated goals. The eligible programs or services must be provided by an agency that is not for profit. Agencies or programs that receive money from the Law Enforcement Trust fund are not eligible to receive funds from the City General Fund within the same budget year.

### **Public Benefit**

The program or projects submitted for City funding must provide benefit to citizens of the City of Pensacola. Program or performance measures of the public benefit are strongly encouraged.

### **Human Service Funding Request**

Agencies and organizations providing services that enhance the health and personal well being of citizens must be submitted for review through the Human Services Appropriations Committee. Under a contractual agreement, the committee is provided staff support by the United Way of Escambia County. United Way staff receives and forwards information on submitted funding requests to the Human Services Appropriations committee. The committee provides the Council with funding recommendations for the next fiscal year. The city Council retains final authority for approval of funding amounts.

### **Interlocal Agreements/Contracts for Services**

Outside agencies and organizations that provide services at the request of the City will continue to have funding requests forwarded through the appropriate department for approval by the City Council.

### **Other Funding Requests**

Agencies and organizations requesting funds for programs and activities not related to human services nor governed by a formal agreement must submit their request on the approved application and provide all requested information. If the program or project publicly acknowledges contributions or sponsors, the City's financial support must be recognized in the appropriate publications, notices and event merchandise. The request and application must be submitted to the

city by the deadline established by the City's budget calendar. Requests for funds during the same fiscal year will only be considered in cases of emergency and when it is demonstrated that the need for the funding did not arise until after the fiscal year began. Funds for these requests will be derived from a contingency line item within the Outside Agency Funding section of the City budget. Requests for recurring or annual funding will not be considered in the same fiscal year.

**PORT RESERVE POLICY** Council Discussion Item December 9, 1999; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

Operating Reserve (1<sup>st</sup> priority)

The Operating Reserve will be set at 50% of the Port's Operating Budget (i.e., Personal Services, Operating Expenses, & Overhead).

Ongoing Capital Projects Reserve (2<sup>nd</sup> priority)

The Capital Projects Reserve would be set at the amount required to match anticipated Florida Seaport Transportation and Economic Development (FSTED)/State/Federal grants over the next 5 year period.

Emergency Capital Projects Reserve (3<sup>rd</sup> priority)

The Emergency Capital Projects Reserve will be used to fund unexpected/unplanned major capital-intensive projects that are not funded by the Federal Emergency Management Agency (FEMA). This reserve will be set at \$1,000,000.

Finally, any remaining surplus funds will be used to fund the Operating Reserve to 100% of the Port's Operating Budget.

## **PROCEDURES FOR DISSEMINATION OF FINANCE RELATED INFORMATION**

Council Memo November 4, 1997; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

**PROCEDURE:** The following procedure for dealing with requests for finance related information must be followed by all employees of the City of Pensacola:

- Any request for finance related information, when such request appears to involve an investment decision or an evaluation of the credit or financial status of the City for financial market purposes, whether the request is by phone, in writing, by e-mail or fax, should be forwarded to the Mayor. Handling of such requests must be done tactfully, particularly if the request is a verbal one.
- If there is uncertainty about whether a request is for finance related information for use by a citizen/taxpayer or is for one of the above-mentioned purposes, error on the side of safety and forward the request to the Mayor.

**UTILITY COLLECTION POLICY** - Adopted by Council Action September 26, 2002; Amended by Resolution April 8, 2010; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011; Amended November 18, 2010; effective Noon, January 10, 2011.

- A. The current bill will be considered delinquent if payment is not received by the due date.
- B. If the bill is not paid, the previous balance will appear on the next bill rendered. If the previous balance exceeds twenty-five dollars (\$25.00), the bill will provide a collections message indicating that the account is subject to disconnection.
- C. If a minimum payment of at least the previous balance is not received, a delinquent notice will be mailed. The system generates this notice twenty one (21) days from the due date of the initial bill. This notice provides the date by which the payment must be received and the scheduled disconnect date, which is thirty-seven (37) days from the due date of the initial bill.
- D. If the bill remains unpaid or arrangements have not been made by the disconnect date, an ESP field representative will be scheduled to turn off, lock and seal the meter at the premise.
- E. The service may be reconnected the next business day after the total bill and the reconnection fee have been paid.
- F. If the bill is not paid and service has not been reconnected within seven (7) days of the scheduled disconnect date, one of the following actions will occur:
  - 1. If gas service is the only City service billed the account will be terminated and final billed.
  - 2. If gas was terminated but City sanitation services continue, gas services will be deactivated and accrue interest while sanitation services and billing continue.
  - 3. If gas and City sanitation services were provided, and both services were discontinued for non payment, both services are terminated and final billed.
- G. Accounts disconnected for non-payment will require proper identification and verification of residence before new service is connected for a different customer.
- H. Collection procedures for hardship cases will be considered on an individual basis and include consideration of past payment history, arrangement history and eligibility for agency assistance. Arrangements made on balances exceeding sixty (60) days in arrears must be approved by a supervisor.
- I. The procedure for disputing a utility bill will be printed on customer billing statements.

- J. The Mayor is authorized to develop and implement a program for asserting, recording and foreclosing liens upon all lands or premises served by the ESP gas system when accounts become delinquent in accordance with Section 159.17, Florida Statutes. The guidelines and operating procedures shall be on file with the City Clerk and made available to customers of ESP. Adopted April 8, 2010

**CITY COUNCIL DISCRETIONARY FUND POLICY** Adopted by Council Action July 21, 2022  
Resolution 2022-065

**PURPOSE:**

The Pensacola City Council values and recognizes the importance of community programs, projects and events that:

1. Advance Council-adopted goals, City-Wide policies and the City's strategic planning;
2. Promote the City of Pensacola;
3. Support non-profit organizations or individuals serving the community;
4. Are held for the general economic benefit of Pensacola's diverse business and cultural communities; and
5. Support the City's community and/or planning and neighborhood objectives.

This policy will provide the basis for the use of discretionary funds within the current budget to fund such programs, services and events. It will also provide the procedure for the appropriation, approval and administration of said discretionary funds.

1. Policy Application

Discretionary funds may be allocated to non-profit organizations as defined by the IRS and/or registered with the State of Florida, community-based organizations, or individuals, provided they meet the criteria and purpose of this policy.

This Policy only applies to sponsorships or grants using budgeted City Council Discretionary Funds. This Policy does not apply to other sponsorship or grant programs at the City (e.g. CDBG).

2. Definitions

- A. *Sponsorship*. Funds provided to a non-profit organization or individual to support a specific event.
- B. *Grant*. Funds provided to a non-profit organization or individual for a specific project or program.

3. Eligibility for Funding/Sponsorship

The City intends to fund programs, projects and events that align with Council goals. The intent is that the general public will receive some intrinsic civic, cultural, educational, entertainment, community or economic value from the program, project or event.

#### 4. Public Purpose

All funds, however awarded, must be used for a public purpose. In general, a public purpose is defined as an activity or service that is open to all members of the public, regardless of race, creed, gender, sexual orientation, religious affiliation, etc., without restriction and which does not promote a particular religion. This program does not allow support for individual gain, and is not intended to provide City support for a specific business purpose or general commerce enterprise.

#### 5. Appropriation of Discretionary Funding

The City budget will appropriate \$10,700 for each City Council Member for their use towards neighborhood projects, community events, viable not for profit organizations or causes deemed to be a valid public purpose. For Council members not in office for the full fiscal year, this amount will be prorated to the period they are serving during the fiscal year.

- Any discretionary funding allocated to Council Members that is not expended within the fiscal year allocated will be carried over for one (1) fiscal year. Discretionary fund allocations that are not expended prior to an individual Council Member leaving the office will not be included in the Non-Encumbered Carryover Resolution and will instead be placed within the General Fund available Fund Balance.

#### 6. Process for Sponsorship of Programs/Events

- A. The City Council Discretionary Fund Disbursement Request (Attachment 1) will be submitted for each recommended disbursement. Disbursement of discretionary funds can be made to non-profit organizations authorized to do business in the State of Florida, or to other approved city projects to improve or enhance city facilities and properties. When providing funding to outside nonprofit agencies, the Discretionary Fund Award Agreement (Attachment 2) will be utilized to provide details of the organization and the municipal purpose for the funding.
- B. Discretionary Funds will normally be disbursed as a reimbursement for the approved municipal purpose provided when supporting invoices or other documentation is provided. If disbursement of discretionary funds for a municipal event are deemed appropriate in advance of the municipal purpose, documentation of the valid expenditure of those funds must be provided in accordance with the provisions of the Discretionary Fund Award Agreement (Attachment 2) to provide for proper safeguard to assure the accomplishment of the intended public purpose.
- C. Prior to any distribution of grant or sponsorship funds, approval by City Council is required.

#### 7. Conflicts of Interest

To prevent abuse or misuse of the Council's discretionary funding authority, strict rules govern conflicts of interest between Council Members, their staffs, family and associates and organizations receiving Discretionary Funds.

The following are general guidelines. Please direct questions regarding the utilization of conflict rules to specific cases to the Office of the City Attorney.

