

**Any interested party may attend the City Commission meeting in person or submit comments in writing to the City Clerk no later than 5:00 p.m. on the day of the meeting. All meetings are broadcast live on Comcast Cable TV Channel 27 or streamed live online at [www.cityoffortpierce.com](http://www.cityoffortpierce.com).**

**Comments should be submitted via email to [cityclerk@cityoffortpierce.com](mailto:cityclerk@cityoffortpierce.com); comments must include your name and address to be read into the record. The City Clerk will read all comments on agenda items submitted by the deadline during the early portion of the meeting. General public comments will be read during the later portion of the meeting as indicated. Please note that the decorum policy applies to both written and oral comments and all comments shall be limited to 3 minutes as read by the City Clerk.**

## **CITY OF FORT PIERCE CITY COMMISSION AGENDA**

Regular Meeting - Monday, April 20, 2020 - 6:30 p.m.

City Hall - City Commission Chambers, 100 North U.S. #1, Fort Pierce, Florida

1. **CALL TO ORDER**
2. **OPENING PRAYER** - Commissioner Reggie Sessions
3. **PLEDGE OF ALLEGIANCE**
4. **ROLL CALL**
5. **APPROVAL OF MINUTES**
  - a. Approval of Minutes from March 27, 2020 Special Meeting and April 06, 2020 Regular Meeting.
6. **PROCLAMATIONS**
7. **LETTERS TO COMMISSION**
8. **COMMENTS FROM THE PUBLIC ON AGENDA ITEMS NOT REQUIRING PUBLIC HEARINGS**

Any person who wishes to comment on an agenda item which is not under Public Hearings on the Agenda may be heard at this time and must sign up to speak in advance. Please limit your comments to three (3) minutes or less, as directed by the Mayor, as this section of the Agenda is limited to thirty minutes. The City Commission will not be able to take any official actions under Comments from the Public. Speakers will address the Mayor, Commissioners, and the Public with

respect. Inappropriate language will not be tolerated.

9. **ADDITIONS OR DELETIONS TO AGENDA AND APPROVAL OF AGENDA**

10. **MISCELLANEOUS REPORTS**

- a. Presentation and acceptance of City Audit on all funds for fiscal year ended September 30, 2019, as prepared by DiBartolomeo, McBee, Hartley & Barnes, P.A.

11. **CONSENT AGENDA**

- a. Approve nomination of Mayor Linda Hudson to the Board of Trustees of the Florida Municipal Insurance Trust (FMIT).
- b. Approve letter of support for Lincoln Park Main Street in its application for funding to the Division of Historical Resources for its programming, which includes historic preservation, cultural enrichment, educational and economic vitality activities.
- c. Approve submission of grant application and approve acceptance upon award of Coronavirus Emergency Supplemental Funding Program grant.
- d. Approve letter of support and approve the submission and acceptance for the FY 19 JAG-C Edward Byrne Memorial grant, also known as the Justice Assistance Grant (JAG-C).

12. **PUBLIC HEARINGS**

- a. Ordinance No. 20-010 - Final Budget Amendment of the General Fund 2018-2019 Budget. SECOND READING

13. **CITY COMMISSION**

- a. Resolution 20-R21 accepting the proposal of J.P. Morgan Chase Bank to purchase the Capital Improvement Refunding Notes authorizing the execution and delivery of a loan agreement.

14. **COMMENTS FROM THE PUBLIC**

Any person who wishes to comment on any subject may be heard at this time. Please limit your comments to three (3) minutes or less, as directed by the Mayor, as this section of the Agenda is limited to thirty minutes. The City Commission will not be able to take any official actions under Comments from the Public. Speakers will address the Mayor, Commissioners, and the Public with respect. Inappropriate language will not be tolerated.

15. **COMMENTS FROM THE CITY MANAGER**

16. **COMMENTS FROM THE COMMISSION**

17. **ADJOURNMENT**

Immediately following adjournment, please move toward the doors and exit the chambers. This allows for the safe and courteous exit of all persons, and those on the dais. Conversations after the meeting should be held outside of chambers, in the foyer or elsewhere, but not in the commission chambers where lights will be out as soon as the chambers are empty.

Pursuant to Section 286.0105, Florida Statutes, the City hereby advises you that if you or another person decide to appeal any decision made by the City Commission with respect to any matter considered at its meeting or hearing, that you or said person will need a record of the proceedings, and that for such purpose, affected persons may need to insure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for the introduction or admission into evidence of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals not otherwise allowed by law.

In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the City Clerk's Office at (772) 467-3065 at least 48 hours prior to the meeting.

**City Commission Regular Meeting**

**5. a.**

**Meeting Date:** 04/20/2020

**Re:** Minutes of 03.27.20 & 04.06.20

**Submitted For:** Linda Cox, City Clerk, City Clerk

---

**SUBJECT:**

Approval of Minutes from March 27, 2020 Special Meeting and April 06, 2020 Regular Meeting.

---

**Attachments**

Minutes 03.27.20 Special

Minutes 04.06.2020

---

**Form Review**

Form Started By: Maura Stokes

Started On: 04/09/2020 04:18 PM

Final Approval Date: 04/09/2020

MINUTES OF A **SPECIAL MEETING** OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN THE CITY HALL COMMISSION CHAMBERS, 100 NORTH U.S. #1, FORT PIERCE, FLORIDA, AT 10:00 A.M. ON FRIDAY, **MARCH 27, 2020.**

**1. CALL TO ORDER**

Mayor Hudson called the March 27, 2020 Special Meeting of the City Commission to order at 10:00 AM.

**2. PLEDGE OF ALLEGIANCE**

**3. ROLL CALL**

Present: Mayor Linda Hudson; Commissioner Jeremiah Johnson; Commissioner Thomas Perona; Commissioner Reginald Sessions

Absent: Commissioner Rufus Alexander

Staff Present: City Clerk Linda Cox  
City Manager Nicholas Mimms  
City Attorney Peter Sweeney

**4. COMMENTS FROM THE PUBLIC**

Any person who wishes to comment on any subject may be heard at this time. Please limit your comments to three (3) minutes or less, as directed by the Mayor, as this section of the Agenda is limited to fifteen minutes. The City Commission will not be able to take any official actions under Comments from the Public. Speakers will address the Mayor, Commissioners, and the Public with respect. Inappropriate language will not be tolerated.

None.

**5. NEW BUSINESS**

a. COVID-19 Update

Introduction

Mr. Mimms thanked the Mayor and City Commission for coming together for this Special Meeting of the City Commission to discuss the important issues surrounding our community, our country, and our world at this time.

Emergency Management

Mr. Mimms introduced the Deputy Chief Robert Ridle, Emergency Management Director, to give an overview of the Emergency Management perspective and our current standing. Deputy Chief Ridle provided current local, state and national statistics for the COVID-19 virus. The EOC is at a level II activation and working as a unified command with the St. Lucie County Department of Health. The EOC has been inundated with requests for supplies. Police Officers are handing out flyers with COVID-19 prevention information along with phone numbers and online resources for the latest information. There are currently two testing sites in St. Lucie County: Cleveland Clinic at Tradition and the Florida Community Health Center on Delaware Avenue. The EOC is monitoring the Centers for Disease Control and Prevention (CDC) who may put out a predictive model next week. The virus is here and it's all around us. Everyone must follow protocols and practice safe social distancing. Everyone must take personal precautions to protect themselves and their family or this will get much worse. At this point, social distancing is not enforceable by the police department. However, the officers will speak with and educate the citizens on the importance of social distancing and encourage them to follow protocols. The EOC will continue to monitor and follow protocols from local partners, the State of Florida, and the Federal Government.

Commissioner Perona suggested reaching out to the community through social media to convey the seriousness of this virus and the importance of social distancing. Commissioner Sessions witnessed approximately 100 – 150 youth congregating at the recreation center and would like to see the County shut the recreation center down. Mayor Hudson added that complaints have come in regarding the lack of social distancing at the Jetty.

Protective Measures and Operational Changes

Mr. Mimms outlined the protective measures and operational changes that the City of Fort Pierce has put in place.

- City Hall is currently closed to the public with appointment-only access to the building department.
- Sunrise Theatre is closed. No shows, events, or reservations
- Police Department facilities are closed to the public.
- City Marina is open, but no new reservations for slips will be taken.
- Indian Hills Golf Course remains open.
- Beaches are closed including Jaycee Park & South Causeway Park.
- Boat ramps at Jaycee Park and Fisherman's Wharf are currently open.
- Recreational Parks (except for Jaycee & South Causeway) are open.
- All public restrooms in our parks and green spaces are currently open.
- Jetty Park owned by the United States of America is open.
- April 06, 2020, City Commission Regular Meeting is scheduled to go forward.
- Employees remain on a regular schedule.
- Daycare is being provided by the County for essential employees and first responders.
- Admin leave has not been granted as a resource for employees.
- A hiring freeze is in place for all municipal employment except for the Police and Public Works.
- Budget reduction of 2.5% has been put in place for all departments for the current fiscal year.

### Building

Paul Thomas, Building Official, stated that the Building Department is encouraging any member of the public to submit applications and conduct permitting online. Scheduled appointments are running smoothly. There are some existing major projects which remain ongoing in the City of Fort Pierce, including Bent Creek, Celebration Point, Magnolia Square, Carriage Point, Crabby's Restaurant, Camping World, and Gander Outdoors to name a few. With residential developments, thousands of homes are being constructed. As a result, tens of thousands of inspections will have to be done. The inspections will continue as an essential service to the public and administrative staff is required to support the inspectors. New projects include three-phases of Lawnwood Hospital, KOA, Mayflower at Lawnwood apartments. Independent Classic Charter School is a time-sensitive project which is scheduled to be completed by the start of the school year. Projects such as Dunkin' Donuts, WaWa and 7-Eleven are projects ready to be issued but require administrative permit staff to keep the process going. Inspectors and support staff remain essential for emergencies that may arise, such as an air conditioning unit needing replacement at a residence. This will require permitting and inspections. Same with plumbing and electrical issues that unexpectedly happen. The Building Department also responds when there is a fire or structural accident or anytime there is an unsafe condition to the health, safety, and welfare of the public.

### Public Works

Mike Reals, Public Works Director, stated that the Public Works Department stands ready for the challenge ahead. All levels of service are being provided to the community except for leisure services. Riverwalk Center and the recreation resource facility have been closed. Changes within the department have been made to accommodate social distancing as much as they can, as well as the number of employees per vehicle. Public Works is operating in storm mode with a heightened level of service. The Public Works employees are working closely with the Police Department to provide the very best service. Commissioner Sessions commended Public Works and the Police Department for being visible to the public. Commissioner Perona also commented on how proud he is of the employees of the City of Fort Pierce. Public Works has increased the sanitizing of areas accessed by the public. Commissioner Johnson inquired about supplies. Inventory of cleaning and disinfecting supplies have been maintained. They need face masks which are hard to come by.

### Police Department

Chief Diane Hobbey-Burney stated that the Fort Pierce Police Department is operating at a business as usual level. Because they are on the front line, it is imperative that the administrative support staff remain intact because this is a fluid situation. They are working on protocols for responding to residential calls such as having the caller meet the officer outside. Calls are being prioritized which puts more responsibility on the essential Community Service Officers (CSO). The officers currently have personal protective gear, but more needs to be ordered due to the uncertainty of the duration of this health emergency. The City of Fort Pierce Police Department does have a mutual aid agreement with the St. Lucie County Sheriff's Office in the event backup or support is needed. Orders have been placed with the EOC for supplies for the officers. Officers are given guidance on social distancing. This is also why calls are being screened to determine if an officer needs to respond or if the call can be handled over the telephone by a CSO. This allows the Police Officers to respond to priority calls. Domestic calls seem to be rising during this crisis. Commissioner Perona inquired about the possibility of a shelter-in-place order being issued and the enforcement of such an order. Chief Hobbey-Burney stated they are in the process of preparing for such a situation. The officers' will be well-informed on how to handle violations if such an order is put in place.

The school resource officers have been re-assigned to patrol when there are no scheduled activities at the schools. The Commission inquired whether the type of calls has changed with the pandemic emergency. Chief Hobbey-Burney stated that domestic calls have increased while traffic incidents have slightly decreased.

Information Technology

DeVoshay Johnson, IT Manager, provided an update on information and communications for the City of Fort Pierce. Updates on the COVID-19 status are being sent out via multiple platforms. FPTV is being utilized to push updates out to the public. We are using other platforms to push information to the City of Fort Pierce employees' mobile devices, desktop computers, email, and social media. Because we were able to transition to Office 365 last year, the City was prepared for employees to access their Microsoft Office suite of programs remotely from the cloud. The IT Department is extra vigilant in scanning for viruses and being alert for potential internet threats and scams. The IT Department is reviewing the fiscal impact for obtaining laptop computers to allow employees to work remotely from home not only for this emergency situation but also in the event of a weather-related closure for City Hall. All options are being reviewed and considered.

City Commission

Nick Mimms, City Manager, commended the City Commission for their efforts in working with the various departments to ensure the smooth transition to this new way of working. The City Commission will continue to provide video messages, recordings, and updates for the public. The public is most interested in hearing from the Mayor and Commissioners during this time.

Safer at Home Order

Nick Mimms, City Manager, was contacted by St. Lucie County for a possible shelter-in-place, stay-at-home, or safer-at-home order which has not been issued. The draft has not yet been received by the City Attorney or City Manager's office. While these sound intimidating, there are many exceptions to the potential order. Under the terms, the public would be allowed to leave their homes for basic necessities, physical activity, travel related to basic needs and physical activity, or travel-related to receipt of essential services. Essential services are included on an extensive list of services such as pharmacies, food stores, doctor's offices, banks, restaurants, hardware stores, farm and produce stands, etc. We are prepared for any order that may be issued. The staff and charter officers are prepared and have designated the essential employees. The City of Fort Pierce will partner with Port St. Lucie and St. Lucie County. City Attorney Peter Sweeney stated that this City Commission has the power to govern within the city limits of Fort Pierce as they see fit. We are not in a charter county where we are bound to follow the County's direction. However, it is in the best interest of Fort Pierce to act uniformly with our partners.

Mr. Mimms is seeking consensus by the Commission for the command staff to enter into an agreement with the County if such an order is proposed. The City Commission agrees that it is important to work in conjunction with our partners including the County. Commissioner Perona stressed the importance of including the homeless and addressing their needs as part of any decisions made. Commissioner Johnson expressed concern about keeping the boat ramps accessible. Mr. Mimms asked the Commission to consider the sensitive areas such as the Jetty (exclusive of Jetty Park), boat ramps, and the Indian Hills Golf Course. The Commission agrees these areas should remain open to the public as long as everyone practices social distancing and that social distancing is strongly monitored.

Commissioner Perona said he has received numerous complaints regarding the scooters. Mr. Mimms stated that the scooters are a privately owned business. People who use these scooters must take personal responsibility for themselves. Mr. Mimms said the company has assured him that they are sanitized daily.

The City Commission is urging citizens to practice social distancing. We do have these wonderful amenities that people can utilize for approved recreational purposes. This current situation changes daily if not hourly.

**6. ADJOURNMENT**

Mayor Linda Hudson adjourned the meeting at **11:57 AM**.

ATTEST:

---

CITY CLERK

---

MAYOR COMMISSIONER

MINUTES OF A REGULAR MEETING OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN THE CITY HALL COMMISSION CHAMBERS, 100 NORTH U.S. #1, FORT PIERCE, FLORIDA, AT 6:30 P.M. ON MONDAY, **APRIL 06, 2020.**

**1. CALL TO ORDER**

Mayor Hudson called the April 06, 2020 Regular Meeting of the City Commission to order at 6:30 PM.

**2. PLEDGE OF ALLEGIANCE**

**3. ROLL CALL**

Present: Mayor Linda Hudson; Commissioner Jeremiah Johnson; Commissioner Thomas Perona; Commissioner Reginald Sessions

Absent: Commissioner Rufus Alexander

Staff Present: City Clerk Linda Cox  
City Manager Nicholas Mimms  
City Attorney Peter Sweeney

Commissioner Alexander joined the meeting by telephone at 6:51 PM.

**4. APPROVAL OF MINUTES**

- a. Approval of Minutes from March 16, 2020 Regular Meeting

Motion was made by Commissioner Thomas Perona, seconded by Commissioner Reginald Sessions to approve the minutes from the March 16, 2020 regular meeting.

AYE: Mayor Linda Hudson, Commissioner Jeremiah Johnson, Commissioner Thomas Perona, Commissioner Reginald Sessions

Passed

**5. PROCLAMATIONS**

**6. LETTERS TO COMMISSION**

- a. Thank you note from Margie, Rafael, Nicole and Stephanie to Chief Hobley-Burney and all Police Department law enforcement officers with appreciation and gratitude for serving their communities and risking their lives everyday.
- b. Email from Luciana Ortiz expressing her appreciation of receiving a letter from Code Enforcement Officer Isaac Saucedo thanking her for being in compliance with the City's Code of Ordinance.

**7. COMMENTS FROM THE PUBLIC ON AGENDA ITEMS NOT REQUIRING PUBLIC HEARINGS**

Any person who wishes to comment on an agenda item which is not under Public Hearings on the Agenda may be heard at this time and must sign up to speak in advance. Please limit your comments to three (3) minutes or less, as directed by the Mayor, as this section of the Agenda is limited to thirty minutes. The City Commission will not be able to take any official actions under Comments from the Public. Speakers will address the Mayor, Commissioners, and the Public with respect. Inappropriate language will not be tolerated.

None.

**8. ADDITIONS OR DELETIONS TO AGENDA AND APPROVAL OF AGENDA**

Staff has requested that item 9a., Fair Housing Presentation, be removed from the agenda. This item will instead be posted on the City of Fort Pierce website.

Motion was made by Commissioner Jeremiah Johnson, seconded by Commissioner Reginald Sessions to approve and set the Agenda as amended.

AYE: Mayor Linda Hudson, Commissioner Jeremiah Johnson, Commissioner Thomas Perona, Commissioner Reginald Sessions

Passed

## 9. MISCELLANEOUS REPORTS

- a. PULLED AT THE REQUEST OF STAFF: Fair Housing Presentation (Information will be posted on the City's Website)

## 10. CONSENT AGENDA

- a. Approval to piggyback the Sourcewell Contract #112014-NWY for the purchase of one (1) 2019 Peterbilt demonstrator refuse collection truck, New Way Truck, Scranton, IA 54162, in accordance with the attached quote, in an amount not to exceed \$248,925.00.
- b. Approval of a Site Plan extension with Development Review & Design Review for the Fresh Wind Fresh Fire Church located at 401 North 25th Street. The new expiration date would be June 4, 2021.
- c. Approval of an extension for the Planned Development (PD) Approval for the project commonly known as Villages at Midway, located on northside of Midway Road and west of I-95. This project was originally approved on April 4, 2016 via Ordinance No. 16-009. The new date for the site plan expiration would become June 3, 2021.
- d. Review and approval of the First Amendment to Interlocal Agreement for Operation of Temporary Animal Shelter with St. Lucie County.
- e. Review and approval of the Interlocal Agreement for the rehabilitation and operation of the Animal Shelter on Savannah Road.
- f. Approve award of the RFP No. 2020-015, Aquatic Vegetative Control and Lake Maintenance contract to Kerner LLC DBA Kerner Environmental, Stuart, FL in an amount not to exceed \$126,750.

Commissioner Perona pulled item 10e for discussion.

Motion was made by Commissioner Thomas Perona, seconded by Commissioner Jeremiah Johnson to approve items 10a, 10b, 10c, 10d, and 10f.

AYE: Mayor Linda Hudson, Commissioner Jeremiah Johnson, Commissioner Thomas Perona, Commissioner Reginald Sessions

Passed

As to item 10e, Commissioner Perona expressed gratitude to all staff that participated in the drafting of this contract. Peggy Arriaz, Code Compliance Manager, also acknowledged the legal department who was vital to this project.

Motion was made by Commissioner Thomas Perona, seconded by Commissioner Reginald Sessions to approve item 10e.

AYE: Mayor Linda Hudson, Commissioner Jeremiah Johnson, Commissioner Thomas Perona, Commissioner Reginald Sessions

Passed

## 11. PUBLIC HEARINGS

- a. Ordinance No. 20-010 - Final Budget Amendment of the General Fund 2018-2019 Budget. FIRST READING

City Clerk Linda Cox introduced the ordinance, read by title only, into the record.

ORDINANCE NO. 20-010  
AN ORDINANCE AMENDING THE 2018-19 BUDGET OF THE CITY OF FORT PIERCE, FLORIDA BY INSERTING THEREIN A SCHEDULE ATTACHED HERETO AND DESIGNATED AS THE 2018-19 FINAL BUDGET AMENDMENT. THE SAID SCHEDULE PROVIDES FOR THE INCREASES AND/OR DECREASES IN REVENUES AND APPROPRIATIONS IN THE GENERAL FUND; AND PROVIDING FOR AN EFFECTIVE DATE. FIRST READING

Johnna Morris, Finance Director presented a summary of the proposed Final Budget Amendment of the General Fund for the 2018-2019 Budget. The budget is being amended to adjust for revenues and expenditures actual final figures.

Mayor Hudson opened the Public Hearing. Seeing no one, Mayor Hudson closed the Public Hearing.

Motion was made by Commissioner Jeremiah Johnson, seconded by Commissioner Reginald Sessions to approve Ordinance 20-010.

AYE: Mayor Linda Hudson, Commissioner Jeremiah Johnson, Commissioner Thomas Perona, Commissioner Reginald Sessions  
Passed

## 12. CITY COMMISSION

- a. Approval of FY 2019 Final Budget Amendments for Grant Funds: CDBG, SHIP and Grant Administration

Johnna Morris, Finance Director provided an overview of the FY 2019 Final Budget Amendments for Grant Funds for the Community Development Block Grant (CDBG), SHIP, and Grant Administration.

Motion was made by Commissioner Reginald Sessions, seconded by Commissioner Jeremiah Johnson to approve item 12a.

AYE: Mayor Linda Hudson, Commissioner Jeremiah Johnson, Commissioner Thomas Perona, Commissioner Reginald Sessions  
Passed

- b. Consideration of FPUA's FY2019 Final Budget Amendment

John Tompeck, Director of Utilities and Nina B. Penick, CPA, provided an overview of the FPUA's FY 2019 Final Budget Amendment and the Comprehensive Annual Report. Mr. Tompeck's presentation included the Financial Operation Results, Electric Operating Revenues (less power cost and consumption), Water Operating Revenues and Consumption, Wastewater Operating Revenues and Gallons Billed, Natural Gas Operating Revenues (less gas cost and consumption), Operations and Maintenance Expenses, Operating Income and Debt Service, and City Distribution. Ms. Penick provided detailed slides supporting the Budget Amendment. The FPUA's current bond rating with Fitch is "A+" and with S & P is "A". Both ratings were affirmed 2019, and both firms have rated our outlook as stable.

Motion was made by Commissioner Thomas Perona, seconded by Commissioner Jeremiah Johnson to accept the FPUA FY-2019 Final Budget Amendment as presented.

AYE: Mayor Linda Hudson, Commissioner Rufus Alexander, Commissioner Jeremiah Johnson, Commissioner Thomas Perona, Commissioner Reginald Sessions  
Passed

- c. Acceptance of the FPUA Comprehensive Annual Financial Report (CAFR) for FY 2019.

Motion was made by Commissioner Thomas Perona, seconded by Commissioner Jeremiah Johnson to accept the FPUA Comprehensive Annual Financial Report for FY 2019.

AYE: Mayor Linda Hudson, Commissioner Rufus Alexander, Commissioner Jeremiah Johnson, Commissioner Thomas Perona, Commissioner Reginald Sessions  
Passed

- d. Update on Resolution No. 20-R09 originally presented on 2/3/2020 regarding a recommendation of condemnation and demolition of property identified as 913 Avenue B.

Peggy Arriaz, Code Compliance Manager provided an update on Resolution No. 20-R09 regarding the recommendation of condemnation and demolition for property identified as 913 Avenue B. Ms. Arriaz reported that the owner did enter into a contract with a demolition contractor and the structure has been demolished. The property is in compliance and no further action is required.

e. Resolution 20-R20 Extending the Declaration of Local Emergency

City Clerk Linda Cox introduced the Resolution, read by title only, into the record.

RESOLUTION NO. 20-R20

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA EXTENDING THE DECLARATION OF LOCAL EMERGENCY; AUTHORIZING CITY CLERK TO FILE SAID RESOLUTION WITH THE CLERK OF CIRCUIT COURT; AND PROVIDING FOR AN EFFECTIVE DATE.

Commissioner Perona inquired if the Mayor and Commissioners received a packet of petitions regarding a development on South Ocean Drive of which they confirmed receipt. This brings up the process for quasi-judicial and legislative hearings during this State of Emergency. The Commission does not want to disenfranchise the community from the decision-making process. Commissioner Perona inquired with the City Attorney if the Commission has a right to suspend or put a moratorium on the quasi-judicial and legislative hearings until the Governor clears the State of Emergency. This is a concern of all City Commissioners. The Declaration of Emergency is more than just a local emergency. No one knows how long this declaration will last. Commissioner Perona suggested duplicating the Governor's Order and extensions. The public is concerned with being excluded from the hearing process. Commissioner Perona stated that we are government in the sunshine, and we like to have our community involved in the process. If we find at a later time the emergency is lasting too long and there is business that needs to be attended to, we have staff and a legal department that can determine a way to get it done without excluding the public.

City Attorney Peter Sweeney advised the City Commission that Supreme Court Chief Justice has suspended all jury trials in the State of Florida through the end of May for both criminal and civil trials. City Clerk, Linda Cox, said many other jurisdictions in the State of Florida have canceled all legislative and quasi-judicial hearings because there is no effective way to have the public listen to the testimony and evidence presented and to be able to safely offer comment.

Motion was made by Commissioner Thomas Perona, seconded by Commissioner Reginald Sessions to amend Resolution No. 20-R20 and direct that no advertisements or public hearings, either quasi-judicial or legislative, be held until such time as the city's local emergency order and the Governor's Safer at Home Order, including any amendments thereto, have expired or upon subsequent written direction by the City Commission.

AYE: Mayor Linda Hudson, Commissioner Rufus Alexander, Commissioner Jeremiah Johnson, Commissioner Thomas Perona, Commissioner Reginald Sessions

Passed

City Manager, Nick Mimms recommends canceling the informal Conference Agenda meeting scheduled for Monday, April 13, 2020. The City Commission unanimously agrees to cancel the informal meeting. Mr. Mimms would like the City Commission to be assured and have confidence that the City of Fort Pierce operations shall continue. The City of Fort Pierce is in a declaration of emergency. Emergency purchasing, operations, and procedures are taking place right now. Mr. Mimms will continue to keep the City Commission up to date with all emergency activities happening in the City of Fort Pierce. Board and committee meetings will be evaluated on an individual basis, based upon the need and the livelihood of our city, citizens, and employees.

Commissioner Johnson would like the City of Fort Pierce to be ready for virtual meetings. Nick Mimms stated that our I.T. Director, DeVoshay Johnson, has prepared a purchase order for laptop computers and video conferencing equipment and hardware. The purchase was approved. We will be ready for video conferencing for remote presentations by developers, applicants, or presenters who may be unable to be physically present at a meeting.

Deputy Chief Ridle presented a brief update on the Emergency Management for the City of Fort Pierce. As of today, St. Lucie County has 107 cases with five deaths due to COVID-19. Florida has experienced a spike due to ongoing testing and as the virus spreads. The national peak is projected for May 03, 2020. The modeling will continue to change. Since the Governor's order was issued, the City of Fort Pierce is receiving approximately eight calls per day that are COVID-19 related. The State of Florida will be distributing 100,095 masks to all counties. There is no curfew in place. Police Officers continue to visit businesses to educate them on social distancing.

Nick Mimms, City Manager, provided a brief update on COVID-19:

Communications: The City of Fort Pierce is receiving daily updates that are being forwarded to the City Commission via email and text. Video updates are being provided to the public. Routine press releases are being sent out. The City of Fort Pierce is trying to expand the community text messaging. We have reached out to several local pastors to get their contact information, so they can pass the information to their parishioners. We need to do whatever we can to get the information out to the citizens. We are seeing the community coming together and working together to enhance social distancing. People are educating themselves by wearing facial masks and practicing social distancing.

City Employees: By Executive Order from the governor's office, we are still considered an essential business. Our operation has not been altered. We are making sure our senior and health-impaired employees receive the necessary time off or the ability to work from home or the use of the Families First Coronavirus Response Act for additional sick leave to protect themselves. We are encouraging as many employees as possible to work from home. The City of Fort Pierce is not granting administrative leave. We anticipate shortfalls in our revenue for the upcoming fiscal year. We have identified roughly one million dollars to be set into a contingency account to prepare for the upcoming fiscal year and shortfalls from this fiscal year.

### **13. COMMENTS FROM THE PUBLIC**

Any person who wishes to comment on any subject may be heard at this time. Please limit your comments to three (3) minutes or less, as directed by the Mayor, as this section of the Agenda is limited to thirty minutes. The City Commission will not be able to take any official actions under Comments from the Public. Speakers will address the Mayor, Commissioners, and the Public with respect. Inappropriate language will not be tolerated.

Rick Reed  
Keith Holmes, email read into the record.

### **14. COMMENTS FROM THE CITY MANAGER**

No further comments.

City Attorney Peter Sweeney had no further comments.

#### **a. Reports**

### **15. COMMENTS FROM THE COMMISSION**

Commissioner Alexander:  
Hopes that everyone stays safe and healthy.

Commissioner Perona:  
Has noticed the kindness spreading amongst neighbors. People are attentive to the warnings.

Commissioner Sessions:  
Representatives from Allied Health of Fort Lauderdale representatives were in the audience tonight. They have provided COVID-19 testing at remote sites in Miami, Palm Beach, and Pembroke Park. The Mayor of Pembroke Park has sent a letter of recommendation. Allied Health provides testing at no charge and has a 48-hour turn-around time for results. Commissioner Sessions is assisting Allied Health to get set up and begin testing here. Commissioner Sessions would like to offer encouragement to all citizens during this time and commends the citizens with social distancing practices as well as acknowledging a great job by the officers who approach groups to offer education.

Commissioner Johnson:  
Commissioner Johnson wishes everyone in our community to stay safe. Commissioner Johnson would like to thank all law enforcement, first responders and health-care professionals. Thoughts go out to all teachers, students and parents who have had to adapt to a new world of learning. Don't give up on your dreams; and, don't lose focus on your future.

Mayor Hudson:  
Mayor Hudson would like to thank all those who cannot work from home, those on the front line, first responders, health care workers, and grocery store clerks. This is temporary. Our residents and business have shown innovation. Mayor Hudson is proud of faith community who continue to communicate with their congregations and pass vital information to those

who may not have access to social media or the internet.

**16. ADJOURNMENT**

Immediately following adjournment, please move toward the doors and exit the chambers. This allows for the safe and courteous exit of all persons, and those on the dais. Conversations after the meeting should be held outside of chambers, in the foyer or elsewhere, but not in the commission chambers where lights will be out as soon as the chambers are empty.

Mayor Hudson adjourned the meeting at 8:09 PM.

ATTEST:

---

CITY CLERK

---

MAYOR COMMISSIONER

**City Commission Regular Meeting**

**10. a.**

**Meeting Date:** 04/20/2020

**Re:** City of Fort Pierce Fiscal Year 2019 Audit Presentation

**Submitted For:** Johnna Morris, Finance Director, Finance Department

**SUBJECT:**

Presentation and acceptance of City Audit on all funds for fiscal year ended September 30, 2019, as prepared by DiBartolomeo, McBee, Hartley & Barnes, P.A.

**SUMMARY:**

The audit report presented includes the financial statements for all Governmental, Proprietary and Fiduciary Funds for the period ending September 30, 2019. Also included are Notes to the Financials and the Auditor's Reports on the statements.

**RECOMMENDATION:**

Accept the 2019 Audit Report

**ALTERNATIVES:**

Accept with recommendations

**RESPONSIBLE STAFF:**

Finance Department Staff

**COORDINATED WITH:**

Finance Department and DiBartolomeo, McBee, Hartley & Barnes, P.A.

**Fiscal Impact**

**Budgeted Y/N:** N

**OTHER INFORMATION:**

None

**Attachments**

2019 CAFR

2019 City Audit Presentation

**Form Review**

**Inbox**

Finance Department

Finance Department

Finance Department

City Manager

Form Started By: Queen Thompkins

**Reviewed By**

Johnna Morris

Johnna Morris

Johnna Morris

Nick Mimms

**Date**

04/08/2020 10:53 AM

04/08/2020 10:56 AM

04/13/2020 10:26 AM

04/14/2020 11:42 AM

Started On: 04/08/2020 10:29 AM

Final Approval Date: 04/14/2020



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
Fiscal Year Ended September 30, 2019  
FORT PIERCE, FLORIDA

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
of the  
CITY OF FORT PIERCE, FLORIDA**



**For Fiscal Year Ended September 30, 2019**

**Prepared by:**

**Johnna S. Morris  
Director of Finance**

**City of Fort Pierce Finance Department**

## FORT PIERCE CITY HALL

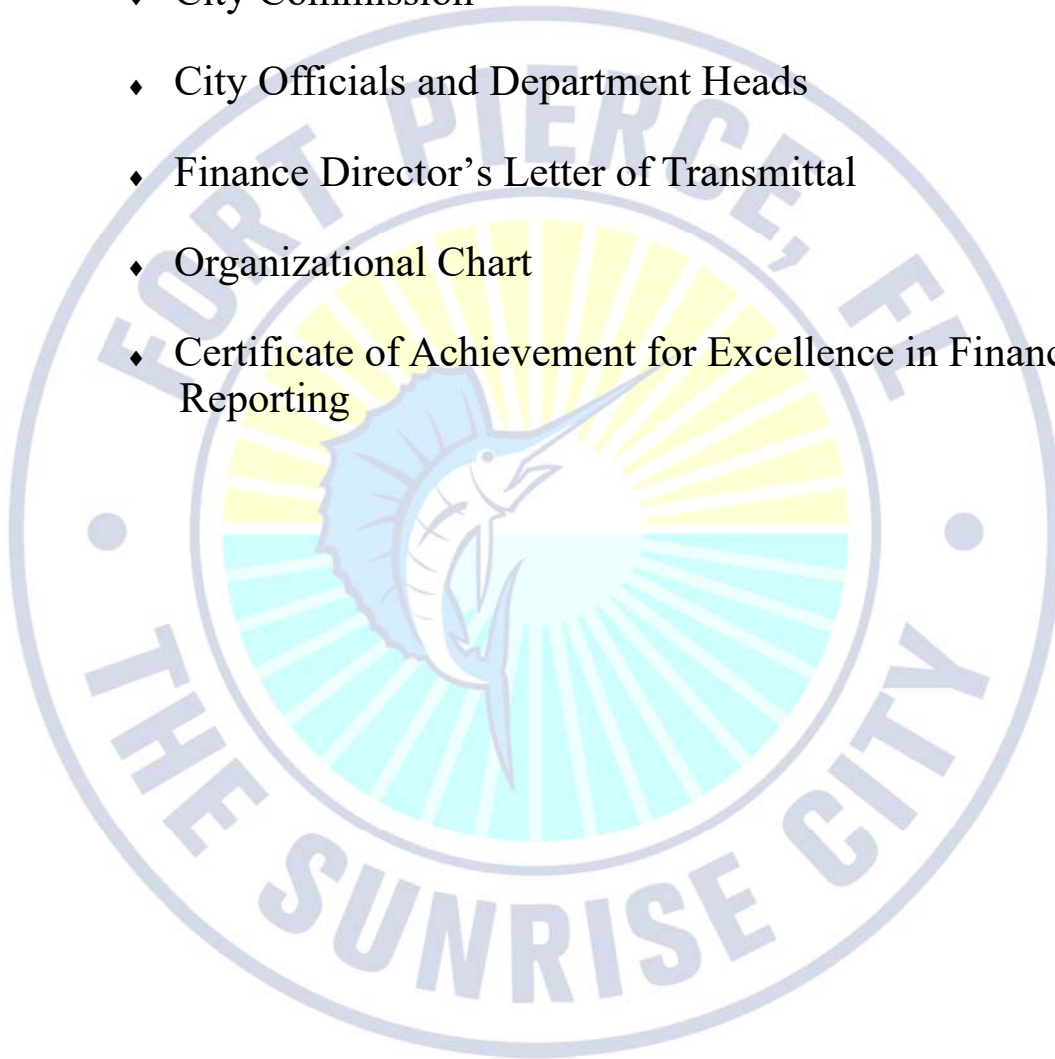


### Mission Statement

“To provide community leadership, quality public service, and a safe environment for all citizens, by an empowered team of employees motivated by pride in themselves and in their work.”