- Council Members are prohibited from sponsoring discretionary funding for an organization at which the Council Member serves as an employee, officer, or board member (except *ex officio*).
- Council Members may sponsor funding for an organization where an “associated” person (a family member or other person with whom the Council Member has a financial or business relationship) is an officer or employee so long as the associated person will not benefit, or appear to benefit from the funding.
- At the time of voting, Council Members are required to disclose on the record any potential conflicts of interest with organizations funded by other Council Members.
- Organizations are required to disclose any potential conflicts of interest at the time of their application.

# City Council Discretionary Fund Disbursement Request

I, Council Member \_\_\_\_\_, do hereby request  
(Council Member Name)

that the amount of \$ \_\_\_\_\_ be disbursed from my Council Discretionary

Funds and awarded to \_\_\_\_\_  
(Name of Agency)

for the purpose of \_\_\_\_\_.  
(Agency use of the funds)

\_\_\_\_\_  
Council Member Signature

\_\_\_\_\_  
Date

# City Council Discretionary Fund Award Agreement

This agreement is made and entered into on \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the City of Pensacola, a municipal corporation of the State of Florida, (“City”) and \_\_\_\_\_, a non-profit corporation authorized to do business in the State of Florida (“Recipient”).

The City Council of the City of Pensacola is authorized under Section 166.021, Florida Statutes, to perform those acts, including the expenditure of public funds which serve a municipal purpose. The recipient serves the residents of Pensacola by providing \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_;

which benefits the citizens of this community and agrees to expend the funds awarded to further this purpose.

The recipient will be reimbursed for the purpose provided at an amount not to exceed the amount authorized below when an invoice for the authorized services, a receipt of payment or other supporting documentation is provided.

The recipient agrees as follows:

1. To expend the funds awarded to it under this Agreement to further its exempt purpose, and to promptly provide all documentation to support the disbursement of funds for reimbursement; and
2. To abide by Section 119.07, Florida Statutes, as required by law; and
3. If disbursement is made in advance of the authorized purpose, to return to the City within fifteen (15) days of demand all City funds paid to it upon the City’s finding that the terms of the Agreement have been violated; and
4. If disbursement is made in advance of the authorized purpose, to return to the City all funds expended for disallowed expenditures for the following purposes as determined by the City:

- a. To pay for the Recipient’s “Bad Debts”. Losses arising from uncollectible accounts and other claims, and related costs are not allowable; or
- b. To pay for Recipient’s “Contingencies”. Contributions to a contingency reserve or any similar provisions for unforeseen events are not allowable; or
- c. To make “Contributions or Donations.” Contributions and donations by the Recipient are not allowable unless expressly approved in this Agreement; or
- d. To pay for Recipient’s “Entertainment.” Costs of amusements, social activities, and incidental costs relating thereto, such as meals, beverages, lodgings, rentals, transportation, and gratuities are not allowable unless expressly approved in this Agreement; or
- e. To pay Recipient’s “Fines and Penalties.” Costs resulting from violations of, or failure to comply with federal, state, and local laws and regulations governing this Agreement, are not allowable; or
- f. To pay Recipient’s “Legislative Lobbying or Other Political Expenses.” The costs of lobbying and all other politically related expenses or contributions of the Recipient are not allowable; or
- g. To pay Recipient’s “Interest and Other Financial Costs.” Interest on borrowings (however represented), bond discounts, costs of financing and refinancing operations, and legal and professional fees paid in connection therewith, are not allowable.

5. If disbursement is made in advance of the authorized purpose, to provide to the City, all documentation supporting the disbursement of the funds awarded by The City and the specific purpose of the expended funds.

The City agrees to pay the Recipient a one-time payment of \$\_\_\_\_\_ to further support the Recipient’s exempt purpose.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Agency Name

\_\_\_\_\_  
Date

#### **IV. GENERAL**

**AMERICANS WITH DISABILITIES ACT** - Adopted by Resolution October 22, 1992;  
Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

The City Council hereby expresses its firm support for the Americans with Disabilities Act of 1990, as amended, through the adoption of the following policy:

- The City of Pensacola will afford equal access to all City programs, services, and employment for all qualified persons by prohibiting discrimination because of race, color, religion, sex, natural origin, age, marital status or disability.
- The City will work to ensure the elimination of barriers to City programs, services, and employment.
- The City will make reasonable accommodations for an employee's, an applicant's, or a citizen's disability, unless such accommodation would impose an undue financial and administrative burden on the conduct of the City's business.

## **CDBG SINGLE FAMILY HOUSING REHABILITATION PROGRAM POLICY**

Adopted by Council Action September 27, 2001; amended 10/13/05; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

The Community Development Block Grant (CDBG) Single-Family Housing Rehabilitation Program, authorized by Resolution No. 52-75 as approved by City Council on August 28, 1975, provides low interest housing rehabilitation loans and grants to citizens of Pensacola who reside in dwellings that do not meet the goal of decent, safe, and sanitary housing. These loans and grants have as their objective the upgrading of existing housing within the City. These loans and grants are made available to residents of the city that meet the criteria established by the City Council and the rules and regulations of the U.S. Department of Housing and Urban Development (HUD). These funds have the additional benefit of providing jobs and creating a positive economic impact throughout the community. The City vigorously urges business firms that represent the program's target population, i.e., minorities, elderly, and the handicapped, to participate in all phases of the program.

### **Program Goals**

To preserve housing and the quality of older neighborhoods, as well as the value of public capital invested in local schools, streets, sidewalks, utilities, and other public facilities.

To rehabilitate deteriorated properties, stabilize property values, and revitalize neighborhoods.

To provide assistance to lower income homeowners to maintain their homes as safe, sound, and sanitary dwellings, which not only meet, but exceed minimum housing codes.

To maintain the community's affordable housing stock.

### **Application Process**

Following the initial request for assistance, a representative from the Program will visit the property to identify deficiencies to be corrected to bring the property into compliance with local rehabilitation standards. An estimate will be made whether the deficiencies can be corrected and any allowable general property improvements performed within the Program funding limits, thereby determining if the house may qualify as an eligible property type under the program. Prospective participants will then be instructed to secure information that is used to verify income and ownership. Program staff will schedule a financial application only after the applicant has gathered the required data. The decision to approve or reject the assistance application will be made only after program staff has secured third-party verification of the income and ownership information that the applicant has provided. If the assistance is approved, the Owner will be notified of the approval, along with the terms and conditions of the loan. If the application is rejected, the Owner will be notified of the reason(s) for rejection.

Once approved, the project activities will immediately commence. The prospective contractors must be identified, the project developed, the work put out for bids, and the Rehabilitation Work Contract executed within sixty (60) days from the date of entering into the Funding and Assistance Agreement of the Program. Should an Owner fail to attend to their responsibilities in the timely manner defined within the Agreement, the project will be cancelled and their application for assistance will be assigned the last position on the waiting list established for CDBG Single-Family Housing Rehabilitation Program.

With the large and growing number of requests received for assistance, and the increasing number of distinct rehabilitation service programs the City offers, staff is unable to perform a detailed comparative cost analysis of minimal repair or larger scale rehabilitation versus reconstruction for every request for assistance. The Housing Department Rehabilitation Programinspector/estimator will make the determination whether a property is a candidate for rehabilitation based on his knowledge of rehabilitation costs and practices and his assessment of the physical condition of the properties in question.

### **Applicant Prioritization**

Requests for assistance are processed on a first-come, first-served basis. Because of the finite amount of Community Block Grant funds, housing rehabilitation is limited to first time applicants. An application is not considered complete and will not be processed until an applicant provides all the documentation required to verify income and property ownership. The waiting list will be established according to the same criteria.

### **Participant Eligibility Requirements**

To qualify for assistance, an applicant must:

- Qualify as a lower-income household;
- Have an income level and payment history that exhibit an ability to meet the requirements of monthly and on-time loan repayments;
- Demonstrate an acceptable payment record with respect to any existing mortgage or equity loan on the subject property at the time of application;
- Own the property under an approved form of ownership;
- Have owned and lived in the house for at least six (6) months prior to the date of application and have in hand the Homestead Tax Exemption certificate from the office of the Escambia County Tax Appraiser;
- Be willing and able to secure and maintain homeowner's personal liability insurance at all times during their participation in the Program and secure and maintain property insurance upon project completion; and
- Occupy the property as their principal residence upon completion of the project.

### **Income Eligibility Requirements**

Families assisted through the CDBG Single-Family Housing Rehabilitation Program shall have an annual income that is the sum of the gross income (including assets) of all individuals residing within the house and of all persons with an ownership interest in the house, which is less than or equal to 80% of the median income of the Pensacola, Florida, Metropolitan Statistical Area adjusted for family size as published periodically by the U.S. Department of Housing and Urban Development.

“Annual income” is defined in Title 24 of the Code of Federal Regulations section 5.609. Source documents including, but not limited to, wage statements, interest statements, and unemployment compensation statements, pension benefits, social security benefits, etc. must be reviewed to determine gross annual income. Eligibility is based on anticipated income during the next 12 months.

### **Other Eligibility Requirements**

The homeowner’s current housing costs (principal, interest, taxes, and insurance) must not obligate more than 30% of household income at time of loan approval. Current housing costs, plus the new mortgage cost, including taxes and insurance along with recurring debt, must not obligate more than 40% of gross household income at the time of loan approval.