## **I. *INTRODUCTORY SECTION***

- ◆ Table of Contents
- ◆ City Commission
- ◆ City Officials and Department Heads
- ◆ Finance Director's Letter of Transmittal
- ◆ Organizational Chart
- ◆ Certificate of Achievement for Excellence in Financial Reporting





---

**TABLE OF CONTENTS** **Page**  
***INTRODUCTORY SECTION***

Table of Contents .....5  
City Commission .....10  
City Officials and Department Heads .....12  
Finance Director’s Letter of Transmittal .....13  
Organizational Chart.....18  
Certificate of Achievement for Excellence in Financial Reporting.....19

***FINANCIAL SECTION***

Independent Auditors’ Report.....23  
Management’s Discussion and Analysis .....26

***Basic Financial Statements:***

Government-wide Financial Statements:  
Statement of Net Position .....40  
Statement of Activities.....42  
Fund Financial Statements:  
    Balance Sheet-Government Funds.....46  
    Reconciliation of Total Governmental Fund Balance to Net Position  
    of Governmental Activities.....48  
    Statement of Revenues, Expenditures and Changes in Fund Balances  
    Governmental Funds.....50  
Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of the Governmental Funds to the Statement of Activities....52  
Statement of General Fund Revenues, Expenditures and Changes  
in Fund Balance, Budget (GAAP Basis) and Actual .....53  
Statement of Special Revenue Fund Revenues, Expenditures and Changes  
in Fund Balance, Budget (GAAP Basis) and Actual -  
Community Redevelopment Agency .....54  
Statement of Fund Net Position – Proprietary Funds .....56  
Statement of Revenues, Expenses and Changes in Fund Net Position -  
Proprietary Funds .....60  
Statement of Cash Flows – Proprietary Funds .....62  
Statement of Fiduciary Funds Net Position .....68

---

**TABLE OF CONTENTS****Page**

|  |    |
|--|----|
| Statement of Changes in Fiduciary Net Position ..... | 69 |
| Notes to the Financial Statements .....              | 71 |

***Required Supplementary Information*****GASB Statement 75:**

|  |     |
|--|-----|
| Other Post-Employment Benefits (OPEB) -<br>Schedule of Changes in City's Net OPEB Liability and Related Ratios ..... | 138 |
|--|-----|

**GASB Statement 67:**

|  |     |
|--|-----|
| General Employees' Retirement and Benefit System-<br>Schedules of Changes in City's Net Pension Liability and Related Ratios ..... | 140 |
| Schedule of Employer's Net Pension Liability .....   | 142 |
| Schedule of Contributions .....  | 143 |
| Municipal Police Officers' Retirement Trust Fund-<br>Schedule of Changes in City's Net Position Liability and Related Ratios ..... | 146 |
| Schedule of Contributions .....  | 148 |
| Schedule of Investment Returns Multiyear .....   | 149 |

***Combining and Individual Fund Financial Statements and Schedules:***

|   |     |
|---|-----|
| General Fund Description .....  | 153 |
| Schedule of General Fund Revenues and Other Financing Sources Budget<br>(GAAP Basis) and Actual .....               | 154 |
| Schedule of General Fund Expenditures and Other Financing Uses<br>Budget (GAAP Basis) and Actual .....              | 155 |
| Non-major Governmental Funds Description .....  | 157 |
| Combining Balance Sheet – Non-major Governmental Funds .....  | 162 |
| Combining Statement of Revenues, Expenditures, and Changes in<br>Fund Balances – Non-major Governmental Funds ..... | 163 |
| Combining Balance Sheet – Non-major Special Revenue Funds .....   | 164 |

---

**TABLE OF CONTENTS****Page**

|   |     |
|---|-----|
| Combining Statement of Revenues, Expenditures, and Changes in<br>Fund Balances – Non-major Special Revenue Funds .....  | 166 |
| Statement of Special Revenue Fund Revenues, Expenditures and Changes<br>in Fund Balance, Budget (GAAP Basis) and Actual -<br>Police Grant Fund .....                      | 168 |
| Statement of Special Revenue Fund Revenues, Expenditures and Changes<br>in Fund Balance, Budget (GAAP Basis) and Actual -<br>State Housing Initiatives Fund .....         | 169 |
| Statement of Special Revenue Fund Revenues, Expenditures and Changes<br>in Fund Balance, Budget (GAAP Basis) and Actual -<br>Community Development Block Grant Fund ..... | 170 |
| Statement of Special Revenue Fund Revenues, Expenditures and Changes<br>in Fund Balance, Budget (GAAP Basis) and Actual -<br>Hurricane Housing Recovery Grant Fund .....  | 171 |
| Combining Balance Sheet – Non-major Debt Service Funds .....  | 172 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances<br>Non-major Debt Funds.....   | 174 |

***STATISTICAL SECTION (UNAUDITED)***

|                               |     |
|-------------------------------|-----|
| A1 – Statistical Tables ..... | 179 |
|-------------------------------|-----|

***Financial Trends Information:***

|  |     |
|--|-----|
| B1 – Net Position by Component<br>Last Ten Fiscal Years .....                    | 180 |
| B2 – Changes in Net Position<br>Last Ten Fiscal Years .....                      | 182 |
| B2 – General Revenues and Other Changes in Net Position .....                    | 184 |
| B3 – Fund Balances, Government Funds<br>Last Ten Fiscal Years .....              | 186 |
| B4 – Changes in Fund Balances, Governmental Funds<br>Last Ten Fiscal Years ..... | 188 |
| B5 – Changes in Net Position<br>Last Ten Fiscal Years .....                      | 190 |

***Revenue Capacity Information:***

|   |     |
|---|-----|
| C1 – Assessed Value and Actual Value of Taxable Property<br>Last Ten Fiscal Years ..... | 192 |
| C2 – Direct and Overlapping Property Tax Rates<br>Last Ten Fiscal Years .....           | 194 |

---

**TABLE OF CONTENTS****Page**

|  |     |
|--|-----|
| C3 – Property Tax Levies and Collections<br>Last Ten Fiscal Years .....                                | 196 |
| C4 – Principal Revenue Payers - Property Tax<br>Current Year and Nine Years Ago.....                   | 198 |
| C5 – State Shared Revenue Funds<br>Current Year and Nine Years Ago.....                                | 201 |
| C6 – Fort Pierce Redevelopment Agency Districts Taxable Values<br>Current Year and Nine Years Ago..... | 202 |

***Debt Capacity Information:***

|  |     |
|--|-----|
| D1 – Legal Debt Margin Information and<br>Direct and Overlapping Governmental Activities Debt..... | 204 |
| D2 – Ratio of Outstanding Debt by Type<br>Last Ten Fiscal Years .....                              | 206 |
| D3 – Pledged - Revenue Coverage<br>Last Ten Fiscal Years .....                                     | 208 |

***Demographic and Economic Information:***

|  |     |
|--|-----|
| E1 – Demographic and Economic Statistics<br>Last Ten Calendar Years..... | 210 |
| E2 – Principal Employers<br>Current Year .....                           | 211 |

***Operating Information:***

|   |     |
|---|-----|
| F1 – Full-Time Equivalent City Government/Employees by Function/Program<br>Last Ten Fiscal Years..... | 212 |
| F2 – Operating Indicators by Function/Program<br>Last Ten Fiscal Years .....                          | 214 |
| F3 – Capital Asset Statistics by Function/Program<br>Last Ten Fiscal Years .....                      | 216 |

***AUDITORS' REPORTS SECTION******Report of Independent Certified Public Accountants on:***

|  |     |
|--|-----|
| Internal Control over Financial Reporting and on Compliance and other<br>Matters Based on an Audit of Financial Statements Performed in<br>Accordance with Government Auditing Standards ..... | 220 |
| Schedule of Expenditures of Federal Awards and State Financial Assistance .....  | 222 |

---

**TABLE OF CONTENTS****Page**

|   |     |
|---|-----|
| Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance .....  | 223 |
| Compliance with Requirements Applicable to Each Major Federal Awards Program, State<br>Financial Assistance Project and Internal Control over Compliance in Accordance<br>with Uniform Guidance and Chapter 10.550. Rules of the Auditor General..... | 224 |
| Schedule of Findings and Questioned Costs - Federal Awards and State Projects .....   | 226 |
| Section 218.415 Compliance .....  | 227 |
| Management Letter .....   | 228 |
| Affidavit .....   | 231 |

## CITY COMMISSION



Linda Hudson, Mayor



Rufus J. Alexander II



Jeremiah Johnson



Thomas K. Perona



Reginald Sessions



## CITY OFFICIALS



Nicholas Mimms, City Manager



Peter Sweeney  
*City Attorney*

Linda Cox  
*City Clerk*

Johnna S. Morris, *Director of Finance*  
Diane Hobley-Burney, *Chief of Police*  
John R. Andrews, *City Engineer*  
DeVoshay Johnson, *Information Technology Manager*  
Paul Thomas *Building Official*  
Jennifer Hofmeister, *Director, Planning Department*  
Robert Reals, *Director, Public Works/Solid Waste*  
Dean Kubitschek, *Marina Manager*  
Peggy Arraiz, *Code Compliance Manager*  
Daniel Visconti, *Golf Course Manager*  
Sharon Engle, *Director, Sunrise Theatre*  
Kevin Browning, *Human Resources Manager*



March 18, 2020

Honorable Mayor, Members of the  
City Commission and Citizens  
of the City of Fort Pierce, Florida

Dear Mayor, Commissioners, and Citizens:

It is our pleasure to submit this *Comprehensive Annual Financial Report* for the City of Fort Pierce, Florida for the fiscal year ended September 30, 2019. The report fulfills the requirements set forth in the *City Code of Ordinances, Florida Statutes*, Chapter 166.241; and the *Rules of the Florida Auditor General*, Chapter 10.550. The organization, form and contents of this report, plus the accompanying financial statements and statistical tables, are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, the State of Florida, the city Code of Ordinances, and the Government Finance Officers Association.

This report consists of management's representations concerning the finances of the City of Fort Pierce. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

*Florida Statutes* and the *City Code of Ordinances* require that an annual financial audit be performed by independent certified public accountants. This year the audit was performed by DiBartolomeo, McBee, Hartley & Barnes. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements,

but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## **The Reporting Entity and Its Services**

The City of Fort Pierce, Florida was incorporated in 1901 and covers an area of approximately 35.07 square miles. The City operates under an elected City Commission (5 members) and provides a full range of municipal services including general government, public safety, public improvements, planning and zoning, and related general and administrative services to over 46,071 residents. In addition, the City operates a solid waste enterprise activity, a marina, a golf course, a theatre, a building department and a stormwater utility fund. This report includes two component units and one related organization.

**Component Units.** The financial data of the City's two component units, the Fort Pierce Utilities Authority (FPUA), a proprietary fund, is discreetly presented, and the Community Redevelopment Agency (CRA), a governmental fund, is blended in the Combined Financial Statement. The FPUA is reported in a separate column to emphasize that it is legally separate from the City.

The FPUA provides electric, water, wastewater and natural gas services to residents and businesses of Fort Pierce. The CRA was established for the purpose of carrying out redevelopment activities for areas existing in the City that are defined as slum or blighted. The members of the FPUA governing board are appointed or removed from office by the Fort Pierce City Commission. The members of the governing board of the CRA are the Fort Pierce City Commissioners. The CRA's budget and the FPUA's budget and rates for service are subject to the approval of the City Commission. Complete financial statements of the FPUA can be obtained from its administrative office located at 206 South Sixth Street, Fort Pierce, Florida 34948.

**Fort Pierce Retirement and Benefit System and the Municipal Police Officers' Retirement Trust Fund.** The accounts of these two retirement plans are included in the comprehensive annual financial report as the General Employees' Retirement and Benefits System, and the Municipal Police Officers' Retirement Trust Fund. Both of the pension trust funds are governed by a separate Board of Trustees subject to the requirements of local ordinances and by applicable provisions of Florida Law which require participation in the respective governing authorities by certain key City officials. Additional criteria include the scope of public service provided by organizations which exist for the benefit of the employees of the City of Fort Pierce.

**Related Organizations.** The Mayor of Fort Pierce is responsible for appointing the members of the Board of the Fort Pierce Housing Authority (FPHA), but the City's accountability for this organization does not extend beyond making these appointments. The FPHA's operating and capital expenditures, including debt service, are funded entirely from federal grants and rentals. The City has no involvement in the determination of FPHA's budget or rental rates, and has no obligation for FPHA's outstanding debt.

## **Economic Condition and Outlook**

The City of Fort Pierce, Florida is located on the southeastern coast of the state in an area categorized as the Fort Pierce Metropolitan Statistical Area.

The major factors in the economy of Fort Pierce and surrounding St. Lucie County are agri-business, construction, retail and wholesale trade, light manufacturing, tourism, and sport and commercial fishing.

The continued increase in the real estate market and the construction industry has had a positive impact on the local economy. The unemployment rate has been impacted along with the revenues generated by the businesses associated with the real estate and construction activities, continual, steady increases are being experienced.

For years the local economy has counted on construction as the number one industry in the county. The downturn of the housing market, experienced in the prior years, had a significant impact on the percentage of unemployment. The current unemployment rate of 5.7% is down from 5.9% last year.

Local business and community leaders continue to recruit new light industrial activity to the area. It is anticipated this type of activity will assist in improving the unemployment rate and the overall economy.

Significant progress is being made on expanding the capabilities of both the St. Lucie County Airport and the Port of Fort Pierce, and ecotourism activities which will act as catalysts in promoting future business and industrial growth.

The City continues its pursuit of an aggressive annexation program which in the past has increased the tax base, and also provided additional customers for the City's owned and operated utility systems. The City has annexed mostly agricultural land which was massive in area but provided very little tax base. All of the enhanced activity resultant of the area's growth, while having a positive impact, also presents challenges for the future. The City will need to maintain the high level of service standards that are in effect through effective utilization of both natural and financial resources. A comprehensive plan has been developed to establish goals, objectives and policies for growth management.

### **Major Initiatives**

The environmental cleanup of the H.D. King power plant downtown is complete. Using a \$1,700,000 brownfield grant the old plant was demolished and property was cleaned-up. The city has contracted with a land developer to develop this site. Development plans include a hotel, retail space, and residential housing. The City completed major improvements to Dreamland Park including the addition of a water fountain play area and the replacement of playground equipment. Several pieces of playground equipment were replaced at Jaycee Park also. The City used restricted revenue to complete the project. With the assistance of grant funds boat ramps were installed at Moore's Creek. The City continued its beautification projects with the addition of the traffic cabinet wraps, decorative signage added to the Peacock District and the addition of an electric trolley car. The City is pursuing development ideas regarding the old Kings Inn property now that the building has been demolished. Major stormwater improvement projects, on Virginia Ave and Mayflower were completed this year. Currently, major stormwater improvements including the addition of some sidewalks continues on Ave A & B, 7<sup>th</sup> Street and Surfside Road. Using infrastructure revenue and stormwater funds significant road work including realignment and signal work continues on Ohio Ave. The City's Engineering Department continues to manage road resurfacing projects throughout the City. The City's Mariana currently has projects in progress including dredging, the construction of a fuel dock and building. The City's Planning Department continues to actively work with retailers looking to open business's within the City limits.

As a result of maintaining the millage rate, the 2019 budget included funding for capital equipment, which prior to FY 2016, because of limited resources, little was budgeted to capital equipment. In 2019, the City was able to replace fleet vehicles, replace a side loader truck in the Solid Waste division, update some technological infrastructure, and continue road resurfacing. The capital additions were through leasing proceeds and operating revenue. The City's long-term debt at 9/30/2019 was \$85,224,235.

### **2019-2020 Budget Issues**

The City of Fort Pierce budget for fiscal 2020 increased from fiscal 2019. The budget for 2020 is \$42,429,972 and 2019 was \$38,909,613, an increase of \$3,520,359. The new infrastructure sales tax attributes to \$1,500,000 of this increase.

The City’s taxable valuation is \$2,378,742,249 compared to last year’s final valuation of \$2,360,949,717. This represents an increase of approximately 0.75% or \$17,792,532. The City Commission elected to maintain the millage rate at 6.9000. The continued increase in property values and maintaining the millage rate helped balance the budget.

In 2016, the City Commission established an annual restricted amount to be used for capital projects and approved an interfund loan to fund a new capital improvement plan. The 2020 budget includes \$600,000 restricted revenue; \$400,000 to be used to finance capital improvements and purchases and \$200,000 to be used to repay the interfund loan.

The City appropriated \$462,950 from fund balance to balance General Fund’s budget.

The 2020 budget (General Fund) included a 3% pay increase for all employees and the addition 4 full time positions. Retirement rates for general members are 16.77%, down from 16.99%, Police officers decreased to 11.99% down from 12.00%. The budget as assumes an increase in worker’s compensation insurance. These wage and benefit changes equated to an increase of \$1,189,957.

During FY 2018 & 2019, the City entered into capital leases to assist in the acquisition of capital assets. Additional capital leases are budgeted in FY 2020 resulting in an increase in debt payment of \$638,000.

Passage of the ½ cent infrastructure sales tax allows the City to budget much need infrastructure projects. The FY 2020 budget included \$1,500,000 in Infrastructure sales tax projects.

The budget includes a \$100,000 increase in tax increment financing relating to the increase in property values.

**Reserve Policy**

The City adopted a formal policy setting the requirement as to the level of unreserved funding that should be set aside for unforeseen expenditures. The policy established and requires ten percent (10%) of General Fund’s annual budget be set aside and held for any unexpected costs.

| Fiscal Year | Budget     | 10% Reserve | Beginning Fund Balance |
|-------------|------------|-------------|------------------------|
| 2018        | 38,909,613 | 3,890,962   | 6,169,645              |
| 2019        | 42,429,972 | 4,242,997   | 9,650,552              |

**Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fort Pierce, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of the state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Fort Pierce, Florida has received a Certificate of Achievement for the last thirty consecutive years. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

### **Acknowledgments**

I thank the Mayor and members of the City Commission for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

The preparation of the comprehensive financial report was made possible by the dedicated service of the entire staff of the Finance Department. Special recognition is given to Karen Logue, the City's Chief Accountant and Wendy Rydzewski, Accountant.

Sincere appreciation is extended to the firm of DiBartolomeo, McBee, Hartley & Barnes for their professional approach and high standard in the conduct of their independent audit of the City's financial records and transactions.