Property taxes are paid and up-to-date.

Environmental reviews in accordance with the requirements imposed on recipients in 24 CFR 58 shall be conducted. Current environment requirements, flood insurance<sup>3</sup> and site and neighborhood standards are included within these reviews. Section 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106) requires that CDBG funds shall not be provided to an area that has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards unless: The community is participating in the National Flood Insurance Program, or it has been less than a year since the community was designated as having special flood hazards; and flood insurance is obtained.

### **Ownership Requirements**

A family or individuals own the property if they:

- Have fee simple title to the property; or
- Have a life estate interest in the property; and
- Do not have any restrictions or encumbrances that would unduly restrict the good and marketable nature of the ownership interest.

Ownership by agreement or contract for deed will not be considered.

### **Eligible Properties**

Only single-family properties are eligible for CDBG assistance. A single-family property is defined as a one dwelling-unit property from which no income is derived by the occupancy, use, rental or lease of any portion or space of that property.

Structures to be rehabilitated must be located within the corporate limits of the City of Pensacola and must be located within an area zoned for residential use in conformance with the City of Pensacola Land Development Code.

The structure to be rehabilitated must exhibit a minimum of two violations of the Standard Housing Code. All violations of that code must be able to be corrected for a total project price that will not exceed the Program's funding structure and limits.

### **Eligible Project Costs**

A completed project cost is the sum of the rehabilitation costs, as well as the cost of allowable general property improvements, along with the soft costs of financing fees, credit reports, title binders and insurance, recordation fees, transaction taxes, legal, accounting and appraisal fees, lead-based paint inspection, assessment and hazard mitigation fees.

### **Maximum CDBG Investment**

The maximum per-unit cap for the CDBG Single Family Housing Rehabilitation Program is \$53,000.

The \$53,000 cap does not include an additional \$10,000 available for the cost of handicap accessible improvements or an additional \$12,000 available for the cost of performing lead-based-paint hazard reduction work. When applicable, these additional costs are funded by a zero-interest loan that is forgiven over a five year period.

The housing units rehabilitated must have general structural integrity which can be feasibly rehabilitated to meet the requirements of the Standard Housing Code at a cost that does not exceed 75% of new construction cost on a per square foot basis.

The Loan and Grant Repayment Schedule for participating homeowners of the CDBG Single Family Housing Rehabilitation Program is as follows:

### Loan and Grant Repayment Schedule

Median % Income Level	% Loan	Maximum Grant* All Households	Additional Grant Elderly or Disabled Households Only
1 - 50%	0%	\$35,000	Additional maximum grant of \$13,000 (For project costs-exceeding \$20,000, but not more than \$53,000)
51		34,700	
52		34,400	
53		34,100	
54		33,800	
55		33,500	
56		33,200	
57		32,900	
58		32,600	
59		32,300	
60	3%	32,000	No additional grants/loans only.
61		31,700	
62		31,400	
63		31,100	
64		30,800	
65		30,500	
66		30,200	
67		29,900	
68		29,600	
69		29,300	
70		29,000	
71		28,700	
72		28,400	
73		28,100	
74		27,800	
75		27,500	
76		27,200	
77		26,900	
78		26,600	
79		26,300	
80		26,000	

\*Project grants are 70% of the cost of rehabilitation project but cannot exceed the above maximum amounts for income level.

## **Project Funding**

A project is funded by a combination of two mortgage loans from the Program directly to the Participant (commonly referred to as a loan and a grant). The “grant” is a deferred payment loan that depreciates on a daily basis over a five-year occupancy period during which the property may not be sold or the ownership of the property be transferred. The “loan” bears a fixed, simple interest rate amortized over a maximum of fifteen years, with shorter payback periods determined by the amount of the loan and affordability considerations. Loan interest rate and level of grant funding are determined by a sliding scale approved by the City Council of the City of Pensacola. Both loans are funded by the Community Development Block Grant provided to the City of Pensacola from the U.S. Department of Housing and Urban Development. In the event that those funds are reduced or withheld by HUD, the City is not liable to make any loan from any other that CDBG funds.

All titleholders of record are required to execute the mortgage lending documents.

The first recorded mortgage of the CDBG assisted project will be written in no less than second position against the subject property.

The Program will contract with local agencies to perform the entire loan-servicing function. Services to include collecting monthly loan repayments, follow up on late payments, provide counselor for delinquent accounts, initiate foreclosure action when necessary, provide protection of properties in foreclosure process and provide reports of payment activity to the Program. The loan servicing agency will provide payment coupon books to the Program participant.

Proceeds from mortgage loan payments or any other return of CDBG funds under this program shall be deposited into the local CDBG Fund account. This account will be a funding source for additional rehabilitation projects.

## **Property Standards**

The State of Florida minimum Building Construction Standards, as defined in Section 14-1-3 of the Code of the City of Pensacola, shall constitute the rehabilitation standards for all CDBG Single-Family Housing Rehabilitation Program projects. Additionally, no building or land maybe used in a manner that does not comply with all the regulations established by the City of Pensacola Land Development Code for the district in which the building or land is located.

## **Relocation Of Occupants**

The Housing Department is permitted to relocate households temporarily while the project is in progress. The Housing Rehabilitation Program policy for relocation that includes the **Temporary Relocation Flexible Benefits Schedule** as approved by the City Council will determine the level of relocation assistance benefits to be provided.

## **Property Insurance**

The owner must maintain Homeowners Personal Liability Insurance at all times during their participation in the CDBG Single-Family Housing Rehabilitation Program and agree to obtain Property Insurance upon the Owner's acceptance of the renovated property. Evidence of personal liability coverage must be presented to the City of Pensacola Housing Department prior to the execution of the Work Contract and evidence of property and liability coverage must be sent to the Housing Department at time of closing, then annually thereafter.

## **Owner's Responsibilities:**

The Owner shall:

- At their own expense, perform all activities necessary to provide marketable and insurable title free of liens, judgments, or other encumbrances.
- Enter into the Funding and Assistance Agreement with the Program.
- Cooperate with Program staff for the full duration of the project.
- Choose a competent and appropriately licensed and insured contractor to perform the Work of the Project.
- Directly contract with the Contractor for the full performance of the Work and Contract.
- Cooperate with the chosen contractor for the full duration of the Project.
- Approve direct payments on the contract sum to the Contractor in conformance with payment schedules described within the Rehabilitation Work Contract.
- If required, consult with neighborhood groups having design oversight prior to initiating the work of the project within the neighborhood. Owner shall submit written notification to the designated neighborhood representative.
- Occupy the property as their principal residence upon completion of the project.

- Pay all taxes, assessments, liens, and encumbrances on the property promptly when due.
- Keep all buildings and improvements on the property insured against loss or damage as required by the mortgage documents.
- Maintain the buildings and improvements on the property in good condition and repair.
- In consideration of the products and services provided through the CDBG Single-Family Housing Rehabilitation Program, the Owner agrees to hold the City of Pensacola, its agents, assigns, and employees, harmless from any act regarding housing inspection, design of the work or repair and shall defend, indemnify and hold harmless the City of Pensacola, its agents, assigns, and employees from all claims by any person(s) arising from the act(s) of any third person(s) in connection with such activities on the Owner's property.

**FLEXIBLE BENEFITS SCHEDULE FOR TEMPORARY RELOCATION ASSISTANCE IN CONJUNCTION WITH THE CITY'S HOUSING REHABILITATION PROGRAM AND HOME HOUSING RECONSTRUCTION PROGRAM**

**A. LODGING ASSISTANCE**

(Maximum benefit is based on the Contract Time specified within the Rehabilitation Work Contract and will not exceed sixteen (16) weeks.)

Family Size	Weekly Payment
1-2 Persons	\$125
3-5 Persons	\$150
6 or More Persons	\$175

**B. MOVING AND STORAGE ASSISTANCE\***

(Based on the number of habitable rooms, with furniture, within the structure being rehabilitated)

Number of Rooms	Fixed Payment
1	\$325
2	\$450
3	\$575
4	\$700
5	\$800
6+	\$900

\*If requested, the Program will procure the services of a moving and storage company by requesting competitive bids, and will directly pay up to \$1,500.00 of the actual cost of furniture moving and storage, for those participants whose entire household composition is either elderly (62 years of age, or older) or disabled. The Owner is responsible to fund the balance of the moving and storage amount. Such payment shall be made by the Owner to the City prior to scheduling a relocation date.

## **HOME HOUSING RECONSTRUCTION PROGRAM POLICY**

Adopted by Council Action April 26, 2001; Amended September 27, 2001; Amended October 13, 2005; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

The HOME Investment Partnership Program (HOME Program), created by the National Affordable Housing Act of 1990, provides funds to state and local governments to support affordable housing initiatives. This policy deals with the identification of eligible properties and property owners; project funding; terms and conditions for loans; eligible project costs; and the standards of the finished product.

Using HOME/SHIP funds, the City will provide direct loans for reconstructing dilapidated owner-occupied properties. This approach allows the homeowner to benefit from 100% of the equity accumulation in the property and to participate in any increase in value of the house as the neighborhood is strengthened. It is believed this will encourage participants to maintain and invest in their properties over time by giving them one of the highly valued benefits of homeownership the opportunity to benefit financially from the growth of their community.