Respectfully submitted,



Johnna S. Morris  
Director of Finance

# CITY OF FORT PIERCE , FLORIDA ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**City of Fort Pierce  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

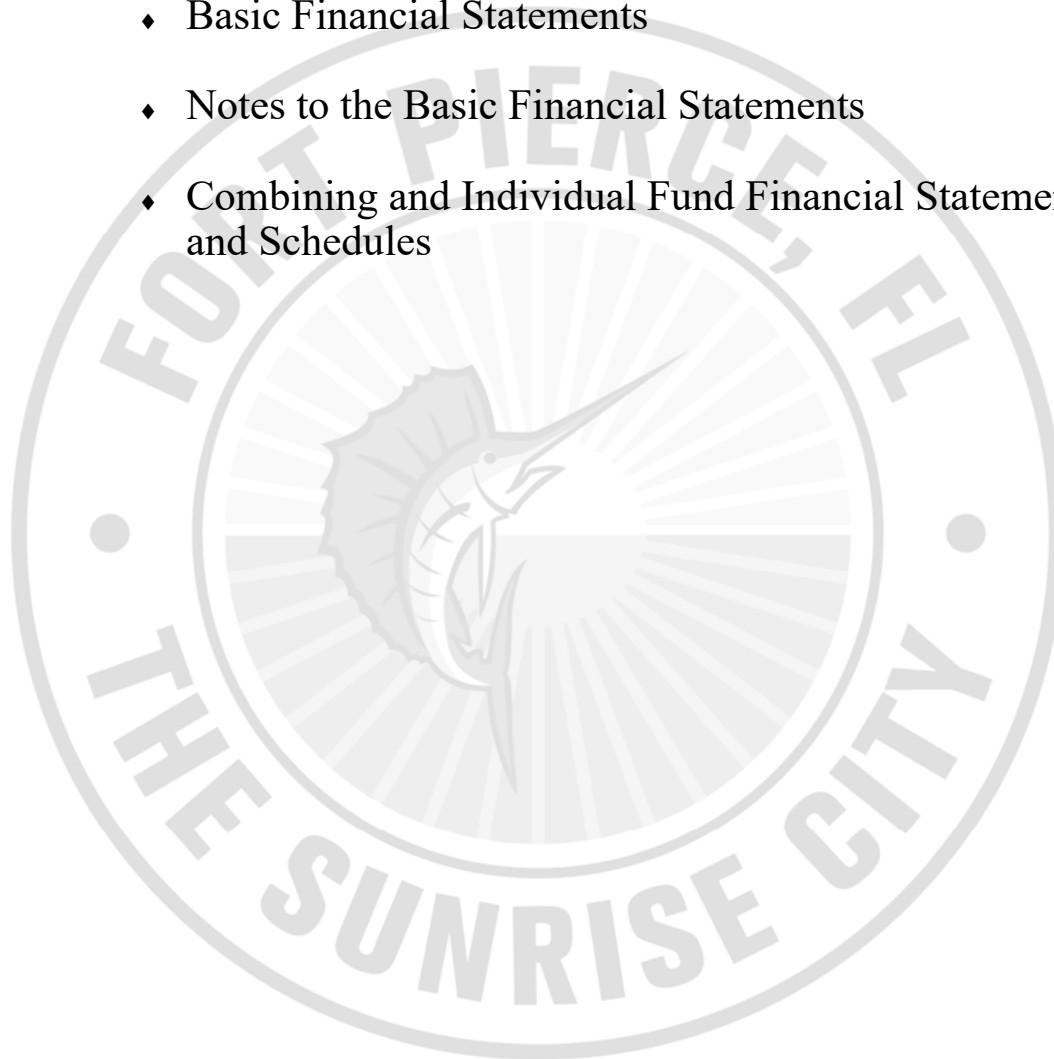
*Christopher P. Morill*

Executive Director/CEO



## **I. *FINANCIAL SECTION***

- ◆ Report of Independent Certified Public Accountants
- ◆ Management Discussion and Analysis
- ◆ Basic Financial Statements
- ◆ Notes to the Basic Financial Statements
- ◆ Combining and Individual Fund Financial Statements and Schedules





## Independent Auditors' Report

To the City Commission  
Fort Pierce, Florida

March 18, 2020

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Pierce, Florida (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Pierce, Florida as of September 30, 2019, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, and Community Redevelopment Agency Fund, for the year ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United State of America require that the management's discussion and analysis, and pension and post-employment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, Rules of the Auditor General, and is also not a required part of the basic financial statements.

To the City Commission  
Fort Pierce, Florida

March 18, 2020

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and state financial assistance, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and the schedule of expenditures of federal awards and state assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2020 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Certified Public Accountants  
City of Fort Pierce

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Fort Pierce (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial positions, (d) identify any material deviations from the financial plans, and (e) identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the front of this report and the City's financial statements which follow this section.

### Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$121,075,266 of which \$51,661,632 is governmental and \$69,413,634 is the total for business-type activities.
- The City's revenues for Governmental Activities at year end were \$46,793,327 a slight 1.17% increase, and expenses were \$45,897,021 an 8.33% increase before transfers in of \$657,539. Revenues exceeded expenses by \$0.90 million. The revenue increase from 2018 was \$0.54 million; this can be attributed to increases in the following: ad valorem and other taxes of \$0.82 million, intergovernmental revenue of \$1.25 million, and charges for service of \$1.50 million offset by the (\$3.09 million) decrease in operating grants and contributions. The increase in expenses in comparison to last year was \$3.53 million, resulting from increases in the following: public safety \$2.38 million, transportation \$0.36 million, economic environment \$0.25 million, culture and recreation \$0.024 million and interest on long-term debt \$0.27 million
- Business-type funds revenues were \$22,896,238 an increase of 5.43% or \$1,178,882 before transfers out of \$657,539, and expenses were \$21,628,011, an increase of 2.51% or \$529,246 from the previous year. The increase in revenue from the prior year is attributable to the net increase in operating and capital grants and contributions of \$1.12 million. The increase in expenses in comparison to the prior year is attributable to increases in the following: marina \$0.20 million, golf course \$0.20 million and building department \$0.22 million offset by the decrease in sunrise theatre of (\$0.17).
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$21,597,497, an increase of \$2,318,134. There were increases in the special revenue fund of \$2.15 million, including an increase in the restricted revenue fund of \$2.1 million and the community redevelopment agency fund of \$0.50 million, The debt service fund increased \$1.08 million. These increases were offset by a decrease in the General Fund of (\$0.91 million).

The long-term debt, net of current portion, of the City on 9/30/19 was \$78,388,710, a decrease of \$4.85 million or 5.82%. The debt services requirements were met financially.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the City's assets plus deferred outflows of resources and liabilities plus deferred inflow of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, transportation, economic environment, culture and recreation, and interest on long-term debt. The business-type activities include refuse collection, a marina, a golf course, a theatre and a stormwater utility and building and code fund.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**Proprietary funds.** The City maintains one of the two different types of proprietary funds.

**Enterprise funds** are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City maintains six enterprise funds to account for the following operations: a solid waste collection and disposal system, a marina, a golf course, a theatre, a stormwater utility, and a building and code fund.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's compliance with its General Fund budget and the City's progress in funding its obligation to provide pension benefits to its employees. The combining and individual fund statements are included along with statistical, historic and trend information about the government's operations.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, asset and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$121,075,266 at the close of the most recent fiscal year.

Approximately 92% of the City's net position reflects its investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### City of Fort Pierce Net Position - FY 2019 and 2018

|                                | Governmental       |                    | Business Type     |                   | Total              |                    |
|--------------------------------|--------------------|--------------------|-------------------|-------------------|--------------------|--------------------|
|                                | <u>Activities</u>  |                    | <u>Activities</u> |                   |                    |                    |
|                                | <u>2019</u>        | <u>2018</u>        | <u>2019</u>       | <u>2018</u>       | <u>2019</u>        | <u>2018</u>        |
| Current and other Assets       | 26,784,126         | 24,313,055         | 5,042,977         | 5,187,922         | 31,827,103         | 29,500,977         |
| Capital Assets                 | 103,603,617        | 106,426,955        | 87,944,780        | 86,493,377        | 191,548,397        | 192,920,322        |
| <b>Total Assets</b>            | <b>130,387,743</b> | <b>130,740,010</b> | <b>92,987,757</b> | <b>91,681,299</b> | <b>223,375,000</b> | <b>222,421,309</b> |
| Deferred Outflows              | 6,415,785          | 8,761,778          | 1,134,565         | 976,456           | 7,550,350          | 9,738,234          |
| Long-term Liabilities O/S      | 77,283,476         | 78,513,822         | 20,528,987        | 19,096,070        | 97,812,463         | 97,609,892         |
| Other Liabilities              | 7,558,420          | 6,980,745          | 3,635,505         | 4,044,656         | 11,193,925         | 11,025,401         |
| <b>Total Liabilities</b>       | <b>84,841,896</b>  | <b>85,494,567</b>  | <b>24,164,492</b> | <b>23,140,726</b> | <b>109,006,388</b> | <b>108,635,293</b> |
| Deferred Inflows               | 300,000            | 3,899,434          | 544,196           | 714,083           | 844,196            | 4,613,517          |
| Net Position:                  |                    |                    |                   |                   |                    |                    |
| Net Invested in Capital Assets | 43,122,969         | 41,656,393         | 68,807,409        | 68,117,114        | 111,903,378        | 109,773,507        |
| Restricted                     | 3,428,020          | 2,347,896          | 2,387,689         | -                 | 5,815,709          | 2,347,896          |
| Unrestricted                   | 5,110,643          | 6,103,498          | (1,781,464)       | 685,832           | 3,329,179          | 6,789,330          |
| <b>Total Net Position</b>      | <b>51,661,632</b>  | <b>50,107,787</b>  | <b>69,413,634</b> | <b>68,802,946</b> | <b>121,075,266</b> | <b>118,910,733</b> |

The City's net position increased by \$2,164,533 during the fiscal year. The net position of the Governmental Funds increased by \$1.55 million and business type funds increased by \$0.61 million. Assets of the Governmental Funds decreased \$0.35 million and liabilities decreased by \$0.65 million. Deferred outflows of the Governmental Funds decreased by \$2.35 million and deferred inflows decreased by \$3.60. In the enterprise funds, the assets had an increase of 1.42% or approximately \$1.31 million and liabilities had an increase of 4.42% or approximately \$1.02 million. Deferred outflows of the enterprise funds increased by \$0.16 million and deferred inflows decreased by \$0.17 million.

### City of Fort Pierce Statement of Activities- FY 2019 and 2018

|                                       | Governmental      |                   | Business Type     |                   | Total             |                   |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                       | <u>Activities</u> |                   | <u>Activities</u> |                   |                   |                   |
|                                       | <u>2019</u>       | <u>2018</u>       | <u>2019</u>       | <u>2018</u>       | <u>2019</u>       | <u>2018</u>       |
| Revenues                              |                   |                   |                   |                   |                   |                   |
| Program Revenues                      |                   |                   |                   |                   |                   |                   |
| Charges for Services                  | 11,455,586        | 9,956,734         | 19,918,910        | 19,833,703        | 31,374,496        | 29,790,437        |
| Operating grants and Contributions    | 832,985           | 3,922,855         | -                 | 1,433,973         | 832,985           | 5,356,828         |
| Capital Grants and Contributions      | -                 | -                 | 2,890,929         | 351,428           | 2,890,929         | 351,428           |
| General Revenues:                     |                   |                   |                   |                   |                   |                   |
| Ad Valorem Taxes                      | 15,823,291        | 15,118,042        | -                 | -                 | 15,823,291        | 15,118,042        |
| Other Taxes                           | 6,579,389         | 6,462,405         | -                 | -                 | 6,579,389         | 6,462,405         |
| Unrestricted grants and contributions | -                 | -                 | -                 | -                 | -                 | -                 |
| Intergovernmental                     | 4,962,932         | 3,711,709         | -                 | -                 | 4,962,932         | 3,711,709         |
| Miscellaneous                         | 423,093           | 412,663           | -                 | -                 | 423,093           | 412,663           |
| Contributions from Component Units    | 6,125,454         | 6,138,645         | -                 | -                 | 6,125,454         | 6,138,645         |
| Unrestricted investment earnings      | 590,597           | 530,441           | 86,399            | 98,252            | 676,996           | 628,693           |
| <b>Total Revenues</b>                 | <b>46,793,327</b> | <b>46,253,494</b> | <b>22,896,238</b> | <b>21,717,356</b> | <b>69,689,565</b> | <b>67,970,850</b> |

**City of Fort Pierce Statement of Activities- FY 2019 and 2018 (Cont.)**

|                                     | <u>Governmental</u> |             | <u>Business Type</u> |             | <u>Total</u> |             |
|-------------------------------------|---------------------|-------------|----------------------|-------------|--------------|-------------|
|                                     | <u>Activities</u>   |             | <u>Activities</u>    |             |              |             |
|                                     | <u>2019</u>         | <u>2018</u> | <u>2019</u>          | <u>2018</u> | <u>2019</u>  | <u>2018</u> |
| Expenses                            |                     |             |                      |             |              |             |
| General government                  | 12,478,803          | 12,453,169  | -                    | -           | 12,478,803   | 12,453,169  |
| Public safety                       | 18,718,692          | 16,341,557  | -                    | -           | 18,718,692   | 16,341,557  |
| Transportation                      | 6,743,878           | 6,382,606   | -                    | -           | 6,743,878    | 6,382,606   |
| Economic Environment                | 1,779,196           | 1,526,508   | -                    | -           | 1,779,196    | 1,526,508   |
| Culture & recreation                | 3,013,258           | 2,773,173   | -                    | -           | 3,013,258    | 2,773,173   |
| Interest on long-term debt          | 3,163,194           | 2,891,268   | -                    | -           | 3,163,194    | 2,891,268   |
| Solid Waste                         | -                   | -           | 6,778,735            | 6,745,265   | 6,778,735    | 6,745,265   |
| Marina                              | -                   | -           | 4,375,846            | 4,180,073   | 4,375,846    | 4,180,073   |
| Stormwater                          | -                   | -           | 3,321,553            | 3,275,415   | 3,321,553    | 3,275,415   |
| Golf Course                         | -                   | -           | 1,628,188            | 1,432,238   | 1,628,188    | 1,432,238   |
| Sunrise Theatre                     | -                   | -           | 3,666,296            | 3,832,927   | 3,666,296    | 3,832,927   |
| Building Department                 | -                   | -           | 1,857,3937           | 1,632,847   | 1,857,3937   | 1,632,847   |
| Total Expenses                      | 45,897,021          | 42,368,281  | 21,628,011           | 21,098,765  | 67,525,032   | 63,467,046  |
| Increase (Decrease) in net position |                     |             |                      |             |              |             |
| before transfers                    | 896,306             | 3,885,213   | 1,268,227            | 618,591     | 2,164,533    | 4,503,804   |
| Transfers In (Out)                  | 657,539             | 309,475     | (657,539)            | (309,475)   | -            | -           |
| Changes in net position             | 1,553,845           | 4,194,688   | 610,688              | 309,116     | 2,164,533    | 4,503,804   |
| Net Position - Beginning            | 50,107,787          | 45,913,099  | 68,802,946           | 68,493,830  | 118,910,733  | 114,406,929 |
| Net Position – Ending               | 51,661,632          | 50,107,787  | 69,413,634           | 68,802,946  | 121,075,266  | 118,910,733 |

**Governmental activities.** Governmental activities accounted for a positive increase of \$896,306 in net position of the City.

Revenues increased \$0.54 million or 1.17% in Fiscal Year 2019. There are increases in the several categories. Charges for service increased by \$1.50 million, relating to the increase in tax incremental financing. Property values continue to increase, resulting in an increase of \$0.71 million in ad valorem revenue. Intergovernmental revenues increased by \$1.25 million relating to the infrastructure sales tax. Other taxes increased by \$0.17 million and unrestricted investment earnings increased by \$0.06 million. The above increases are offset by a (\$3.09 million) decrease in operating grant and contributions; in FY 2018 the City received large reimbursements related to hurricanes. The 8.33% or \$3.53 million increase in expenses was attributed to increases in the following categories: public safety \$2.38 million in relation to personal services and benefits, transportation \$0.36 million, economic environment \$0.25 million, culture and recreation \$0.24 million and interest on long-term debt \$0.27 million.

**Business-type activities.** The business-type activities include the activities of a stormwater utility program, golf course, city marina, theatre, solid waste operation and the building department. Revenues increased \$1.18 million, operating and capital grants services accounted for \$1.11 million of the increase offset by a decrease of (\$0.08 million) relating to charges for services. Expenses increased \$0.53 million. The marina increased \$0.20 million, the golf course \$0.20 and

the building department \$0.22 million in expenses; offset by a decrease of (\$0.17 million) in the theatre.

## Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of a fiscal year.

The City maintains 20 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, Community Redevelopment Agency Fund, and the Restricted Revenue Fund. As of the end of the current fiscal year, the City's *governmental funds* reported combined ending fund balances of \$21,597,497 an increase of \$2,318,134 in comparison with the prior year. The non-spendable portion is \$66,888, restricted is \$11,555,521, \$462,950 is committed, \$5,530,428 is assigned and \$3,981,710 is unassigned and available for spending at the government's discretion.

The *general fund* is the chief operating fund of the City. The ending fund balance in 2019 is \$8,740,349, which decreased (\$0.91 million). The (9%) decrease relates to the increases in public safety expenses, while revenues in total were sustained and the usage of fund balance to fund some projects. The decrease in fund balance is reflective mainly in the change in the nonspendable, committed and unassigned portions, which represents a decrease in prepaid expenses, budget appropriations and annual reserves. The debt service fund balance is \$3,428,020 an increase of \$1.08 million, which represents an accumulation of cash to repay principal and interest on debt. Finally, the fund balance in the special revenue funds at 9/30/2019 is \$9,429,128, an increase of \$2.15 million, \$2.14 million of the increase relates to the increase in funds reserved for special purposes and projects.

The city accounts for the community redevelopment agency fund as a special revenue fund. The activity in this fund represents redevelopment activities for certain areas existing in the City of Fort Pierce. The ending fund balance in 2019 is \$815,160 an increase of \$0.49 million from the prior year. The increase in fund balance is reflective in the restricted, which represents the increase in the tax incremental financing.

The restricted revenue fund, also a special revenue fund, accounts for revenue that is restricted as to the purpose the money generated can be utilized. The fund balance is \$7,064,218 an increase of \$2.13 million compared to the prior year. The increase in fund balance is reflective in the change in the restricted, which represents increases of \$1.3 million in impact fees restricted for capital improvements and \$0.93 million in the ½ cent infrastructure revenue restricted for infrastructure projects.

**Business Type Funds.** The enterprise funds have unrestricted net position of (\$1,781,464). Net investment in capital assets is \$68,807,409. Restricted for capital projects is \$2,387,689 with a combined net position total of \$69,413,634. The increase in net position of \$0.61 million from the prior year is reflective of the \$2.94 million operating gain in stormwater and building offset by the (\$2.33) operating loss in solidwaste, marina, golf course, and sunrise theatre.