### **Program Goals**

- To preserve housing and the quality of older neighborhoods, as well as the value of public capital invested in local schools, streets, sidewalks, utilities, and other public facilities.
- To rehabilitate deteriorated properties, stabilize property values, and revitalize neighborhoods.
- To provide assistance to lower income homeowners to maintain their homes as safe, sound, and sanitary dwellings, which not only meet, but exceed minimum housing code.
- To maintain the communities affordable housing stock.

### **Application Process**

Following the initial request for assistance, a representative from the Program will visit the property to identify deficiencies to be corrected to bring the property into compliance with local rehabilitation standards. An estimate will be made whether the deficiencies can be corrected and any allowable general property improvements performed within the Program funding limits, thereby determining if the house may qualify as an eligible property type under the program. Prospective participants will then be instructed to secure information that is used to verify income and ownership. Program staff will schedule a financial application only after the applicant has gathered the required data. The decision to approve or reject the assistance application will be made only after program staff has secured third-party verification of the income and ownership information that the applicant has provided.

If the assistance is approved, the Owner will be notified of the approval, along with the terms and conditions of the loan. If the application is rejected, the Owner will be notified of the reason(s) for rejection.

Once approved, the project activities will immediately commence. The prospective contractors must be identified, the work put out for bids, and the Reconstruction Work Contract executed within forty-five (45) days from the date of entering into the Funding and Assistance Agreement of the Program. Should an owner fail to attend to their responsibilities in the timely manner defined within the Agreement, the project will be cancelled and their application for assistance will be assigned the last position on the waiting list established for HOME Housing Reconstruction Program services.

With the large and growing number of requests received for assistance, and the increasing number of distinct rehabilitation service programs the City offers, staff is unable to perform a detailed comparative cost analysis of rehabilitation versus reconstruction for every request for assistance. The Housing Department Rehabilitation Program inspector/estimator will make the determination whether a property is a candidate for reconstruction, or whether it may benefit from other rehabilitation services, based on his knowledge of rehabilitation costs and practices and his assessment of the physical condition of the properties in question. In general, a house may be deemed suitable for the Program when rehabilitation services offered by other programs are not economically feasible.

### **Applicant Prioritization**

Requests for assistance are processed on a first-come, first-served basis. Because of the finite amount of HOME and HOME Again Program funds, housing reconstruction/rehabilitation is limited to first time applicants. An application is not considered complete and will not be processed until an applicant provides all the documentation required to verify income and property ownership. The waiting list will be established according to the same criteria. Families' living within the boundaries of the City's designated Urban Infill and Redevelopment Assistance Program, within the Front Porch area, will be given priority for fully completed eligible applications received by the Housing Department at the same time.

### **Participant Eligibility Requirements**

To qualify for assistance, an applicant must:

- Qualify as a low-income household;
- Have an income level that exhibits an ability to meet the requirements of monthly and on-time loan repayments. Pro-rated property taxes and monthly insurance premiums are included within the payment sum;

- Demonstrate an acceptable payment record with respect to any existing mortgage or equity loan on the subject property at the time of application;
- Own the property under an approved form of ownership;
- Have owned and lived in the house for three years and have in hand the Homestead Tax Exemption certificate from the office of the Escambia County Tax Appraiser; or, if the head of household is 62 years of age or older, or is disabled, applicant must have owned and lived in the house for six (6) months and have in hand the Homestead Tax Exemption certificate from the office of the Escambia County Tax Appraiser;
- Be willing and able to secure and maintain homeowner's personal liability insurance at all times during their participation in the Program and secure and maintain property insurance upon project completion; and
- Occupy the property as their principal residence upon completion of the project.

### **Income Eligibility Requirements**

Families assisted through the HOME Program shall have a total family income that is the sum of the gross income of all individuals residing within the house and of all persons with an ownership interest in the house, which is less than or equal to 80% of the median income of the Pensacola, Florida Metropolitan Statistical Area adjusted for family size as published periodically by the U.S. Department of Housing and Urban Development.

The HUD Section 8 Program definition for annual income will be used to determine eligibility. Source documents, such as wage statements, interest statements, and unemployment compensation statements, must be reviewed to determine gross annual income. Eligibility is based on anticipated income during the next 12 months.

### **Other Eligibility Requirements**

The homeowner's current housing costs (principal, interest, taxes, and insurance) must not obligate more than 30% of household income at time of loan approval. Current housing costs, plus the new mortgage cost, including taxes and insurance along with recurring debt, must not obligate more than 40% of gross household income at the time of loan approval.

Property taxes are paid and up-to-date.

Environmental reviews in accordance with the requirements imposed on recipients in 24 CFR58 shall be conducted. Current environmental requirements, flood insurance and site and neighborhood standards are included within these reviews. Section 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106) requires that HOME funds shall not be provided to an area that has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards unless: The community is participating in the National Flood Insurance Program, **or** it has been less than a year since the community was designated as having special flood hazards; **and flood insurance is obtained.**

### **Ownership Requirements**

A family or individuals own the property if they:

- Have fee simple title to the property; or
- Have a life estate interest in the property; and
- Do not have any restrictions or encumbrances that would unduly restrict the good and marketable nature of the ownership interest.

Ownership by agreement or contract for deed will not be considered.

### **Eligible Properties**

Only single-family properties are eligible for HOME assistance. A single-family property is defined as a one dwelling-unit property from which no income is derived by the occupancy, use, rental or lease of any portion or space of that property.

Structures to be rehabilitated must be located within the corporate limits of the City of Pensacola and must be located within an area zoned for residential use in conformance with the City of Pensacola Land Development Code.

Pursuant to HOME regulations, unless there exists the situation of overcrowding as defined by HUD, the number of bedrooms and bathrooms that will be provided for an owner will be no greater than the number of bedrooms and bathrooms in the existing house.

**Eligible Project Costs**

A completed project cost is the sum of the hard costs of demolishing the existing house and construction costs of the new house, as well as the cost of general property improvements, along with the soft costs of financing fees, credit reports, title binders and insurance, recordation fees, transaction taxes, legal and accounting fees, appraisals, architectural/engineering fees, including plans and specifications and job progress inspections, project costs that are incurred by the Program that are directly related to a specific project, and refinancing of secured existing debt if the refinancing allows the overall costs of the borrower to be reduced.

The maximum total project cost according to number of bedrooms is as follows:

2 bedrooms.....	\$75,000
3 bedrooms .....	\$80,000
4 + bedrooms .....	\$85,000

**Maximum Home Investment**

The maximum per-unit HOME limit cannot exceed 100% of the dollar limit for the Section 221(d)(3) program limit for the metropolitan area as published by HUD.

**Maximum Property Value**

To establish project eligibility, **after-rehabilitation value** must be established prior to any work being performed. This value will be established by an appraisal prepared by a licensed fee appraiser.

The value of the HOME assisted property **after rehabilitation** must not exceed the single family mortgage limits for the area as published the Federal Housing Administration (FHA) for its 203(b) program as published annually by HUD.

**Project Funding**

The sole source of funding for the money to be expended in the HOME Housing Reconstruction Program is the Home Investment Partnerships (HOME) Program that is administered by the U.S. Department of Housing and Urban Development and the required 25% match using State Housing Initiatives Partnership (SHIP) funds. In the event that the HOME funds are reduced or withheld by HUD or the State, the City is not liable to make any loan from other than HOME/SHIP funds.

Assistance is provided by a combination of a zero interest deferred payment loan that depreciates on a daily basis over a twenty-year period running concurrently with a zero interest loan that amortizes over the same twenty-year period. By written mortgage agreements, the property is pledged as security for repayments.

Monthly payments for families with gross income of 0-59% of the median income of the Pensacola, FL metropolitan statistical area shall be seventy-five dollars (\$75.00), plus the prorated cost of property taxes and insurance. Monthly payments for families with gross income of 60% to 80% of the median income of the Pensacola, Florida metropolitan statistical area shall be one hundred and fifty dollars (\$150.00), plus the prorated cost of property taxes and insurance.

Title holders of record are required to endorse the mortgage lending documents.

The first recorded mortgage of the HOME assisted project will be written in no less than first position against the subject property.

Prior to working within the HOME Housing Reconstruction Program, there may be one or more mortgage liens that encumber the subject property. The terms and conditions of every existing mortgage(s) shall be reviewed during the application process to determine if any prohibitions exist that would preclude the Owner from entering into the mortgage lending agreement of the Program. The Program will seek a subordination agreement from all mortgage lien holders of record and will be bound by their decision as it relates to this requirement.

In cases where a lien holder is unwilling to subordinate its position, HOME funds may be used to refinance existing secured debt only if the refinancing reduces the overall housing costs of the borrower and if the total cost of refinancing plus all program costs to produce the reconstructed housing unit do not exceed the maximum per-unit HOME subsidy limit or the appraised as-built value of the house.

The HOME mortgage agreements shall specifically forbid the mortgages to be subordinated to any other lien for as long as they shall remain in force.

The Program will contract with a local agency to perform the entire loan-servicing function. Services include collecting monthly loan repayments; manage escrow accounts for payment of taxes and insurance; handle insurance loss settlements; follow up on late payments; provide counselor for delinquent accounts; initiate foreclosure action when necessary; provide protection of properties in foreclosure process; provide reports of payment activity and escrow analysis. Loan servicing agency will provide payment coupon books as well as an annual statement to the homeowner for tax purposes.

Proceeds from mortgage loan payments or any other return of HOME funds under this program shall be deposited into the local HOME Investment Trust Fund account. This account will be a funding source for additional rehabilitation/restoration projects.

### **Property Standards**

The State of Florida minimum Building Construction Standards, as defined in Section 14-1-3 of the Code of the City of Pensacola, shall constitute the rehabilitation standards for all HOME Housing Reconstruction Program projects. Additionally, no structure shall be erected or reconstructed, nor shall any building or land be used in a manner that does not comply with all the regulations established by the City of Pensacola Land Development Code for the district in which the building or land is located.

Program funds may be used for the demolition and removal of other structures or outbuildings on the property, but shall not be used for the reconstruction of sheds, freestanding garages, or other outbuildings. Reconstructed houses will be designed to include an area for storage. No substandard/code deficient structures will be allowed to remain.

### **Relocation Of Occupants**

The Housing Department is permitted to relocate households temporarily while the project is in progress. The Housing Rehabilitation Program policy for relocation that includes the **Temporary Relocation Flexible Benefits Schedule** as approved by the City Council will determine the level of relocation assistance benefits to be provided.

### **Property Insurance**

The owner must maintain Homeowners Personal Liability Insurance at all times during their participation in the HOME Housing Reconstruction Program and agree to obtain Property Insurance upon the Owner's acceptance of the renovated property. Evidence of personal liability coverage must be presented to the City of Pensacola Housing Department prior to the execution of the Work Contract and evidence of property and liability coverage must be sent to the Housing Department at time of closing, then annually thereafter.

### **Owner's Responsibilities:**

The Owner shall:

- Occupy the property as their principal residence upon completion of the project.
- At their own expense, perform all activities necessary to provide marketable and insurable title free of liens, judgments, or other encumbrances.

- Enter into the Funding and Assistance Agreement with the Program.
- Cooperate with Program staff for the full duration of the project.
- Choose an appropriately licensed and insured contractor to perform the Work of the Project.
- Cooperate with the chosen contractor for the full duration of the Project.
- Consult with designated representatives from the Greater Pensacola Front Porch Community or other neighborhood groups having design oversight prior to initiating the work of the project within the neighborhood. Owner shall submit written notification to the Front Porch, or other designated neighborhood representative, along with copies of the site survey and the plans for the house to be constructed.
- Attend and complete a comprehensive homeowner's maintenance course that is approved by the Program no later than three months following the date of Project completion.
- Pay all taxes, assessments, liens, and encumbrances on the property promptly when due.
- Keep all buildings and improvements on the property insured against loss or damage as required by the mortgage documents.
- Maintain the buildings and improvements on the property in good condition and repair.
- In consideration of the products and services provided through the HOME Housing Reconstruction Program, the Owner agrees to hold the City of Pensacola, its agents, assigns, and employees, harmless from any act regarding housing inspection, demolition, rehabilitation, or reconstruction and shall defend, indemnify and hold harmless the City of Pensacola, its agents, assigns, and employees from all claims by any person(s) arising from the act(s) of any third person(s) in connection with such activities on the Owner's property.

FLEXIBLE BENEFITS SCHEDULE FOR TEMPORARY RELOCATION ASSISTANCE IN CONJUNCTION WITH THE CITY'S HOUSING REHABILITATION PROGRAM AND HOME HOUSING RECONSTRUCTION PROGRAM

A. LODGING ASSISTANCE

(Maximum benefit is based on the Contract Time specified within the Rehabilitation Work Contract and will not exceed sixteen (16) weeks.)

<u>Family Size</u>	<u>Weekly Payment</u>
1-2 Persons	\$125
3-5 Persons	\$150
6 or More Persons	\$175

B. MOVING AND STORAGE ASSISTANCE\*

(Based on the number of habitable rooms, with furniture, within the structure being rehabilitated.)

<u>Number of Rooms</u>	<u>Fixed Payment</u>
1	\$325
2	\$450
3	\$575
4	\$700
5	\$800
6+	\$900

\*If requested, the Program will procure the services of a moving and storage company by requesting competitive bids, and will directly pay up to \$1,500 of the actual cost of furniture moving and storage, for those participants whose entire household composition is either elderly (62 years of age, or older) or disabled. The Owner is responsible to fund the balance of the moving and storage amount. Such payment shall be made by the Owner to the City prior to scheduling a relocation date.

## **LIEN RELEASE POLICY FOR AFFORDABLE HOUSING INFILL PROJECTS**

Adopted by Council Action and Resolution September 28, 2000; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

1. Requests by non-profit and for-profit developers of affordable housing for release of city liens will be reviewed by the Mayor and recommended for approval by City Council.
2. Requests for release of liens to construct affordable infill housing will be submitted with the appropriate information regarding the proposed infill housing development, including: a description of the location and number of units to be constructed, the proposed sales price or monthly rent, a description as to how this proposed infill development will enhance the surrounding neighborhood and a copy of the house plans.
3. For the purposes of this lien release policy, the definition of affordable housing is owner-occupied or rental housing for persons with household income at 80 percent of median or below (according to current HUD guidelines). In the case of properties within the Front Porch or Community Outreach Partnership Center (COPC) areas, or any other areas designated by City Council from time to time, there will be no income limits to encourage higher income households to move into these targeted revitalization areas.
4. The Mayor will review the request for the release of liens and request any additional information necessary to determine if the proposed housing development is consistent with existing neighborhood plans or strategies as well as with the Comprehensive Plan and other local ordinances.
5. The Mayor will notify the existing neighborhood association representing the area to ensure that they are notified of the proposed infill development and that they have an opportunity to provide input.
6. If the application is approved by City Council, the applicant will execute an agreement with the City to ensure that the proposed infill development is constructed according to the agreed upon terms. Default on the terms of the contractual agreement with the City will result in the lien amount being repaid to the City.

**CHARGES FOR PUBLIC RECORDS REQUESTS INVOLVING EXTENSIVE CLERICAL OR SUPERVISORY ASSISTANCE** - Adopted by Council Action September 8, 1994; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

The following policy of the City Council covers charges for extensive public records requests. It applies to all situations that involve requests for information pursuant to the state public records law (Chapter 119, Florida Statutes).

-  
Actual cost for any request for information shall be billed in quarter hour increments to the individual/group making the request when the request involves extensive staff time.

The following definitions apply to this policy:

- c) **Extensive** – Any request for information that requires staff time in excess of one half hour to complete. Extensive also includes requests for related information from the same individual or group when the total staff time to complete the separate requests considered together exceeds one half hour. In determining whether a request for information involves extensive time and staff time spent in explaining or clarifying information shall be excluded.
  
- a) **Actual Cost** - Includes the actual staff time less the initial one half hour involved in meeting the request for information multiplied by the actual cost of the staff person(s). Such actual cost includes total personnel costs. Charges for making copies are covered in a separate policy\*. Excluded from actual cost is any staff time spent in explaining or clarifying information that has been provided.

\*It is the policy of the City of Pensacola to comply with the provisions of Section 119.07.

**RULES AND REGULATIONS GOVERNING PUBLIC USE OF CITY HALL  
CONFERENCE ROOMS AND COUNCIL CHAMBER** - Adopted by Council Action February

13, 1986, Revised October 12, 2006; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

1. **PURPOSE**

It is the intent of the City of Pensacola to make available meeting space for the public in City Hall where feasible and practical. Rules and regulations are considered necessary to ensure orderly scheduling of meeting spaces and to ensure the facility and its furnishings are not abused. The following rules and regulations apply to the use of meeting spaces on a first-come, first-serve basis, when space is available and not required to conduct City business. Conference rooms above the second floor are not available for use by public and non-profit organizations.

***The Council or the Mayor has the right to preempt any scheduled meeting when the space is required for city business.***

2. **RULES AND REGULATIONS FOR THE USE OF FIRST AND SECOND FLOOR  
CONFERENCE ROOMS:**

A. **ELIGIBLE GROUPS:** (See attached list)\*

1. Any group affiliated with the City of Pensacola and whose membership requires and includes a representative of the City administration, any state or federal elected public official, body or organization when business relates to informational and educational meetings, board business meetings, and public hearings conducted by the group.
2. Any board, committee, or authority appointed by the City Council when the business relates to regular and special meetings of the group.
3. Any non-profit, community service organization. These groups require prior approval by the Mayor to become eligible. Frequency of meetings and other alternatives for meeting space will be a factor in considering these requests.

Private organizations, for-profit organizations, or persons acting on their own behalf are not permitted to use the meeting spaces, unless otherwise approved by the Mayor. If permitted, meetings will be limited to one per month.

The Mayor is authorized to determine if a group may meet in meeting spaces when the request does not fall into the above definitions.