## General Fund Budgetary Highlights

The General Fund 2019 budget revenue was \$38,672,704; the amount realized was \$42,793,303, an increase of \$4,120,599 or 10.66%. The expenditure budget was \$38,909,613, and the actual amount was \$43,703,506, an increase of \$4,793,893 or 12.32%. All the budget numbers are presented without the netting of transfers in this section. Differences between the original and final revenue and expenditure budget decreased fund balance by \$910,203; the changes were substantial in some categories, listed below are the major notable amendments:

- \$641,671 or 2.95% increase in taxes; increases in ad valorem taxes \$127,283, local option taxes \$195,408, and utility and other taxes \$318,980.
- \$1,906,038 or 52.96% increase in intergovernmental revenue; \$263,497 increase in state and federal grants relating to emergency mitigation reimbursement, \$1,478,446 increase in state shared revenue, relating mainly to the new ½ infrastructure sales tax, \$102,063 more in state retirement contribution, \$56,491 increase in payments in lieu and \$5,541 increase in other intergovernmental.
- \$100,227 or 30.30% increase in charges for services; community center produced \$24,725 more, \$21,642 in youth activities, \$15,061 parking fees, \$13,457 in traffic fines, and \$25,342 in other service charges.
- \$113,458 or 46.12% increase in fines and forfeitures; \$94,153 increase in alarm violations, \$66,947 in property code violations, offset by \$47,672 decrease in judgements and fees.
- \$1,262,101 increase in other revenues and other financing sources; \$467,928 in capital lease obligations were not budgeted, \$33,282 increase in special assessments, \$194,828 increase in interest, \$4,652 increase in rents received, \$42,939 increase in contribution from component unit, \$121,194 in administrative and contractual services relating mainly to traffic and signal maintenance, \$82,849 increase in other miscellaneous revenues mainly from contributions, sale of scrap, and reimbursement of expenses, \$436,820 increase in transfer from other funds related to expense paid through general, off-set by \$122,391 decrease in reimbursements by other funds.
- \$4,793,893 or 12.32% increase in expenditures from various departments. The major increases were: Administration \$858,917 primarily relating to increases in capital outlay and insurance, \$286,792 relating to personal services, contract services and building supplies, Public Safety \$1,256,884 relating to personal services and benefits, Culture and recreation \$111,940 relating to utilities, capital outlay and youth activities, and transfers out \$2,432,505 relating to transfers for debt and transfer to restricted revenue for infrastructure sales tax.

## Capital Asset and Debt Administration

**Capital assets.** The City's investments in *capital assets* for its governmental and business type activities as of September 30, 2019 amounts to \$191,548,397 (this is net of accumulated depreciation). Significant additions during the year consisted of major stormwater canal projects, a weed cutter boat for stormwater maintenance, street reconstruction, 26 new vehicles, a side loader in solid waste, an electric trolley, construction of boat ramps at Moore Creek, dredging at

the Marina as well as the start of construction of a new fuel building, the start of construction for a new permitting hub for the Building department, the start of reconstruction on 3 stormwater projects, and various equipment and machinery. Notable disposals consisted of old vehicles, old computer equipment and old equipment and machinery. See Note H for detail information on the primary government's Capital Assets.

| City of Fort Pierce Capital Assets - FY 2019 and 2018<br>(net of depreciation) |                                    |                    |                                     |                   |                    |                    |
|--|------------------------------------|--------------------|-------------------------------------|-------------------|--------------------|--------------------|
|  | <u>Governmental<br/>Activities</u> |                    | <u>Business Type<br/>Activities</u> |                   | <u>Total</u>       |                    |
|  | <u>2019</u>                        | <u>2018</u>        | <u>2019</u>                         | <u>2018</u>       | <u>2019</u>        | <u>2018</u>        |
| Land & CIP   | 28,209,333                         | 27,942,357         | 1,854,278                           | 2,699,821         | 30,063,611         | 30,642,178         |
| Buildings  | 25,998,601                         | 26,846,329         | 9,507,672                           | 10,093,100        | 35,506,273         | 36,939,429         |
| Improvements Other<br>than Buildings   | 20,676,466                         | 21,740,718         | 74,072,098                          | 70,803,967        | 94,748,564         | 92,544,685         |
| Machinery &<br>Equipment   | 5,521,133                          | 5,479,617          | 2,510,732                           | 2,896,489         | 8,031,865          | 8,376,106          |
| Infrastructure   | 23,198,084                         | 24,417,934         | -                                   | -                 | 23,198,084         | 24,417,934         |
| Total  | <u>103,603,617</u>                 | <u>106,426,955</u> | <u>87,944,780</u>                   | <u>86,493,377</u> | <u>191,548,397</u> | <u>192,920,332</u> |

**Debt.** At the end of the current fiscal year, the City had total long-term debt outstanding, net of current portion of \$78,388,710.

| City of Fort Pierce Outstanding Debt<br>Revenue Bond, Road Improvement Notes, Intergovernmental Notes & Capital Leases |                                    |                   |                                     |                   |                   |                   |
|--|------------------------------------|-------------------|-------------------------------------|-------------------|-------------------|-------------------|
|  | <u>Governmental<br/>Activities</u> |                   | <u>Business-type<br/>Activities</u> |                   | <u>Total</u>      |                   |
|  | <u>2019</u>                        | <u>2018</u>       | <u>2019</u>                         | <u>2018</u>       | <u>2019</u>       | <u>2018</u>       |
| Revenue bonds, road improvement<br>notes, intergovernmental notes &<br>capital leases                                  | 66,086,864                         | 71,323,670        | 19,137,371                          | 18,376,263        | 85,224,235        | 89,699,933        |
| Less current portion   | (5,214,678)                        | (5,041,475)       | (1,620,847)                         | (1,423,214)       | (6,835,525)       | (6,464,689)       |
| Long-term debt, net of current portion   | <u>60,872,186</u>                  | <u>66,282,195</u> | <u>17,516,524</u>                   | <u>16,953,049</u> | <u>78,388,710</u> | <u>83,235,244</u> |

The City's long-term debt, net of current portion debt decreased during the year by a net \$4.85 million. The Notes to the Financial Statements (Note I) has additional information on all debt activity.

All bonded debt is insured and carries ratings from Moody's of A1 issuer rating and A2 non-ad valorem rating, as of September 30, 2019. No direct ad valorem tax-supported debt exists

currently.

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

The budget process for the 2020 budget began with a 9.05% increase or \$3,520,359 in the General Fund Budget, of which \$600,000 was restricted, and expenditures exceeding revenues by approximately \$463,000; fund balance was used to fund the shortfall.

Some of the significant factors considered in preparing the City's Annual General Fund Budget for Fiscal Year 2020, that caused and closed the budget gap are listed below:

- In the General Fund, the City's taxable valuation is \$2,378,742,249 compared to last year's final valuation of \$2,360,949,717. This represents an increase of approximately 0.75% or \$17,792,532. This increase in property values and the City Commission electing to maintain the millage rate at 6.9000 helped to balance the budget. Maintaining the millage rate generated \$1.13 million, of which \$400,000 was restricted to be used to finance much needed future capital projects and purchases and an additional \$200,000 is restricted to repay the interfund loan from FY 2016.
- The City budgeted to receive an additional \$1.70 million in intergovernmental revenue. \$1.5 million of this additional budgeted revenue relates to the ½ infrastructure sales tax.
- The City budgeted to receive an additional \$186,586 transfer from contributions from component unit and an additional \$510,109 in transfers in relating to debt payments and special projects.
- The City appropriated \$0.46 million from fund balance to balance General Fund's budget.
- In the 2020 budget (General Fund) the personnel services included a 3% pay increase for all employees. Retirement rates for general members are 16.77%, down from 16.99%, Police officers decreased to 11.99% down from 12.00%. Health insurance premiums increased 0.70% and dental insurance increased 4.5%. To contain costs the budget included the addition of only 4 full time positions: 1 in the city managers' office, 1 in the recreation program, and 2 in public works. These wage, benefit and personnel changes equated to an increase of \$935,665.
- The 2020 budget (General Fund) included an increase of \$254,292 in insurance costs relating to general property and liability insurance and workers compensation.
- The 2020 budget included an increase of \$548,034 relating to the payment of debt, \$638,000 relating to new debt for the acquisition of vehicles and a reduction of \$89,966 relating to existing debt.
- An additional \$1,614,00 is included for capital projects relating to infrastructure projects and safety initiatives.

- The 2020 budget included an increase in the tax incremental financing expense of \$189,494.
- The Fort Pierce Redevelopment Agency tax increment financing (TIF) continues to increase. The increase in property tax values and maintaining the millage rate resulted in an increase of \$394,807; from \$6.3 million to \$6.7 million. In the past, the budget was unable to support a number of special projects under historic preservation and restoration; funding for neighborhood and business grants; and other cultural and community events and functions. In prior years, to help balance the budget, transfers from General were used. In FY 2020, because of the increase in tax revenues, no transfer was budgeted, and \$350,000 was allocated to fund school resources officers in schools within City boundaries.
- As for the business-type activities, the Marina and the Stormwater had to make up their budget shortfalls by appropriating retained earnings of \$845,579 and \$46,000 respectively in FY 2020. Transfers from other funds were used to balance the budget of the Sunrise Theatre (\$450,000 from Redevelopment Agency). Solid Waste, Building, and Golf Course were able to sufficiently fund their budgets with budgeted revenues.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information in this report or requests for additional financial information should be addressed to the Finance Director, 100 North US 1, P. O. Box 1480, Fort Pierce, Florida 34954.

**THIS PAGE INTENTIONALLY LEFT BLANK**



## **BASIC FINANCIAL STATEMENTS**



**THIS PAGE INTENTIONALLY LEFT BLANK**



## GOVERNMENT-WIDE FINANCIAL STATEMENTS



City of Fort Pierce, Florida  
**STATEMENT OF NET POSITION**  
September 30, 2019

|   | Primary Government      |                          |                       | Component Units                 |
|---|-------------------------|--------------------------|-----------------------|---------------------------------|
|   | Governmental Activities | Business-type Activities | Total                 | Fort Pierce Utilities Authority |
| <b>ASSETS</b>                                     |                         |                          |                       |                                 |
| Current assets:                                   |                         |                          |                       |                                 |
| Cash and investments                              | \$ 17,917,439           | \$ 2,613,740             | \$ 20,531,179         | \$ 30,506,045                   |
| Receivables (net of allowance for uncollectibles) | 1,516,398               | 2,402,932                | 3,919,330             | 12,769,957                      |
| Due from component unit                           | 236,076                 | 965,701                  | 1,201,777             | -                               |
| Internal balances                                 | 4,028,035               | (4,028,035)              | -                     | -                               |
| Due from other governments                        | 1,193,939               | 410,267                  | 1,604,206             | 1,793,177                       |
| Inventories and other current assets              | 66,888                  | 30,152                   | 97,040                | 4,500,716                       |
| Restricted Assets:                                |                         |                          |                       |                                 |
| Temporarily restricted:                           |                         |                          |                       |                                 |
| Cash and investments                              | -                       | 2,572,215                | 2,572,215             | 26,299,308                      |
| Total current assets                              | <u>24,958,775</u>       | <u>4,966,972</u>         | <u>29,925,747</u>     | <u>75,869,203</u>               |
| Noncurrent assets:                                |                         |                          |                       |                                 |
| Prepaid Insurance                                 | 26,945                  | 76,005                   | 102,950               | -                               |
| Notes Receivable                                  | 1,798,406               | -                        | 1,798,406             | -                               |
| FMPA working capital receivable                   | -                       | -                        | -                     | 1,918,608                       |
| Investment in Public Gas Partners Pool            | -                       | -                        | -                     | 359,143                         |
| Capital assets, not being depreciated:            |                         |                          |                       |                                 |
| Land  | 27,796,483              | 674,008                  | 28,470,491            | 9,556,000                       |
| Construction in progress                          | 412,850                 | 1,180,270                | 1,593,120             | 17,483,427                      |
| Capital assets (net of accumulated depreciation): |                         |                          |                       |                                 |
| Buildings   | 42,748,801              | 17,903,077               | 60,651,878            | -                               |
| Improvements other than buildings                 | 45,883,266              | 102,926,308              | 148,809,574           | -                               |
| Equipment   | 19,572,458              | 11,567,079               | 31,139,537            | -                               |
| Infrastructure                                    | 108,924,361             | -                        | 108,924,361           | 448,035,718                     |
| Accumulated depreciation                          | <u>(141,734,602)</u>    | <u>(46,305,962)</u>      | <u>(188,040,564)</u>  | <u>(263,908,377)</u>            |
| Total noncurrent assets                           | <u>105,428,968</u>      | <u>88,020,785</u>        | <u>193,449,753</u>    | <u>213,444,519</u>              |
| Total assets                                      | <u>\$ 130,387,743</u>   | <u>\$ 92,987,757</u>     | <u>\$ 223,375,500</u> | <u>\$ 289,313,722</u>           |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>             |                         |                          |                       |                                 |
| Deferred charge on refunding                      | 2,859,216               | -                        | 2,859,216             | 97,294                          |
| Pensions  | 3,215,520               | 1,072,989                | 4,288,509             | 3,328,336                       |
| Other post employment benefits                    | 341,049                 | 61,576                   | 402,625               | 113,951                         |
| Total deferred outflows of resources              | <u>6,415,785</u>        | <u>1,134,565</u>         | <u>7,550,350</u>      | <u>3,539,581</u>                |

The accompanying notes are an integral part of this statement.

|   | Primary Government      |                          |                       | Component Units                 |
|---|-------------------------|--------------------------|-----------------------|---------------------------------|
|   | Governmental Activities | Business-type Activities | Total                 | Fort Pierce Utilities Authority |
| <b>LIABILITIES</b>                          |                         |                          |                       |                                 |
| Current liabilities:                        |                         |                          |                       |                                 |
| Accounts payable and accrued liabilities    | \$ 1,173,739            | \$ 1,348,652             | \$ 2,522,391          | \$ 7,968,950                    |
| Unearned revenue                            | 190,047                 | 389,579                  | 579,626               | 622,375                         |
| Accrued compensated absences                | 316,602                 | 75,859                   | 392,461               | -                               |
| Capital leases payable                      | 494,793                 | 311,411                  | 806,204               | 29,000                          |
| Due to other governments                    | 105,250                 | -                        | 105,250               | 858,365                         |
| Notes and revenue bonds-current             | 4,719,885               | 1,309,436                | 6,029,321             | 5,953,001                       |
| Accrued interest payable                    | 427,645                 | 16,042                   | 443,687               | 852,851                         |
| Liabilities payable from restricted assets: |                         |                          |                       |                                 |
| Customer deposits                           | 130,459                 | 184,526                  | 314,985               | 8,481,418                       |
| Total current liabilities                   | <u>7,558,420</u>        | <u>3,635,505</u>         | <u>11,193,925</u>     | <u>24,765,960</u>               |
| Noncurrent liabilities:                     |                         |                          |                       |                                 |
| Notes and bonds payable, net                | 59,692,754              | 16,976,115               | 76,668,869            | 57,728,389                      |
| Capital Leases                              | 1,179,432               | 540,409                  | 1,719,841             | 84,620                          |
| Accrued compensated absences                | 2,918,082               | 490,553                  | 3,408,635             | 2,210,481                       |
| Other post employment benefits              | 2,309,675               | 417,007                  | 2,726,682             | 989,218                         |
| Net Pension Liability                       | 11,183,533              | 2,104,903                | 13,288,436            | 11,606,105                      |
| Total noncurrent liabilities                | <u>77,283,476</u>       | <u>20,528,987</u>        | <u>97,812,463</u>     | <u>72,618,813</u>               |
| Total liabilities                           | <u>84,841,896</u>       | <u>24,164,492</u>        | <u>109,006,388</u>    | <u>97,384,773</u>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                         |                          |                       |                                 |
| Payments received in advance                | -                       | -                        | -                     | 4,881,346                       |
| Pensions                                    | 255,647                 | 536,188                  | 791,835               | 441,439                         |
| Other post employment benefits              | 44,353                  | 8,008                    | 52,361                | 36,445                          |
| Total deferred inflows of resources         | <u>300,000</u>          | <u>544,196</u>           | <u>844,196</u>        | <u>5,359,230</u>                |
| <b>NET POSITION</b>                         |                         |                          |                       |                                 |
| Net Invested in capital assets              | 43,122,969              | 68,807,409               | 111,930,378           | 160,527,000                     |
| Restricted for:                             |                         |                          |                       |                                 |
| Capital projects                            | -                       | 2,387,689                | 2,387,689             | -                               |
| Capital improvement charges                 | -                       | -                        | -                     | 4,155,212                       |
| Debt service and other                      | 3,428,020               | -                        | 3,428,020             | 6,856,825                       |
| Unrestricted                                | <u>5,110,643</u>        | <u>(1,781,464)</u>       | <u>3,329,179</u>      | <u>18,570,263</u>               |
| Total net position                          | <u>\$ 51,661,632</u>    | <u>\$ 69,413,634</u>     | <u>\$ 121,075,266</u> | <u>\$ 190,109,300</u>           |

City of Fort Pierce, Florida  
**STATEMENT OF ACTIVITIES**  
Year ended September 30, 2019

| Functions/Programs   | Program Revenues      |                       |                                    |                                  |
|--|-----------------------|-----------------------|------------------------------------|----------------------------------|
|  | Expenses              | Charges for Services  | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Primary government:</b>                                 |                       |                       |                                    |                                  |
| Governmental activities:                                   |                       |                       |                                    |                                  |
| General government   | \$ 12,478,803         | \$ 1,496,288          | \$ -                               | \$ -                             |
| Public safety  | 18,718,692            | 624,537               | 202,741                            | -                                |
| Transportation   | 6,743,878             | 750,443               | 72,500                             | -                                |
| Economic environment                                       | 1,779,196             | 7,883,792             | 557,744                            | -                                |
| Culture and recreation                                     | 3,013,258             | 700,526               | -                                  | -                                |
| Interest on long-term debt                                 | 3,163,194             | -                     | -                                  | -                                |
| Total governmental activities                              | <u>45,897,021</u>     | <u>11,455,586</u>     | <u>832,985</u>                     | <u>-</u>                         |
| Business-type activities:                                  |                       |                       |                                    |                                  |
| Solid waste  | 6,778,735             | 7,648,557             | -                                  | -                                |
| Marina   | 4,375,846             | 3,470,692             | -                                  | -                                |
| Storm Water  | 3,321,553             | 2,845,271             | -                                  | 2,890,929                        |
| Golf Course  | 1,628,188             | 1,151,369             | -                                  | -                                |
| Sunrise Theatre  | 3,666,296             | 2,466,477             | -                                  | -                                |
| Building Fund  | 1,857,393             | 2,336,544             | -                                  | -                                |
| Total business-type activities                             | <u>21,628,011</u>     | <u>19,918,910</u>     | <u>-</u>                           | <u>2,890,929</u>                 |
| Total primary government                                   | <u>\$ 67,525,032</u>  | <u>\$ 31,374,496</u>  | <u>\$ 832,985</u>                  | <u>\$ 2,890,929</u>              |
| <b>Component units:</b>                                    |                       |                       |                                    |                                  |
| Fort Pierce Utilities Authority                            | \$ 100,087,451        | \$ 101,394,952        | \$ 422,981                         | \$ 1,500,771                     |
| Total component units                                      | <u>\$ 100,087,451</u> | <u>\$ 101,394,952</u> | <u>\$ 422,981</u>                  | <u>\$ 1,500,771</u>              |
| General revenues:  |                       |                       |                                    |                                  |
| Ad valorem taxes   |                       |                       |                                    |                                  |
| General sales and use taxes                                |                       |                       |                                    |                                  |
| Utility service and franchise taxes                        |                       |                       |                                    |                                  |
| State revenue sharing-unrestricted                         |                       |                       |                                    |                                  |
| Additional one cent sales taxes                            |                       |                       |                                    |                                  |
| Insurance premium tax                                      |                       |                       |                                    |                                  |
| Contributions from component unit                          |                       |                       |                                    |                                  |
| Miscellaneous  |                       |                       |                                    |                                  |
| Unrestricted investment earnings                           |                       |                       |                                    |                                  |
| Extraordinary Item   |                       |                       |                                    |                                  |
| Transfers  |                       |                       |                                    |                                  |
| Total general revenues, extraordinary items, and transfers |                       |                       |                                    |                                  |
| Change in net position                                     |                       |                       |                                    |                                  |
| Net position - beginning                                   |                       |                       |                                    |                                  |
| Net position - ending                                      |                       |                       |                                    |                                  |

| <b>Net (expense) Revenue and Change in Net Position</b> |                                     |                        |  |
|---|-------------------------------------|------------------------|--|
| <b>Primary Government</b>                               |                                     |                        | <b>Component Unit</b>                          |
| <b>Governmental<br/>Activities</b>                      | <b>Business-type<br/>Activities</b> | <b>Total</b>           | <b>Fort Pierce<br/>Utilities<br/>Authority</b> |
| \$ (10,982,515)   | \$ -                                | \$ (10,982,515)        | \$ -   |
| (17,891,414)  | -                                   | (17,891,414)           | -  |
| (5,920,935)   | -                                   | (5,920,935)            | -  |
| 6,662,340   | -                                   | 6,662,340              | -  |
| (2,312,732)   | -                                   | (2,312,732)            | -  |
| (3,163,194)   | -                                   | (3,163,194)            | -  |
| <u>(33,608,450)</u>                                     | <u>-</u>                            | <u>(33,608,450)</u>    | <u>-</u>                                       |
| -   | 869,822                             | 869,822                | -  |
| -   | (905,154)                           | (905,154)              | -  |
| -   | 2,414,647                           | 2,414,647              | -  |
| -   | (476,819)                           | (476,819)              | -  |
| -   | (1,199,819)                         | (1,199,819)            | -  |
| -   | 479,151                             | 479,151                | -  |
| <u>-</u>  | <u>1,181,828</u>                    | <u>1,181,828</u>       | <u>-</u>                                       |
| <u>\$ (33,608,450)</u>                                  | <u>\$ 1,181,828</u>                 | <u>\$ (32,426,622)</u> | <u>\$ -</u>                                    |
| <u>\$ -</u>   | <u>\$ -</u>                         | <u>\$ -</u>            | <u>\$ 3,231,253</u>                            |
| <u>\$ -</u>   | <u>\$ -</u>                         | <u>\$ -</u>            | <u>\$ 3,231,253</u>                            |
| \$ 15,823,291   | -                                   | \$ 15,823,291          | \$ -   |
| 2,220,408   | -                                   | 2,220,408              | -  |
| 4,358,981   | -                                   | 4,358,981              | -  |
| 1,525,975   | -                                   | 1,525,975              | -  |
| 3,034,894   | -                                   | 3,034,894              | -  |
| 402,063   | -                                   | 402,063                | -  |
| 6,125,454   | -                                   | 6,125,454              | (6,125,454)                                    |
| 423,093   | -                                   | 423,093                | -  |
| 590,597   | 86,399                              | 676,996                | 3,073,301                                      |
| -   | -                                   | -                      | 97,307   |
| 657,539   | (657,539)                           | -                      | -  |
| <u>35,162,295</u>                                       | <u>(571,140)</u>                    | <u>34,591,155</u>      | <u>(2,954,846)</u>                             |
| 1,553,845   | 610,688                             | 2,164,533              | 276,407  |
| <u>50,107,787</u>                                       | <u>68,802,946</u>                   | <u>118,910,733</u>     | <u>189,832,893</u>                             |
| <u>\$ 51,661,632</u>                                    | <u>\$ 69,413,634</u>                | <u>\$ 121,075,266</u>  | <u>\$ 190,109,300</u>                          |

**THIS PAGE INTENTIONALLY LEFT BLANK**



## **FUND FINANCIAL STATEMENTS**

- ◆ **Governmental Funds**
- ◆ **Proprietary funds**
- ◆ **Fiduciary funds**



City of Fort Pierce, Florida  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
September 30, 2019

|  | General<br>Fund | Community<br>Redevelopment<br>Agency |
|--|-----------------|--------------------------------------|
| <b>ASSETS</b>  |                 |                                      |
| Cash and investments   | \$ 6,602,758    | \$ 806,270                           |
| Accounts receivables   | 4,676,330       | 298,485                              |
| Liens receivables  | 4,560,075       | -                                    |
| Due from component unit  | 236,076         | -                                    |
| Due from other funds   | 3,612,194       | -                                    |
| Advances to other funds  | -               | -                                    |
| Due from other governments   | 691,227         | -                                    |
| Prepaid items  | -               | 14,196                               |
| Inventories  | 52,692          | -                                    |
| Notes receivable   | -               | -                                    |
| Total assets   | \$ 20,431,352   | \$ 1,118,951                         |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES, AND FUND BALANCES</b> |                 |                                      |
| <b>LIABILITIES</b>   |                 |                                      |
| Accounts payable and accrued liabilities                                 | \$ 1,052,437    | \$ 4,850                             |
| Contracts payable - retainage  | 5,758           | -                                    |
| Deposits   | 130,459         | -                                    |
| Due to other funds   | -               | 22,691                               |
| Advances from other funds  | 744,280         | -                                    |
| Revenue in advance   | 190,047         | -                                    |
| Total liabilities  | 2,122,981       | 27,541                               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                 |                                      |
| Unavailable revenue  | 9,568,022       | 276,250                              |
| Total Deferred Inflows   | 9,568,022       | 276,250                              |
| <b>FUND BALANCES</b>   |                 |                                      |
| Nonspendable   | 52,692          | 14,196                               |
| Restricted   | -               | 800,964                              |
| Committed  | 462,950         | -                                    |
| Assigned   | 4,242,997       | -                                    |
| Unassigned   | 3,981,710       | -                                    |
| Total fund balances  | 8,740,349       | 815,160                              |
| Total liabilities, deferred inflows<br>of resources, and fund balances   | \$ 20,431,352   | \$ 1,118,951                         |

*The accompanying notes are an integral part of this statement.*

| Restricted<br>Revenue<br>Fund | Other<br>Governmental<br>Funds | Totals               |
|-------------------------------|--------------------------------|----------------------|
| \$ 7,200,623                  | \$ 3,307,787                   | \$ 17,917,438        |
| 28,622                        | 35,345                         | 5,038,782            |
| -                             | -                              | 4,560,075            |
| -                             | -                              | 236,076              |
| -                             | -                              | 3,612,194            |
| -                             | 1,282,848                      | 1,282,848            |
| 28,017                        | 474,695                        | 1,193,939            |
| -                             | -                              | 14,196               |
| -                             | -                              | 52,692               |
| -                             | 1,798,406                      | 1,798,406            |
| <u>\$ 7,257,262</u>           | <u>\$ 6,899,081</u>            | <u>\$ 35,706,646</u> |

|                |                |                  |
|----------------|----------------|------------------|
| \$ 182,018     | \$ 22,900      | \$ 1,262,205     |
| 11,026         | -              | 16,784           |
| -              | -              | 130,459          |
| -              | 100,036        | 122,727          |
| -              | -              | 744,280          |
| -              | -              | 190,047          |
| <u>193,044</u> | <u>122,936</u> | <u>2,466,502</u> |
| -              | 1,798,375      | 11,642,647       |
| -              | 1,798,375      | 11,642,647       |

|                     |                     |                      |
|---------------------|---------------------|----------------------|
| -                   | -                   | 66,888               |
| 7,059,635           | 3,694,922           | 11,555,521           |
| -                   | -                   | 462,950              |
| 4,583               | 1,282,848           | 5,530,428            |
| -                   | -                   | 3,981,710            |
| <u>7,064,218</u>    | <u>4,977,770</u>    | <u>21,597,497</u>    |
| <u>\$ 7,257,262</u> | <u>\$ 6,899,081</u> | <u>\$ 35,706,646</u> |

City of Fort Pierce, Florida

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES**

September 30, 2019

---

|  |    |                   |
|--|----|-------------------|
| Total fund balance per this statement  | \$ | 21,597,497        |
| Amounts reported for governmental activities in the Statement of Net Position are different because:   |    |                   |
| Capital assets used in governmental activities are not financial resources and, therefore, are reported in the funds. The cost of the assets is \$245,338,219 and the accumulated depreciation is \$141,734,602  |    | 103,603,617       |
| Deferred inflows related to pensions and other post employment benefits are not financial resources and therefore are not reported in governmental funds   |    | (300,000)         |
| Long-term liabilities (capital lease obligations, intergovernmental notes, other post employment benefits, accrued compensated absences, and pension liability) of \$86,178,507 plus unamortized premiums of \$3,363,751 are not due and payable and therefore, are not reported in the funds. |    | (82,814,756)      |
| Governmental funds do not report a liability for accrued interest until it is due and payable. Accrued interest must be reported as a liability in the government-wide financial statements.   |    | (427,645)         |
| Insurance costs related to debt issuances and deferred charges on refundings are financial uses in the fund statement; for full accrual, however these expenses are reported as non-current assets in the government-wide financial statements.  |    | 2,886,161         |
| Deferred outflows related to pensions and other post employment benefits are not financial resources and therefore are not reported in governmental funds  |    | 3,556,569         |
| Various receivables, (liens receivable, loans receivable, notes receivable, and due from other governments are not financial resources in the current period and therefore, are reported as unavailable revenue in the funds.  |    | 3,560,189         |
| Net position of governmental activities  | \$ | <u>51,661,632</u> |

*The accompanying notes are an integral part of this statement.*

**THIS PAGE INTENTIONALLY LEFT BLANK**



City of Fort Pierce, Florida  
**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year ended September 30, 2019

|  | General<br>Fund     | Community<br>Redevelopment<br>Agency |
|--|---------------------|--------------------------------------|
| <b>Revenues</b>                              |                     |                                      |
| Taxes  | \$ 22,402,679       | \$ -                                 |
| Licenses and permits                         | 480,104             | -                                    |
| Intergovernmental                            | 5,505,038           | 6,321,663                            |
| Charges for services                         | 431,027             | -                                    |
| Fines and forfeitures                        | 359,458             | -                                    |
| Contributions from component unit            | 6,125,454           | -                                    |
| Investment income                            | 284,828             | 7,746                                |
| Other  | 2,261,020           | 752,162                              |
| Total revenues                               | <u>37,849,608</u>   | <u>7,081,571</u>                     |
| <b>Expenditures</b>                          |                     |                                      |
| Current                                      |                     |                                      |
| General government                           | 12,897,475          | -                                    |
| Public safety                                | 16,514,953          | -                                    |
| Transportation                               | 3,145,704           | -                                    |
| Economic environment                         | -                   | 556,372                              |
| Culture and recreation                       | 2,530,491           | -                                    |
| Capital outlay                               | 1,457,846           | 81,091                               |
| Debt service                                 |                     |                                      |
| Principal                                    | -                   | -                                    |
| Interest and fees                            | 25,735              | 261,779                              |
| Other  | -                   | -                                    |
| Total expenditures                           | <u>36,572,204</u>   | <u>899,242</u>                       |
| Excess of revenues over (under) expenditures | 1,277,404           | 6,182,329                            |
| <b>Other financing sources (uses)</b>        |                     |                                      |
| Transfers in                                 | 4,475,767           | -                                    |
| Debt issuance                                | -                   | -                                    |
| Capital lease issuance                       | 467,928             | -                                    |
| Payment on Advance Refunding                 | -                   | -                                    |
| Transfers out                                | <u>(7,131,302)</u>  | <u>(5,695,369)</u>                   |
| Total other financing sources (uses)         | <u>(2,187,607)</u>  | <u>(5,695,369)</u>                   |
| Net change in fund balances                  | (910,203)           | 486,960                              |
| Fund balances - beginning of year            | <u>9,650,552</u>    | <u>328,200</u>                       |
| Fund balances - end of year                  | <u>\$ 8,740,349</u> | <u>\$ 815,160</u>                    |

*The accompanying notes are an integral part of this statement.*

| Restricted<br>Revenue<br>Fund | Other<br>Governmental<br>Funds | Totals               |
|-------------------------------|--------------------------------|----------------------|
| \$ -                          | \$ -                           | \$ 22,402,679        |
| 324,374                       | -                              | 804,478              |
| 246,236                       | 802,828                        | 12,875,765           |
| -                             | -                              | 431,027              |
| -                             | 4,006                          | 363,464              |
| -                             | -                              | 6,125,454            |
| 132,186                       | 165,834                        | 590,594              |
| 1,480,222                     | 140,288                        | 4,633,692            |
| <u>2,183,018</u>              | <u>1,112,956</u>               | <u>48,227,153</u>    |
| -                             | -                              | 12,897,475           |
| -                             | 370,492                        | 16,885,445           |
| -                             | -                              | 3,145,704            |
| -                             | 1,123,570                      | 1,679,942            |
| -                             | -                              | 2,530,491            |
| 452,285                       | 43,042                         | 2,034,264            |
| -                             | 5,185,396                      | 5,185,396            |
| -                             | 2,388,727                      | 2,676,241            |
| -                             | 67,673                         | 67,673               |
| <u>452,285</u>                | <u>9,178,900</u>               | <u>47,102,631</u>    |
| 1,730,733                     | (8,065,944)                    | 1,124,522            |
| 1,038,574                     | 10,979,741                     | 16,494,082           |
| -                             | 27,764,844                     | 27,764,844           |
| -                             | -                              | 467,928              |
| -                             | (27,696,699)                   | (27,696,699)         |
| <u>(630,338)</u>              | <u>(2,379,534)</u>             | <u>(15,836,543)</u>  |
| <u>408,236</u>                | <u>8,668,352</u>               | <u>1,193,612</u>     |
| 2,138,969                     | 602,408                        | 2,318,134            |
| <u>4,925,249</u>              | <u>4,375,362</u>               | <u>19,279,363</u>    |
| <u>\$ 7,064,218</u>           | <u>\$ 4,977,770</u>            | <u>\$ 21,597,497</u> |

City of Fort Pierce, Florida

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES**

Year ended September 30, 2019

---

|   |                     |
|---|---------------------|
| Net change in fund balances-total governmental funds  | \$ 2,318,134        |
| Amounts reported for governmental activities in the Statement of Activities are different because:  |                     |
| Governmental funds report capital outlays as expenditures, however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$4,837,562) exceeds capital outlay (\$2,034,264) in the current period. | (2,803,298)         |
| Governmental funds report the sale of general capital assets as financial resources, the deletions of general capital assets is not reflected in the fund statement. This is the net amount of the proceeds and the adjusted basis of the assets deleted.   | (20,040)            |
| Repayment of bond and note principal (\$5,185,396) are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.  | 5,185,396           |
| Debt issuance (\$27,764,844) used to refund bonds (\$27,696,699) are other financing sources(uses) in the governmental funds, but increase(decrease) long-term liabilities in the Statement of Net Assets.  | (68,145)            |
| Capital lease issuance (\$467,928) used for capital asset acquisition are other financing sources(uses) in the governmental funds, but increase(decrease) long-term liabilities in the Statement of Net Assets.   | (467,928)           |
| Compensated Absences of (\$23,359) reported in the Statement of Activities, do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.   | (23,359)            |
| In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds interest expenditures are reported when due. This is the net amount between the prior and current year.   | (59,871)            |
| Governmental funds do not recognize expenditures for the Change in Net Pension Liability and OPEB each year. This represents the change in the Net Pension Liability and OPEB in the current year.  | (1,963,529)         |
| Bond insurance costs and discounts are reported as expenditures when paid. In the Statement of Net Position these costs are amortized. Current year amortization expense was (\$360,425)  | (360,425)           |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net amount between the prior and current year.   | (183,090)           |
| Change in Net position of governmental activities   | <u>\$ 1,553,845</u> |

*The accompanying notes are an integral part of this statement.*

City of Fort Pierce, Florida  
**STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND**  
Year ended September 30, 2019

|                                       | Budgeted Amounts    |                     | Actual              | Variance    |
|---------------------------------------|---------------------|---------------------|---------------------|-------------|
|                                       | Original            | Final               |                     |             |
| <b>Revenues</b>                       |                     |                     |                     |             |
| Taxes                                 | \$ 21,761,008       | \$ 22,402,679       | \$ 22,402,679       | \$ -        |
| Licenses and permits                  | 383,000             | 480,104             | 480,104             | -           |
| Intergovernmental                     | 3,599,000           | 5,505,038           | 5,505,038           | -           |
| Charges for services                  | 330,800             | 431,027             | 431,027             | -           |
| Fines and forfeitures                 | 246,000             | 359,458             | 359,458             | -           |
| Contributions from component unit     | 6,082,515           | 6,125,454           | 6,125,454           | -           |
| Investment income                     | 90,000              | 284,828             | 284,828             | -           |
| Other                                 | 2,141,434           | 2,261,020           | 2,261,020           | -           |
| Total revenues                        | <u>34,633,757</u>   | <u>37,849,608</u>   | <u>37,849,608</u>   | -           |
| <b>Expenditures</b>                   |                     |                     |                     |             |
| General government                    | 13,325,521          | 14,240,486          | 14,240,486          | -           |
| Public safety                         | 15,332,865          | 16,589,749          | 16,589,749          | -           |
| Transportation                        | 3,078,380           | 3,156,979           | 3,156,979           | -           |
| Culture and recreation                | 2,473,050           | 2,584,990           | 2,584,990           | -           |
| Total expenditures                    | <u>34,209,816</u>   | <u>36,572,204</u>   | <u>36,572,204</u>   | -           |
| Excess of revenues over expenditures  | 423,941             | 1,277,404           | 1,277,404           | -           |
| <b>Other financing sources (uses)</b> |                     |                     |                     |             |
| Capital lease proceeds                | -                   | 467,928             | 467,928             | -           |
| Transfers in                          | 4,038,947           | 4,475,767           | 4,475,767           | -           |
| Transfers out                         | <u>(4,699,797)</u>  | <u>(7,131,302)</u>  | <u>(7,131,302)</u>  | -           |
| Total other financing sources (uses)  | <u>(660,850)</u>    | <u>(2,187,607)</u>  | <u>(2,187,607)</u>  | -           |
| Net change in fund balances           | (236,909)           | (910,203)           | (910,203)           | -           |
| Fund balance - beginning of year      | <u>9,650,552</u>    | <u>9,650,552</u>    | <u>9,650,552</u>    | -           |
| Fund balance - end of year            | <u>\$ 9,413,643</u> | <u>\$ 8,740,349</u> | <u>\$ 8,740,349</u> | <u>\$ -</u> |