## B. REQUIREMENTS AND PROCEDURES

1. All requests for meeting space and arrangements, other than meetings scheduled by city administration officials, must be requested by an authorized representative of the group. The request must be in writing and received by the Mayor at least ten (10) days prior to the meeting. In addition, the request must include the planned length of the meeting and the number of attendees expected.
2. The Mayor will consider alternative sites that may be more practical and feasible for the meeting space requested.
3. The written request for meeting space must advise the Mayor of the equipment or arrangements that will be needed for the meeting and if the City needs to provide them. Equipment or arrangements such as:
  - A. Public address system
  - B. Audio visual facilities
  - C. Arrangement of tables and chairs
  - D. Other special arrangements

Nominal charges may apply for use of audio visual, public address, room set up and special arrangements needed for meetings.

4. Groups may not charge admission or registration fees for programs.
5. Meetings shall not begin prior to 8:30 a.m. on the days when City Hall is open. Meetings may continue after 5 p.m., but must conclude, with all persons exited the building, prior to 9 p.m. For meetings that extend beyond 5 p.m., the City will be reimbursed for all costs incurred by the City for support personnel required to stay beyond their scheduled working hours. Such costs will be charged to the department, group or the person scheduling the meeting.
6. No meetings will be scheduled on weekends or holidays.
7. Food and beverages will be permitted in the conference rooms. The City is not responsible for providing beverage service within any conference room. No alcoholic beverages are allowed.
8. Using departments and groups have the responsibility for clean-up immediately following the meetings, leaving meeting room free of papers, agendas, etc. and placing trash in appropriate receptacles. If food is served, tables need to be cleaned and all food removed.

9. The Mayor's Office will maintain a list of all groups using City Hall for a meeting facility, as authorized by these rules and regulations.
10. All meetings will be open to the public.
11. Any cancellations for meeting space should be made as soon as possible. Failure to notify of a cancellation may affect future use of the City Hall meeting spaces.

3. RULES AND REGULATIONS FOR THE USE OF CITY COUNCIL CHAMBERS

A. ELIGIBLE GROUPS

The use of the City Council Chambers shall be limited to:

1. Official Meetings of the City Council or Community Redevelopment Agency.
2. Internal City staff and training sessions.
3. Hearings and official meetings of other government or quasi-government units that require seating capacity beyond that which can be accommodated in other City Hall meeting space.

B. REQUIREMENTS AND PROCEDURES

1. All requests for meeting space and arrangements, other than meetings scheduled by city administration officials, must be requested by an authorized representative of the group. The request must be in writing and received by the Mayor at least ten (10) days before the meeting. In addition, the request will include the planned length of the meeting and the number of attendees expected.
2. The Mayor will consider alternative sites that may be more practical and feasible for the meeting space requested. In no event will the Council Chamber be scheduled for meetings where the attendance will be less than fifty (50) persons.
3. Special arrangements will need to be made with the City Clerk's office if meeting requires use of recording equipment.

4. Meetings shall not begin prior to 8:30 a.m. on the days when City Hall is open. Meetings may continue after 5 p.m., but must conclude, with all persons exited the building, prior to 9 p.m. For meetings that extend beyond 5 p.m., the City will be reimbursed for all costs incurred by the City for support personnel required to stay beyond their scheduled working hours. Such costs will be charged to the department, group or the person scheduling the meeting.
5. No meetings will be scheduled on weekends or holidays.
6. No food or beverages are allowed in the Council Chamber anytime.

4. ENFORCEMENT

These Rules and Regulations will be implemented and enforced by the Mayor and will be filed with the City Clerk's office as policy of the City Council. Any additions, deletions or revisions to the policy will require City Council review and approval.

**\*ELIGIBLE AGENCIES/GROUPS - CITY HALL USAGE**

CITY COUNCIL MEETINGS

CITY COUNCIL COMMITTEE MEETINGS

**BOARDS**

ARCHITECTURAL REVIEW BOARD

BOARD OF TRUSTEES–FIREMEN'S RELIEF AND PENSION FUND

BOARD OF TRUSTEES–POLICE OFFICER'S RETIREMENT FUND

CIVIL SERVICE BOARD

CODE ENFORCEMENT BOARD

COMMUNITY MARITIME PARK BOARD

CONSTRUCTION BOARD OF ADJUSTMENT AND APPEALS

ENTERPRISE ZONE ADVISORY BOARD

ENVIRONMENTAL ADVISORY BOARD

FIRE EDUCATION INCENTIVE BOARD  
FIRE PREVENTION BOARD OF APPEALS  
GATEWAY REVIEW BOARD  
GENERAL PENSION BOARD  
HUMAN SERVICES APPROPRIATIONS COMMITTEE  
PLANNING BOARD  
RECREATION BOARD  
ZONING BOARD OF ADJUSTMENT AND APPEALS

**CITY DEPARTMENTAL/EMPLOYEE MEETINGS**

DEPARTMENT DIRECTORS/LEADERSHIP FORUMS  
MAYOR'S ADVISORY COMMITTEE (MAC)  
NEIGHBORHOOD ROUNDTABLE  
CRA ROUNDTABLE  
EMPLOYEE EXECUTIVE COMMITTEE  
HEALTH INSURANCE QUALITY CIRCLE  
SAFETY QUALITY CIRCLE

**OUTSIDE AGENCIES/GROUPS**  
**(Meet monthly)**

WEST FLORIDA REGIONAL PLANNING COUNCIL

- Florida Alabama TPO/Technical Coordinating Committee
- Bay Area Resource Council (BARC)
- BARC TCC
- ESCAMBIA COUNTY TRANSPORTATION DISADVANTAGE BOARD

COMMUNITY DRUG AND ALCOHOL ABUSE COMMISSION (CDAC)

CHAMBER OF COMMERCE

- Tourism Administration and Convention Committee
- Economic Development Press Conferences (as needed for space)

PENSACOLA NAVY LEAGUE

WOMEN FOR RESPONSIBLE LEGISLATION

**PERIODIC REQUESTS FOR MEETING SPACE:**  
**(Average 1 - 8 meetings annually)**

STATE AGENCIES

- Department of Environmental Protection
- Department of Juvenile Justice
- Department of Children and Families
- Department of Transportation
- Department of Business Regulations–Administrative Hearings
- Department of Community Affairs
- Department of Developmental Disabilities
- Public Service Commission

FLORIDA LEAGUE OF CITIES

- Northwest Florida League of Cities
- Florida League of Mayors
- FCCMA

NORTHWEST FLORIDA WATER QUALITY MANAGEMENT DISTRICT

- Board and Committee Meetings

UNITED WAY OF ESCAMBIA COUNTY

PENSACOLA-ESCAMBIA HUMAN RELATIONS COMMISSION

LEADERSHIP PENSACOLA

PILOT LEAP

JUDICIAL SYSTEMS–(Emergency alternative location for trials)

WEAR -TV TOWN HALL MEETINGS

OCCASIONAL PRESS CONFERENCES FROM LOCAL, STATE AND FEDERAL OFFICIALS, IE. GOVERNOR, SECRETARY OF INSURANCE, LEGISLATIVE DELEGATION, ETC.

## **POLICY FOR DISPOSITION OF CITY OWNED REAL PROPERTY -**

Adopted by Council Action January 13, 2000. Revised November 21, 2002 & September 13, 2007; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011; Amended by Resolution February 29, 2017

The following guidelines apply to the disposition (by sale or lease) of City-owned property other than at the airport or port.

### **Types of Disposal by Sale or Lease**

- A. Open Bid
- B. Request for Proposal (R-FP)
- C. Direct Negotiation
- D. Economic Development Option
- E. Residential Lot Purchase Program

### **Process**

1. The Mayor identifies City property as surplus or otherwise available for disposal, utilization or development and recommends to City Council through the appropriate committee a method of transaction (open bid, RFP, direct negotiation or economic development direct negotiation).
2. City Council confirms property availability and determines the transaction method as outlined below.
3. Open Bid Option:
  - Obtain appraisal.
  - Notify property owners within 300 foot radius
  - Prepare bid specifications.
  - Accept public sealed bids.
  - Council accepts or rejects bid.
4. RFP Option:
  - Obtain appraisal.
  - Notify property owners within 300 foot radius.
  - Identify development or utilization criteria based on comprehensive plan, master plans, economic or market conditions, impact on adjacent neighborhoods, neighborhood input, and physical characteristics of property.
  - Prepare RFP requirements and specifications.
  - Accept public sealed proposal(s).
  - Council accepts or rejects proposal(s).
5. Direct Negotiation Option:
  - Obtain appraisal (unless property is of little or no value).
  - Notify property owners within 300 foot radius.
  - Administration negotiates agreement.
  - Council accepts or rejects bid.

6. Economic Development Option:

- Obtain appraisal (unless property is of little or no value).
- Notify property owners within 300 foot radius.
- Minimum Qualifying Criteria:
  - Will result in the creation of new jobs in the City, and
    - Will substantially enhance the economic health of the City by creating jobs with an average salary of at least 130% of average annual Pensacola MSA Wages according to the Florida Agency for Workforce Innovation, and
  - The new jobs created are in a Qualified Targeted Industry (QTI) approved by the Florida Office of Trade, Tourism and Economic Development as prescribed in F.S. 288.106, and
  - The company that will benefit from the sale or lease of publicly-owned land must demonstrate that over 50 percent of its annual sales revenue is generated from outside of the Pensacola MSA.
  - Administration negotiates agreement.
  - Council accepts or rejects agreement/offer.

7. Residential Lot Purchase Program

- Suitable Residential Lots Identified through the City's property disposition process and other property acquisition methods
- Deferred Payment for City Owned Parcel
- Offers Qualified Buyers a residential lot providing opportunity to construct a single family house sized for zoning and conformity and neighborhood compatibility
- Residential lot offered to qualified homeowners via a deferred payment loan at 0% interest secured by mortgage and note
- Lot value will be based upon the appraised value of the land and will be forgiven in annual increments over five years assuming compliance with all program requirements.
  - The sale, rental or transfer of ownership during the mortgage term shall be a default whereupon the City investment shall be repaid
    - Repayment in full will be required for defaults within one year of purchase
    - Repayment of the undepreciated portions will be required for default after the initial year

**ESTABLISHMENT, NAMING AND PRESERVATION OF HISTORICAL RESOURCES** - Adopted by Council Action June 22, 2000; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

Intent -- The City Council of the City of Pensacola recognizes that significant historical resources are the property of, or are located on property owned by, the City of Pensacola. It is the intent of the City Council, through this policy, to establish a procedure that will enable the citizens of the City of Pensacola to participate, to the maximum extent feasible, in the establishment, renaming, protection and preservation of these historical resources. Further, it is the council's intent to protect the historical resources of the City to the maximum extent feasible.

Process -- Any proposals or requests to name, rename, alter, establish, move or remove a qualifying historical resource that is the property of the city of Pensacola, or is located on property owned by the City of Pensacola, will be presented to the City Council of the City of Pensacola for consideration. The proposal may be made by individuals, organizations, City Council members, or the Mayor.

Any such proposal will be presented to the City Council for consideration and the proposal will be addressed as a regular agenda item of the Council. The Council may request a recommendation from the Mayor prior to final action. Additionally, the City Council may require one or more public meetings to discuss the proposal.

Notwithstanding the above, the City Council shall not take final action on any proposal under this policy until a minimum of thirty calendar days from the date the item is first introduced to City Council.

Criteria -- To determine whether a resource is a qualifying historical resource the following criteria will be applied: (\*)

1. Districts, sites, buildings, structures, objects, and streets may be considered to have significance in Pensacola or American history, if they possess integrity of location, design, setting, materials, or workmanship, feeling and association, and:
  - a) are associated with events that made a significant contribution to the broad patterns of our history; and/or
  - b) are associated with the lives of persons significant in our past; and/or
  - c) embody the distinctive characteristics of type or period; and/or
  - d) have yielded or may be likely to yield information important in our history.

2. Ordinarily historical resources that have achieved significance within the past 50 years shall not be considered historical resources for the purposes of this policy. However, such resources will qualify if they are an integral part of districts or areas that do meet the criteria, or if the city Council acts to make an exception to these criteria.

(\* ) The above criteria are adapted from the criteria used for listing sites and properties on the National Register of Historic Places. These criteria are also used by the Florida Department of State, State Historic Preservation Officer in evaluating properties for eligibility for listing in the National Register.

Protection -- through this policy, the City Council will provide protection to historical resources owned by, or located on property owned by, the City of Pensacola, in the following manner:

1. Any qualifying resource shall be protected from any vandalism, disfigurement, or defacement by virtue of existing ordinances of the City or applicable State laws, or any appropriate ordinances or State laws which may be adopted in the future.
2. No qualifying resource shall be significantly altered, moved, or removed, except in accordance with the process identified in Section 2, above.
3. No resource shall be designated as a qualifying historical resource except in accordance with the criteria set forth in Section 3, above.

## **INTERNALLY ILLUMINATED STREET NAME SIGNS POLICY**

Adopted by Council Action September 26, 2002; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

### **General**

Internally illuminated street name signs are street name signs, usually mounted overhead, with an internal light source. Because of the internal light source, these signs are significantly more visible at night than common reflective street name signs. The City of Pensacola recognizes the value of internally illuminated street name signs as an aid to motorists, particularly those motorists that are not familiar with the City. The City, therefore, establishes the following standard to guide the future installation of internally illuminated street name signs:

Internally illuminated street name signs shall be installed at the following locations:

1. All signalized intersections along the following US numbered routes; US-29, US-90, US-98 and US-98 business.
2. All signalized intersections with four or more lanes on each approach.
3. Street entrances to major public facilities.
4. All signalized intersections on North Palafox Street between Garden and Cervantes.
5. Other locations where new signals are being installed or signals are upgraded if determined there is value in including the signs in the plan.

### **Procedure**

The City shall review all plans for roadway, signalization or lighting improvements within the City and shall evaluate the possibility and feasibility of including the installation of internally illuminated street name signs as a part of all projects. Further, the Mayor shall maintain a program for systematically installing these signs as a part of its annual operating program.

**PROCEDURE FOR NAMING STREETS, BUILDINGS, PARKS OR OTHER PUBLIC PLACES OR STRUCTURES IN HONOR OF NATIONAL, STATE AND LOCAL LEADERS** – Adopted by Council Action August 28, 1997; Amended by Resolution August 21, 2010 effective Noon, January 10, 2011

The following procedure was adopted by the City Council for the naming of streets, buildings, parks or other public places or structures in honor of national, state and local leaders:

- The recognition of individuals, whether at the local, state or national level, can often involve the naming of public facilities, structures or streets for these individuals. It is understood that this type of recognition should be given to someone who has shown a significant commitment to the public good either through sustained service to the community or by the performance of a single act which merits recognition. Consideration for recognition shall be made without reference to race, religion, ethnic origin or gender.
- Any proposals for the naming of public facilities controlled by the City of Pensacola will be presented to the City Council. These proposals may be made by the City Council members, the Mayor or individuals. The Council will consider these requests and may solicit a recommendation from the Mayor prior to council action.

**Purpose**

To formulate a basic statement of the objectives and procedures to direct and guide the City in fulfilling its responsibility to keep the public informed of City governmental affairs and to encourage citizen participation

**Boards, Commissions, and Authorities**

Through its many boards, commissions, and authorities, City Council seeks to involve citizens with a wide range of talents and expertise in the government of the City. It shall be Council's policy to appoint citizens to the standing boards and commissions on the basis of their willingness to serve faithfully, their expertise in the particular area of the boards' concern, and their dedication to the public interest. Council shall be kept advised of the business conducted by the various boards through receipt of the minutes of their meetings.

**Special Advisory Committees and Task Forces**

City Council recognizes the value of citizen involvement in City affairs through the use of citizens' advisory committees or task forces. The task force concept brings the expertise and interest of private citizens to bear on specific public problems. It shall be the policy of Council to tap the civic pride and civic responsibility of citizens by requesting their service on special advisory panels.

**Support for Community Organizations**

The Council acknowledges as a principal means by which citizens may become involved in City affairs is through their contribution to community groups. It shall be Council's policy to cooperate with such citizen groups, to seek their counsel, and to follow up on their recommendations.

**Education Programs**

It shall be the policy of City Council for the City to sponsor programs and educational opportunities, particularly for young people, to learn more about the functioning of municipal government. Such programs as the Boy Scout Government Day shall receive full support. Presentations regarding City affairs, complete with graphics and visual aids, shall be made available to schools and civic groups as much as possible.

**Legal Advertisement**

It shall be the policy of City Council to continue to advertise all ordinances, public hearings, special assessments, bids, and other notices as required by federal, state, and local law. Notifications by mail shall also continue to be used where required by law.

### **Public Service Announcements**

It shall be City Council's policy to make full use of public service announcement time which the electronic media are required to provide. For most purposes, the Mayor as City spokesman shall be requested to deliver radio and/or television announcements.

### **Access to Public Records**

All items defined by law to be the public record shall be made readily available. All offices of the City which maintain such public records shall be open during regular business hours on weekdays for that purpose.

### **Annual Report**

Each year the city shall publish an Annual Report of activities of major City departments. It should also include a general description of the city's financial condition. The report should be distributed as widely as possible and made readily available to the community.

### **Press Relations**

A spirit of openness and cooperation should characterize Council and staff relations with the press. All Council and committee agendas, complete with back-up reports and recommendations, shall be provided free of charge to the news media who cover City affairs. The press is encouraged to actively cover all Council meetings.

### **Public Input**

It shall be the City Council's policy to provide full and ample opportunities to receive public input at all Council meetings, Committee meetings, and workshops of the City Council. This policy shall also apply to all **City** boards whose membership is composed in whole or in part by appointment by the Pensacola City Council. In all such meetings of Council and its appointed boards, the public shall be allowed a reasonable opportunity to provide input on any agenda item or any action item not previously placed on an agenda, before the Council, committee or board votes to take action on the item. In addition, in all such meetings of Council, its committees and appointed boards, there shall be an Open Forum opportunity for member of the public to provide input in a reasonable and orderly manner. This Public Input Policy shall be applied by all individuals chairing such meetings, while preserving for the chair the responsibility and authority to maintain order so that the public body may function effectively and maintain focus upon the order of business under consideration. **In all circumstances where appropriate, the Chair of the meeting shall allow the public the last opportunity to speak to an issue.**

**COUNCIL MEMBER EMERITUS DESIGNATION** – Adopted by City Council  
03/11/21 – Resolution 2021-13

This Policy of the City Council covers the designation of former City Council Members with the title of Council Member Emeritus

Purpose

The purpose of this policy is to establish the requirements and process for extending the Council's appreciation and gratitude to former Council Members by bestowing upon them the title of Council Member Emeritus.