*The accompanying notes are an integral part of this statement.*

City of Fort Pierce, Florida

**STATEMENT OF SPECIAL REVENUE FUND REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
COMMUNITY REDEVELOPMENT AGENCY  
Year ended September 30, 2019**

|                                       | Budgeted Amounts   |                    | Actual             | Variance    |
|---------------------------------------|--------------------|--------------------|--------------------|-------------|
|                                       | Original           | Final              |                    |             |
| <b>Revenues</b>                       |                    |                    |                    |             |
| Intergovernmental                     | \$ 6,306,127       | \$ 6,321,663       | \$ 6,321,663       | \$ -        |
| Investment income                     | 500                | 7,746              | 7,746              | -           |
| Other                                 | 177,500            | 752,162            | 752,162            | -           |
| Total revenues                        | <u>6,484,127</u>   | <u>7,081,571</u>   | <u>7,081,571</u>   | <u>-</u>    |
| <b>Expenditures</b>                   |                    |                    |                    |             |
| Current                               |                    |                    |                    |             |
| Economic environment                  | 862,261            | 556,372            | 556,372            | -           |
| Capital outlay                        | -                  | 81,091             | 81,091             | -           |
| Debt service                          | -                  | 261,779            | 261,779            | -           |
| Total expenditures                    | <u>862,261</u>     | <u>899,242</u>     | <u>899,242</u>     | <u>-</u>    |
| Excess of revenues over expenditures  | 5,621,866          | 6,182,329          | 6,182,329          | -           |
| <b>Other financing sources (uses)</b> |                    |                    |                    |             |
| Transfers out                         | <u>(5,621,866)</u> | <u>(5,695,369)</u> | <u>(5,695,369)</u> | <u>-</u>    |
| Total other financing sources (uses)  | (5,621,866)        | (5,695,369)        | (5,695,369)        | -           |
| Net change in fund balances           | -                  | 486,960            | 486,960            | -           |
| Fund balance - beginning of year      | <u>328,200</u>     | <u>328,200</u>     | <u>328,200</u>     | <u>-</u>    |
| Fund balance - end of year            | <u>\$ 328,200</u>  | <u>\$ 815,160</u>  | <u>\$ 815,160</u>  | <u>\$ -</u> |

*The accompanying notes are an integral part of this statement.*

**THIS PAGE INTENTIONALLY LEFT BLANK**



City of Fort Pierce, Florida  
**STATEMENT OF NET POSITION -**  
**PROPRIETARY FUNDS**  
September 30, 2019

|                                      | Business-type Activities |                     |                     |
|--------------------------------------|--------------------------|---------------------|---------------------|
|                                      | Solid Waste              | Marina              | Storm Water         |
| <b>ASSETS</b>                        |                          |                     |                     |
| CURRENT ASSETS                       |                          |                     |                     |
| Cash and investments                 | \$ 189,259               | \$ 232,754          | \$ -                |
| Receivables - net of allowances:     |                          |                     |                     |
| Accounts                             | 849,365                  | 125,431             | 1,231,756           |
| Unbilled services                    | 187,488                  | -                   | -                   |
| Due from component units             | 711,778                  | -                   | 251,508             |
| Due from other governments           | -                        | -                   | 410,267             |
| Inventories and other current assets | -                        | 14,783              | -                   |
| Restricted Assets                    |                          |                     |                     |
| Cash and investments                 | -                        | 2,524,648           | -                   |
| Total current assets                 | <u>1,937,890</u>         | <u>2,897,616</u>    | <u>1,893,531</u>    |
| NON-CURRENT ASSETS                   |                          |                     |                     |
| Prepaid Insurance                    | -                        | 59,184              | 16,821              |
| Non-depreciable capital assets       |                          |                     |                     |
| Land                                 | -                        | 9,197               | -                   |
| Construction in progress             | -                        | 184,823             | 950,202             |
| Depreciable capital assets           |                          |                     |                     |
| Buildings                            | 122,858                  | 843,196             | -                   |
| Improvements other than buildings    | 47,243                   | 45,568,762          | 54,535,472          |
| Equipment                            | 9,163,959                | 187,436             | 1,085,563           |
| Accumulated depreciation             | <u>(7,373,823)</u>       | <u>(12,977,040)</u> | <u>(16,272,286)</u> |
| Total non-current assets             | <u>1,960,237</u>         | <u>33,875,558</u>   | <u>40,315,772</u>   |
| Total assets                         | <u>3,898,127</u>         | <u>36,773,174</u>   | <u>42,209,303</u>   |
| <b>DEFERRED OUTFLOWS</b>             |                          |                     |                     |
| Pensions                             | 485,163                  | 113,151             | -                   |
| OPEB                                 | 27,302                   | 6,258               | -                   |
| Total deferred outflows              | <u>512,465</u>           | <u>119,409</u>      | <u>-</u>            |

*The accompanying notes are an integral part of this statement.*

---

| <u>Golf Course</u> | <u>Sunrise Theatre</u> | <u>Building Fund</u> | <u>Business-type<br/>Activities<br/>Totals</u> |
|--------------------|------------------------|----------------------|--|
| \$ 950             | \$ 3,600               | \$ 2,187,177         | \$ 2,613,740                                   |
| 2,303              | 6,589                  | -                    | 2,215,444                                      |
| -                  | -                      | -                    | 187,488  |
| -                  | -                      | 2,415                | 965,701  |
| -                  | -                      | -                    | 410,267  |
| 15,369             | -                      | -                    | 30,152   |
| <u>6,754</u>       | <u>40,813</u>          | <u>-</u>             | <u>2,572,215</u>                               |
| <u>25,376</u>      | <u>51,002</u>          | <u>2,189,592</u>     | <u>8,995,007</u>                               |
| -                  | -                      | -                    | 76,005   |
| 314,811            | 350,000                | -                    | 674,008  |
| -                  | -                      | 45,245               | 1,180,270                                      |
| 877,676            | 16,059,347             | -                    | 17,903,077                                     |
| 2,774,831          | -                      | -                    | 102,926,308                                    |
| 458,331            | 213,635                | 458,155              | 11,567,079                                     |
| <u>(2,084,275)</u> | <u>(7,270,095)</u>     | <u>(328,443)</u>     | <u>(46,305,962)</u>                            |
| <u>2,341,374</u>   | <u>9,352,887</u>       | <u>174,957</u>       | <u>88,020,785</u>                              |
| <u>2,366,750</u>   | <u>9,403,889</u>       | <u>2,364,549</u>     | <u>97,015,792</u>                              |
| 59,375             | 107,805                | 307,495              | 1,072,989                                      |
| 3,300              | 6,458                  | 18,258               | 61,576   |
| <u>62,675</u>      | <u>114,263</u>         | <u>325,753</u>       | <u>1,134,565</u>                               |

City of Fort Pierce, Florida  
**STATEMENT OF NET POSITION- (CONTINUED)**  
**PROPRIETARY FUNDS**  
September 30, 2019

|  | Business-type Activities |               |               |
|--|--------------------------|---------------|---------------|
|  | Solid Waste              | Marina        | Storm Water   |
| <b>LIABILITIES AND EQUITY</b>              |                          |               |               |
| <b>CURRENT LIABILITIES</b>                 |                          |               |               |
| Accounts payable and accrued liabilities   | \$ 557,252               | \$ 155,451    | \$ 331,177    |
| Contracts payable - retainage              | -                        | 6,955         | 95,020        |
| Due to other funds                         | 6,666                    | 7,163         | 2,088,468     |
| Accrued compensated absences               | 14,275                   | 4,714         | -             |
| Revenue bonds and notes - current          | -                        | 409,436       | 900,000       |
| Capital Lease Payable-current              | 311,411                  | -             | -             |
| Accrued interest - revenue bonds and notes | -                        | 16,042        | -             |
| Liabilities payable from restricted assets |                          |               |               |
| Customer deposits                          | -                        | 136,959       | -             |
| Revenue in Advance                         | -                        | -             | -             |
|  | <hr/>                    | <hr/>         | <hr/>         |
| Total current liabilities                  | 889,604                  | 736,720       | 3,414,665     |
| <b>NON-CURRENT LIABILITIES</b>             |                          |               |               |
| Advances from other funds                  | -                        | 538,568       | -             |
| Other Post Employment Benefits             | 184,900                  | 42,383        | -             |
| Accrued compensated absences               | 250,984                  | 83,907        | -             |
| Net Pension Liability                      | 951,754                  | 221,970       | -             |
| Capital Lease Payable                      | 540,409                  | -             | -             |
| Revenue bonds and notes payable, net       | -                        | 7,661,439     | 9,314,676     |
|  | <hr/>                    | <hr/>         | <hr/>         |
| Total non-current liabilities              | 1,928,047                | 8,548,267     | 9,314,676     |
| Total liabilities                          | <hr/>                    | <hr/>         | <hr/>         |
|  | 2,817,651                | 9,284,987     | 12,729,341    |
| <b>DEFERRED INFLOWS</b>                    |                          |               |               |
| Pensions                                   | 242,443                  | 56,543        | -             |
| OPEB                                       | 3,551                    | 814           | -             |
| Total deferred inflows                     | <hr/>                    | <hr/>         | <hr/>         |
|  | 245,994                  | 57,357        | -             |
| <b>NET POSITION</b>                        |                          |               |               |
| Net Invested in capital assets             | 1,108,417                | 25,745,499    | 30,084,275    |
| Restricted for capital projects            | -                        | 2,387,689     | -             |
| Unrestricted                               | 238,530                  | (582,949)     | (604,313)     |
| Total net position                         | <hr/>                    | <hr/>         | <hr/>         |
|  | \$ 1,346,947             | \$ 27,550,239 | \$ 29,479,962 |

*The accompanying notes are an integral part of this statement.*

|                     |                     |                     | Business-type<br>Activities<br>Totals |
|---------------------|---------------------|---------------------|---------------------------------------|
| Golf Course         | Sunrise Theatre     | Building Fund       |                                       |
| \$ 35,117           | \$ 48,536           | \$ 119,144          | \$ 1,246,677                          |
| -                   | -                   | -                   | 101,975                               |
| 635,468             | 740,645             | 11,057              | 3,489,467                             |
| 1,944               | 48,363              | 6,563               | 75,859                                |
| -                   | -                   | -                   | 1,309,436                             |
| -                   | -                   | -                   | 311,411                               |
| -                   | -                   | -                   | 16,042                                |
| 6,754               | 40,813              | -                   | 184,526                               |
| -                   | 389,579             | -                   | 389,579                               |
| <u>679,283</u>      | <u>1,267,936</u>    | <u>136,764</u>      | <u>7,124,972</u>                      |
| -                   | -                   | -                   | 538,568                               |
| 22,346              | 43,732              | 123,646             | 417,007                               |
| 8,489               | 25,560              | 121,613             | 490,553                               |
| 116,477             | 211,482             | 603,220             | 2,104,903                             |
| -                   | -                   | -                   | 540,409                               |
| -                   | -                   | -                   | 16,976,115                            |
| <u>147,312</u>      | <u>280,774</u>      | <u>848,479</u>      | <u>21,067,555</u>                     |
| <u>826,595</u>      | <u>1,548,710</u>    | <u>985,243</u>      | <u>28,192,527</u>                     |
| 29,672              | 53,871              | 153,659             | 536,188                               |
| 429                 | 840                 | 2,374               | 8,008                                 |
| <u>30,101</u>       | <u>54,711</u>       | <u>156,033</u>      | <u>544,196</u>                        |
| 2,341,374           | 9,352,887           | 174,957             | 68,807,409                            |
| -                   | -                   | -                   | 2,387,689                             |
| (768,645)           | (1,438,156)         | 1,374,069           | (1,781,464)                           |
| <u>\$ 1,572,729</u> | <u>\$ 7,914,731</u> | <u>\$ 1,549,026</u> | <u>\$ 69,413,634</u>                  |

City of Fort Pierce, Florida  
**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION -  
PROPRIETARY FUNDS**  
Year ended September 30, 2019

|  | Business-type Activities |                      |                      |
|--|--------------------------|----------------------|----------------------|
|  | Solid Waste              | Marina               | Storm Water          |
| Operating revenues                                       |                          |                      |                      |
| Sales and charges for services                           | \$ 7,598,417             | \$ 1,752,603         | \$ 2,678,791         |
| Gas and oil sales  | -                        | 1,132,565            | -                    |
| Other  | 50,140                   | 585,524              | 166,480              |
| Total operating revenues                                 | <u>7,648,557</u>         | <u>3,470,692</u>     | <u>2,845,271</u>     |
| Operating expenses                                       |                          |                      |                      |
| Personal services  | 2,170,524                | 463,585              | -                    |
| General and administrative                               | 80,000                   | -                    | 236,852              |
| Cost of goods and services sold                          | 2,392,543                | 1,010,714            | -                    |
| Depreciation   | 508,933                  | 1,126,095            | 1,334,588            |
| Other operating expenses                                 | 1,590,410                | 1,394,018            | 1,423,576            |
| Total operating expenses                                 | <u>6,742,410</u>         | <u>3,994,412</u>     | <u>2,995,016</u>     |
| Operating income (loss)                                  | 906,147                  | (523,720)            | (149,745)            |
| Non-operating revenues (expenses)                        |                          |                      |                      |
| Investment income  | 10,170                   | 10,875               | 20,984               |
| Interest expense   | (36,325)                 | (381,434)            | (326,537)            |
| Total non-operating revenues (expenses)                  | <u>(26,155)</u>          | <u>(370,559)</u>     | <u>(305,553)</u>     |
| Income (loss) before transfers and capital contributions | 879,992                  | (894,279)            | (455,298)            |
| Capital Contributions                                    | -                        | -                    | 2,890,929            |
| Transfers in   | -                        | -                    | -                    |
| Transfers out  | (882,491)                | (250,000)            | -                    |
| CHANGE IN NET POSITION                                   | (2,499)                  | (1,144,279)          | 2,435,631            |
| Total net position - beginning                           | <u>1,349,446</u>         | <u>28,694,518</u>    | <u>27,044,331</u>    |
| Total net position - end of year                         | <u>\$ 1,346,947</u>      | <u>\$ 27,550,239</u> | <u>\$ 29,479,962</u> |

*The accompanying notes are an integral part of this statement.*

|                     |                     |                     | Business-type<br>Activities<br>Totals |
|---------------------|---------------------|---------------------|---------------------------------------|
| Golf Course         | Sunrise Theatre     | Building Fund       |                                       |
| \$ 1,144,336        | \$ 2,457,285        | \$ 2,302,689        | \$ 17,934,121                         |
| -                   | -                   | -                   | 1,132,565                             |
| 7,033               | 9,192               | 33,855              | 852,224                               |
| <u>1,151,369</u>    | <u>2,466,477</u>    | <u>2,336,544</u>    | <u>19,918,910</u>                     |
| 383,550             | 361,257             | 1,341,041           | 4,719,957                             |
| 59,853              | 94,218              | -                   | 470,923                               |
| 45,882              | 852,541             | -                   | 4,301,680                             |
| 140,492             | 546,487             | 68,786              | 3,725,381                             |
| 998,411             | 1,811,793           | 447,566             | 7,665,774                             |
| <u>1,628,188</u>    | <u>3,666,296</u>    | <u>1,857,393</u>    | <u>20,883,715</u>                     |
| (476,819)           | (1,199,819)         | 479,151             | (964,805)                             |
| 2,428               | 2,841               | 39,101              | 86,399                                |
| -                   | -                   | -                   | (744,296)                             |
| <u>2,428</u>        | <u>2,841</u>        | <u>39,101</u>       | <u>(657,897)</u>                      |
| (474,391)           | (1,196,978)         | 518,252             | (1,622,702)                           |
| -                   | -                   | -                   | 2,890,929                             |
| -                   | 480,338             | -                   | 480,338                               |
| -                   | -                   | (5,386)             | (1,137,877)                           |
| (474,391)           | (716,640)           | 512,866             | 610,688                               |
| <u>2,047,120</u>    | <u>8,631,371</u>    | <u>1,036,160</u>    | <u>68,802,946</u>                     |
| <u>\$ 1,572,729</u> | <u>\$ 7,914,731</u> | <u>\$ 1,549,026</u> | <u>\$ 69,413,634</u>                  |

City of Fort Pierce, Florida  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
Year ended September 30, 2019

|  | Business-type Activities |                     |
|--|--------------------------|---------------------|
|  | Solid Waste              | Marina              |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |                          |                     |
| Receipts from customers  | \$ 7,724,508             | \$ 3,341,856        |
| Receipts from rental property  | -                        | 141,277             |
| Payments to suppliers for goods and services                         | (4,515,460)              | (2,455,777)         |
| Payments to employees for services                                   | (1,248,416)              | (293,983)           |
| Payments for benefits on behalf of employees                         | (720,426)                | (133,819)           |
| Net cash provided (used) by operating activities                     | <u>1,240,206</u>         | <u>599,554</u>      |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>               |                          |                     |
| Transfers in   | -                        | -                   |
| Transfers (out)  | (882,491)                | (250,000)           |
| Net cash provided (used) by noncapital financing activities          | <u>(882,491)</u>         | <u>(250,000)</u>    |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>      |                          |                     |
| Acquisition and construction of capital assets                       | (404,378)                | (612,310)           |
| Receipts from Intergovernmental                                      | -                        | 351,428             |
| Bond and loan principal payments                                     | (351,865)                | (267,369)           |
| Bond proceeds  | -                        | 3,225,000           |
| Bond and loan interest payments                                      | (36,325)                 | (432,682)           |
| Net cash provided (used) by capital and related financing activities | <u>(792,568)</u>         | <u>2,264,067</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |                          |                     |
| Interest on cash and investments                                     | 10,170                   | 10,875              |
| Net cash provided (used) by investing activities                     | <u>10,170</u>            | <u>10,875</u>       |
| Net increase (decrease) in cash and investments                      | (424,683)                | 2,624,496           |
| Cash and investments at beginning of year                            | 613,942                  | 132,906             |
| Cash and investments at end of year                                  | <u>\$ 189,259</u>        | <u>\$ 2,757,402</u> |
| Cash and investments-unrestricted                                    | \$ 189,259               | \$ 232,754          |
| Cash and investments-restricted                                      | -                        | 2,524,648           |
|  | <u>\$ 189,259</u>        | <u>\$ 2,757,402</u> |