Requirements and Process

- Service as a Council member for a period of twelve years or the equivalent of three (3) terms when the terms are defined as lasting for four (4) years.
- Said time of service does not have to be consecutive nor is it required to be within a single district.
- This designation inures no special benefit or privilege to the former City councilmember. Rather, the designation is honorary and presented as a sign of appreciation for the former councilmember's distinguished service to the City of Pensacola.

When the above requirements have been met and verified by a member of City Council Staff, those identified recipients will be recognized and receive a certificate memorializing the designation.

**ACQUISITION OF REAL PROPERTY** – Adopted by City Council 03/24/22 – Resolution 2022-034

The following policy applies to the acquisition of real property by the City of Pensacola, including rights-of-way and easements. This policy is a set of guidelines for general property purchases. This policy does not supersede any specifically-denoted requirements, terms, or conditions of real property acquisitions utilizing State and/or Federal grant funds. This policy does not intend nor should be construed as contradictory to any prior action by City Council regarding the use of real estate brokers for acquisitions or to any grant requirements, terms or conditions.

**Methods of Acquisition**

- A. Purchase
- B. Lease
- C. Donation
- D. Property Swap/Trade

**Process**

1. Determination of Need.

A determination is made that the City is interested in acquiring real property via one of the methods of acquisition. The real property must be deemed to serve a public need – i.e. improvement project-related, restoration, expansion of site or City services, development of affordable housing, conservation purposes, etc. – as confirmed by the Mayor or their designee. The funding source for the potential acquisition must be identified during this determination period and confirmed with the Financial Services Director or their designee. Staff is then directed to attempt acquisition. The property of interest is reviewed from a variety of aspects to determine the best path forward.

2. Evaluation/Preliminary Due Diligence

- a. Regardless of the method of acquisition, all parcels considered for acquisition must have an appraisal performed by a Florida state-certified, licensed appraiser. The only exceptions are (i.) in the case of an acquisition of little or no value as assessed by the Escambia County Property Appraiser (such as small or narrow right-of-way acquisitions or access easements, wasteland property, etc.), whereas the cost of obtaining an appraisal would be prohibitively expensive to acquiring the parcel in question; or (ii.) a property swap or trade where the parcels are of such close size, proximity, and current use that an appraisal would provide virtually the same value for each parcel.

[Depending upon the funding source, specifically grant funds, there may be detailed requirements on obtaining an appraisal for the acquisition and more than one appraisal or an appraisal review may be required. To prevent any issues with closing or potential acquisition violations that would require the repayment of grant funds, it is very important that the terms and requirements of the funding source are followed. Any issues or deviations from grant requirements regarding appraisals or anything else, if unavoidable, must be identified and resolved in writing with the granting agency during this period.]

## 2. Evaluation/Preliminary Due Diligence (Continued)

- b. An environmental site assessment (ESA) must be completed on any potential acquisition in which the parcel is suspected or known to have any agricultural, commercial, or industrial use historically, or is in close proximity to a known site. The type of ESA obtained – Phase I or II – depends upon the certainty of and type of previous use. This ESA report is particularly significant if the purpose of the acquisition is housing-related or for permanent public use.

[Exceptions to this ESA requirement includes instances where the potential acquisition has already been designated “wasteland” or other prior knowledge of an assessment or abatement being conducted at or very near the site, and an expenditure for another ESA would be redundant. In instances such as this, please contact our Environmental staff or the Florida Department of Environmental Protection regarding a search of their site databases for verification of the current site conditions.]

[Also, depending upon the funding source used, additional environmental due diligence may be required, at this step or any other time prior to the completion of the acquisition.]

- c. A preliminary search of available public records on the potential acquisition is also conducted at this step in the process. Whether the acquisition has outstanding taxes or is “heir(s) property” would be easily determined by this preliminary search. Depending on the anticipated use of the property, it is essential to determine other general facts, such as if restrictive covenants exist that would impede use, or if the current zoning matches the zoning necessary for the anticipated use. Any liens or encumbrances to clear title and ownership (if the property is being purchased or swapped) may also be revealed at this time.

Through all three of the requirements for evaluation – appraisal, ESA, and preliminary public records review – can be initiated simultaneously oftentimes, their importance depends upon the method of acquisition. For purchases and leases (methods of acquisition a. and B.), an appraisal to determine value and negotiating starting point is the likely first step, through all three are imperative. For donations and swaps (method of acquisition C. and D.), an ESA would be likely more important, as it is essential in determining what liability the City may be exposing itself to in acquiring the property.

The results of this evaluation and preliminary due diligence may determine whether it is in the City’s best interest to proceed with the potential acquisition. Many potential acquisitions do not make it past this step in the process.

## 3. Negotiation.

A prospective seller or lessor (methods of acquisition A. or B.) may have a dollar amount in mind at which they will relinquish ownership or lease the property to the City. The appraised value of the property can be less than this desired amount, but often the City does have means to negotiate.

For donations and swaps (methods of acquisition C. and D.), it is important that the intent of both parties is clear, and this may require some negotiation. As an example: a prospective donor may be donating their property for easement or conservation purposes, with the idea that the City will maintain this property to an ideal standard; whereas the City may not intend to maintain the property specifically but actually allow it to naturalize or “grow wild”

### 3. Negotiation. (Continued).

Prior to negotiation, confirmation from the seller or lessor of their continued interest in relinquishing the property should be obtained, including their desired financial terms. Further, staff must clearly obtain from the authorizer of the acquisition the negotiating range and terms prior to negotiation. Also, staff should make no promises or commitments to the property owner and must make clear that the acquisition must be approved by City Council. Staff must receive confirmation of the negotiated amount and/or terms in writing from the seller/lessor or their representative (such as a realtor).

[Depending upon the funding source, it may be required that the seller be offered at minimum the appraised value of the subject property plus moving expenses if the property is their homestead. It is very important that the terms and requirements of the funding source are followed in these cases, to prevent any issues with closing or possible repayment of funds to the source.]

### 4. City Council Decision

After negotiations have been completed, approval of the acquisition by City Council is then scheduled for placement on the agenda of the next available City Council meeting. At this time, the City Attorney has reviewed any documents or draft documents associated with the acquisition thus far. The Financial Services Director or their designee is notified of the pending acquisition, as a budget amendment for the negotiated amount may be appropriate and may require a separate agenda item (a Supplemental Budget Resolution) to accompany the acquisition item. The funded amount must also include an additional 5 to 10% over the negotiated amount to cover closing costs of the acquisition.

Backup material for the agenda item will illustrate the factors involved in acquiring the property. This material should include but not be limited to: appraisal(s), justification for a negotiated sale or lease amount greater than the appraisal value, exceptional acquisition terms addressing a public need, non-monetary benefits to the public, etc.

Staff shall maintain communications with the prospective seller/lessor/donator, keeping them apprised of timelines and meeting dates regarding the negotiated acquisition. If the acquisition is not approved by the City Council, Staff must notify the respective party as soon as feasible.

### 5. Closing/Final Due Diligence.

After approval by City Council, the final step is closing, or the conveyance of ownership or use rights. Closing usually takes a minimum of 30 days to ensure all of the financial due diligence is complete, but can take longer if necessary and agreed to by both parties. For leases, this may be as simple as executing the negotiated lease agreement, as reviewed and approved by the City Attorney or their designee. For all other methods of acquisition, there is work that must be completed – the final due diligence – before the execution of documents for the conveyance.

A survey and title work (search, insurance) are the two essential items that must be completed prior to closing. The survey definitely establishes the boundaries and features of the property being conveyed, and can be completed by the City surveyor (schedule allowing) or another licensed surveyor. The title work identified any issues missed during the preliminary search of public records, issues that must be resolved prior to the City obtaining clear title to the subject property. This title work is contracted by the closing agent or attorney handling the closing, as agreed to by both parties.

## 5. Closing/Final Due Diligence. (Continued)

Any issues with the survey, the title, or anything else impacting conveyance must be resolved prior to the execution of the conveyance documents by the Mayor or their designee. Also prior to execution, it is imperative that the final documents are reviewed or approved in some manner by the City Attorney or their designee.

For all acquisition methods except donations, the Staff responsible for the closing will not, in most cases, have the exact dollar amount necessary for the acquisition until the week of closing. Staff must make contact with the Financial Services Department/Accounting Division immediately upon receiving the exact dollar amount to coordinate submitting the required documentation and obtaining a check for the necessary amount by the necessary date.

After documents are executed, the deed (or lease) is recorded by the closing agent (or City staff as appropriate). To complete all other post-closing requirements, Staff then utilizes Finance's Land Procedures Process and contacts the Finance Department with any issues related to this new City Asset.