*The accompanying notes are an integral part of this statement.*

|                    |                 |                  |                     | Business-type<br>Activities<br>Totals |
|--------------------|-----------------|------------------|---------------------|---------------------------------------|
| Storm Water        | Golf Course     | Sunrise Theatre  | Building Fund       |                                       |
| \$ 2,639,564       | \$ 1,150,305    | \$ 2,432,569     | \$ 2,334,703        | \$ 19,623,505                         |
| -                  | -               | -                | -                   | 141,277                               |
| (293,438)          | (815,418)       | (2,538,944)      | (398,044)           | (11,017,081)                          |
| -                  | (120,184)       | (285,647)        | (724,359)           | (2,672,589)                           |
| -                  | (210,377)       | (100,827)        | (399,616)           | (1,565,065)                           |
| <u>2,346,126</u>   | <u>4,326</u>    | <u>(492,849)</u> | <u>812,684</u>      | <u>4,510,047</u>                      |
| -                  | -               | 480,338          | -                   | 480,338                               |
| -                  | -               | -                | (5,386)             | (1,137,877)                           |
| -                  | -               | 480,338          | (5,386)             | (657,539)                             |
| (4,039,376)        | -               | -                | (120,717)           | (5,176,781)                           |
| 3,853,012          | -               | -                | -                   | 4,204,440                             |
| (1,730,000)        | -               | -                | -                   | (2,349,234)                           |
| -                  | -               | -                | -                   | 3,225,000                             |
| (500,102)          | -               | -                | -                   | (969,109)                             |
| <u>(2,416,466)</u> | <u>-</u>        | <u>-</u>         | <u>(120,717)</u>    | <u>(1,065,684)</u>                    |
| <u>20,984</u>      | <u>2,428</u>    | <u>2,841</u>     | <u>39,101</u>       | <u>86,399</u>                         |
| <u>20,984</u>      | <u>2,428</u>    | <u>2,841</u>     | <u>39,101</u>       | <u>86,399</u>                         |
| (49,356)           | 6,754           | (9,670)          | 725,682             | 2,873,223                             |
| <u>49,356</u>      | <u>950</u>      | <u>54,083</u>    | <u>1,461,495</u>    | <u>2,312,732</u>                      |
| <u>\$ -</u>        | <u>\$ 7,704</u> | <u>\$ 44,413</u> | <u>\$ 2,187,177</u> | <u>\$ 5,185,955</u>                   |
| \$ -               | \$ 950          | \$ 3,600         | \$ 2,187,177        | \$ 2,613,740                          |
| -                  | 6,754           | 40,813           | -                   | 2,572,215                             |
| <u>\$ -</u>        | <u>\$ 7,704</u> | <u>\$ 44,413</u> | <u>\$ 2,187,177</u> | <u>\$ 5,185,955</u>                   |

City of Fort Pierce, Florida  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
Year ended September 30, 2019

|  | Business-type Activities |                   |
|--|--------------------------|-------------------|
|  | Solid Waste              | Marina            |
| <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>         |                          |                   |
| Operating income (loss)  | \$ 906,147               | \$ (523,720)      |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: |                          |                   |
| Depreciation expense   | 508,933                  | 1,126,095         |
| (Increase) decrease in accounts receivable   | 120,910                  | 10,593            |
| (Increase) decrease in due from component unit   | (44,957)                 | -                 |
| (Increase) decrease in inventories and other current assets                                    | 74,445                   | 73,627            |
| (Increase) decrease in deferred outflows   | (122,499)                | (29,306)          |
| Increase (decrease) in accounts payable and accrued liabilities                                | 84,325                   | 77,503            |
| Increase (decrease) in due to other funds  | (602,000)                | (202,575)         |
| Increase (decrease) in customer deposits   | -                        | 1,855             |
| Increase (decrease) in other post employment benefits  | 32,385                   | 8,515             |
| Increase (decrease) in Net Pension Liability   | 336,724                  | 79,861            |
| Increase (decrease) in Deferred Inflows  | (82,465)                 | (18,530)          |
| Increase (decrease) in accrued compensated absences  | 28,258                   | (4,364)           |
| Net cash provided (used) by operating activities   | <u>\$ 1,240,206</u>      | <u>\$ 599,554</u> |

*The accompanying notes are an integral part of this statement.*

---

| <u>Storm Water</u>  | <u>Golf Course</u> | <u>Sunrise Theatre</u> | <u>Building Fund</u> | <u>Business-type<br/>Activities<br/>Totals</u> |
|---------------------|--------------------|------------------------|----------------------|--|
| \$ (149,745)        | \$ (476,819)       | \$ (1,199,819)         | 479,151              | \$ (964,805)                                   |
| 1,334,588           | 140,492            | 546,487                | 68,786               | 3,725,381                                      |
| 45,803              | (1,223)            | (171)                  | -                    | 175,912  |
| (251,508)           | -                  | -                      | (1,840)              | (298,305)                                      |
| 4,202               | 30,743             | 57,676                 | 7,454                | 248,147  |
| -                   | (24,504)           | 14,049                 | (124,491)            | (286,751)                                      |
| (607,884)           | (28,473)           | (19,735)               | 48,587               | (445,677)                                      |
| 1,970,670           | 288,760            | 181,358                | 1,062                | 1,637,275                                      |
| -                   | 161                | (33,737)               | -                    | (31,721)                                       |
| -                   | 15,980             | (7,637)                | 40,356               | 89,599   |
| -                   | 56,250             | 9,121                  | 285,813              | 767,769  |
| -                   | (2,027)            | (53,364)               | (13,498)             | (169,884)                                      |
| -                   | 4,986              | 12,923                 | 21,304               | 63,107   |
| <u>\$ 2,346,126</u> | <u>\$ 4,326</u>    | <u>\$ (492,849)</u>    | <u>\$ 812,684</u>    | <u>\$ 4,510,047</u>                            |

**THIS PAGE INTENTIONALLY LEFT BLANK**



## TRUST FUNDS

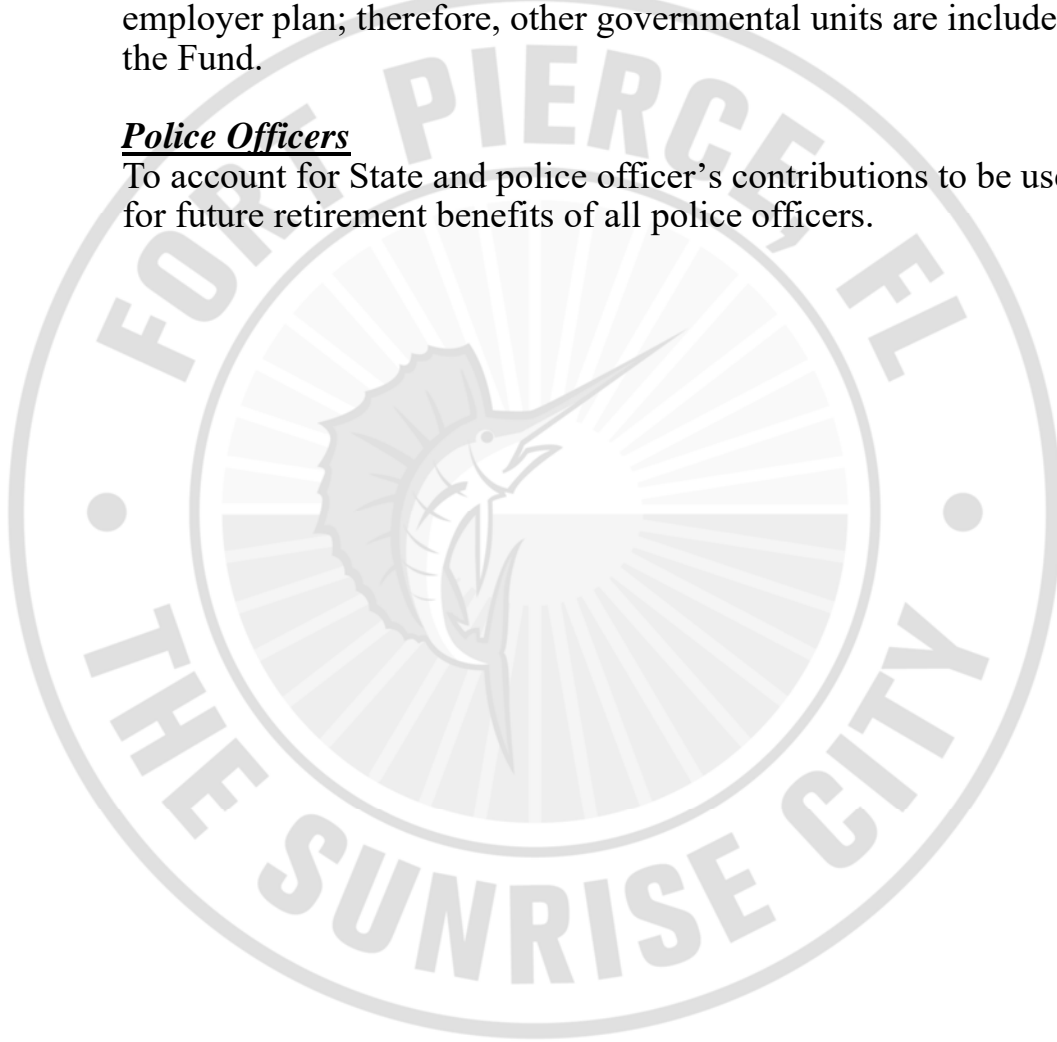
### ◆ Pension Trust

#### General Employees

To account for the accumulation of resources to be used for retirement benefits of all City employees. The City has a multi-employer plan; therefore, other governmental units are included in the Fund.

#### Police Officers

To account for State and police officer's contributions to be used for future retirement benefits of all police officers.



City of Fort Pierce, Florida  
**STATEMENT OF FIDUCIARY FUNDS NET POSITION**  
September 30, 2019

|  | Pension<br>Trusts |
|--|-------------------|
| <b>ASSETS</b>                                  |                   |
| Cash and cash equivalents                      | \$ 840,353        |
| Investments, at fair value:                    |                   |
| U.S. Government Securities                     | 21,136,478        |
| Municipal Bonds                                | 313,708           |
| Mutual Funds                                   | 126,254,224       |
| Certificates of Deposit                        | 349,856           |
| Common Stock                                   | 15,473,448        |
| Corporate Bonds                                | 30,913,666        |
| Real Estate Trust L.P.                         | 20,852,825        |
| Common Trust Fund                              | 940,127           |
| Money Market                                   | 2,470,966         |
| Total investments                              | 218,705,298       |
| Total cash and investments                     | 219,545,651       |
| Accounts receivable                            | 317,014           |
| Accrued interest receivable                    | 382,903           |
|  | 220,245,568       |
| <br><b>LIABILITIES AND NET POSITION</b>        |                   |
| <b>LIABILITIES</b>                             |                   |
| Accounts payable and accrued liabilities       | 78,152            |
| Total liabilities                              | 78,152            |
| <br><b>NET POSITION-RESTRICTED FOR PENSION</b> |                   |
| <b>BENEFITS</b>                                | \$ 220,167,416    |

*The accompanying notes are an integral part of this statement.*

City of Fort Pierce, Florida  
**STATEMENT OF CHANGES IN FIDUCIARY FUNDS NET POSITION**  
Year ended September 30, 2019

|   | Pension<br>Trusts |
|---|-------------------|
| <b>ADDITIONS</b>                              |                   |
| Contributions                                 |                   |
| Employer                                      | \$ 5,240,707      |
| Employees                                     | 2,388,106         |
| State-Via the General Fund                    | 402,063           |
| Total contributions                           | 8,030,876         |
| Investment income                             |                   |
| Interest                                      | 2,610,548         |
| Dividends                                     | 1,407,291         |
| Net appreciation in fair value of investments | 2,816,451         |
| Total investment income                       | 6,834,290         |
| Investment expenses                           | (830,044)         |
| Net investment income                         | 6,004,246         |
| Total additions                               | 14,035,122        |
| <b>DEDUCTIONS</b>                             |                   |
| Retirement benefits paid                      | 14,874,016        |
| Refunds of employee contributions             | 467,789           |
| Administrative expenses                       | 325,176           |
| Insurance expense                             | 20,651            |
| Total deductions                              | 15,687,632        |
| Net Increase(Decrease)                        | (1,652,510)       |
| <b>NET POSITION-RESTRICTED FOR PENSION</b>    |                   |
| <b>BENEFITS</b>                               |                   |
| Beginning of year                             | 221,819,926       |
| End of year                                   | \$ 220,167,416    |

*The accompanying notes are an integral part of this statement.*

## NOTES TO THE FINANCIAL STATEMENTS



***NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

The accompanying financial statements of the City of Fort Pierce, Florida (City) have been prepared in conformity with accounting principles (“GAAP”) generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the standard-setting body for governmental accounting and financial reporting.

***1. REPORTING ENTITY***

The City of Fort Pierce, Florida was incorporated in 1901 under the general law. This incorporation was validated by Act of the State Legislature, Chapter 5100, Acts 1901. The City covers an area of approximately 35.07 square miles and is located in St. Lucie County, Florida. The City operates under an elected City Commission (5 members) and provides services to its more than 46,071 residents in the form of law enforcement, street maintenance, solid waste, culture and recreation, planning and zoning, human resources and general administrative services.

The accompanying financial statements present the primary government and its component units. Component units are legally separate entities for which the primary government is financially accountable or entities which should be included in the City’s financial statements because of the nature and significance of their relationship with the primary government.

The decision to include a potential component unit in the City’s reporting entity is based on the criteria stated in GASB Statement No. 14 – *The Financial Reporting Entity*, as amended by GASB 39, “*Determining Whether Certain Organizations are Component Units*” and GASB 61, “*The Financial Reporting Entity; Omnibus an Amendment of GASB Statements No. 14 and No. 34*” which includes the ability to appoint a voting majority of an organization’s governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burden on the City, or the nature and significance of the relationship between the City and the organization is such that exclusion would cause the City’s financial statements to be incomplete.

Blended component units, although legally separate entities, are, in substance, part of the City’s operations. Accordingly, data from these component units are included with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the financial statements to emphasize that it is legally separate from the City. The financial activities and balances for each blended and discretely presented component units are as of and for the period ended September 30, 2019.

***A. BLENDED COMPONENT UNITS***

Community Redevelopment Agency

The Community Redevelopment Agency (CRA) was established for the purpose of carrying out redevelopment activities for certain areas existing in the City of Fort Pierce. The members of the governing board are comprised of the Fort Pierce City Commission. The CRA’s budget is subject to approval by the City Commission and the primary government has operational responsibility for the CRA.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**1. REPORTING ENTITY (CONTINUED)**

**B. DISCRETELY PRESENTED COMPONENT UNIT**

Fort Pierce Utilities Authority

The Fort Pierce Utilities Authority (Authority) provides electric, water, wastewater and natural gas services to residents and businesses of Fort Pierce and is responsible for the management and operations of the Manatee Observation and Education Center. The members of the governing board are appointed and/or removed from office by the Fort Pierce City Commission. The budget and rates for services are subject to the approval of the Commission. Complete financial statements of the Authority can be obtained from its administrative office located at 206 South Sixth Street, Fort Pierce, Florida 34948.

**C. RELATED ORGANIZATION**

Fort Pierce Housing Authority

The Mayor of Fort Pierce is responsible for appointing the members of the Board of the Fort Pierce Housing Authority (FPHA), but the City's accountability for this organization does not extend beyond making these appointments. The FPHA's operating and capital expenditures, including debt service, are financed entirely from federal grants and rentals. The City has no involvement in the determination of FPHA's budget or rental rates, and has no obligation for FPHA's outstanding debt. Hence, the FPHA is not considered a component unit of the City, and no financial information is included in these financial statements.

**2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The basic financial statements include both government-wide financial statements (based on the City as a whole) and fund financial statements. Separate financial statements are provided for governmental funds, propriety funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

***NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***

***2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)***

The Government-Wide Statement of Net Position reports all financial and capital resources of the City, excluding those reported in the fiduciary funds. It is displayed in the format of assets and deferred outflows less liabilities and deferred inflows, equals net position, with the assets and liabilities shown in order of their relative liquidity. Net position is required to be displayed in three components: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The restricted component of net position consists of restricted assets reduced by liabilities related to those assets. Restricted assets are those with constraints placed on their use that are either: (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. The unrestricted component of net position is the net amount of the assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The City chooses to eliminate the general and administrative charges between governmental activities to avoid a “doubling up” effect.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*, as are the proprietary fund, and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The measurement focus of the governmental funds (in the Fund Financial Statements) is upon determination of financial position and changes in financial position rather than upon net income.

These governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considered property taxes as available if they are collected within 60 days after year-end. A six-month availability period is used for revenue recognition for all other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxpayer-assessed property and other taxes, and charges for regularly billed or routinely provided services, are recorded as revenue when earned, taxpayer liability has been established and collectability is assured, or losses can be reasonably estimated. Licenses and fees, fines and forfeitures, and miscellaneous revenues are recorded when received in cash, because they are generally not measurable until actually received. Investment income from cash deposits is recorded as revenue when earned, since it is measurable and available.

The city reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *community redevelopment agency-special revenue fund* accounts for the redevelopment of designated areas within the City. Financing is provided by an incremental increase in ad valorem taxes levied each year.

The *restricted revenue fund-special revenue fund* accounts for all revenue that is restricted as to the purpose the money generated can be utilized such as impact fees, municipal service taxing unit revenue, and certain license and permit fees.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)**

The government reports the following major proprietary funds:

Business type activities

The *solid waste fund* is used to account for the solid waste disposal services provided to the residents of the City.

The *marina fund* is used to account for the activities of a special recreation facility for the residents of the City and the surrounding area.

The *storm water fund* is used to account for the storm water drainage and control services provided to the residents of the City.

The *golf course fund* is used to account for the activities of a special recreation facility for the residents of the City and the surrounding area.

The *sunrise theatre fund* is used to account for the activities of a historic theatre for the residents of the City and the surrounding area.

The *building fund* is used to account for the activities of a building department for the residents of the City.

Governmental activities

Additionally, the government reports the following fund types:

Fiduciary funds

The two pension trust funds account for the activities of the General Employees and the Police Officers' Pension Plans, which accumulate resources for pension benefit payments to qualified employees of the respective plans.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's solid waste disposal function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)**

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

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

**4. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE**

**a. Deposits and investments**

The City has defined cash and cash equivalents to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes and local ordinances authorize the government and the component units to invest in various types of investments as discussed in a subsequent note.

Investments of the City, as well as for its component units, are reported at fair value within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

Investments include the State Board of Administration Pooled Trust Fund which operates in accordance with appropriate state laws and regulations. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value based on market indicators regarded as measures of equity or fixed income performance results. The City does not have a significant amount of investments valued at other than quoted market prices, except in the pension trust funds, amortization of premium and accretion of discount on investments purchased are not recorded over the term of the investment. The effect of this policy on the financial statements of the various funds is not significant. The reported value of the pool is the same as the fair value of the pool shares.

**b. Receivables and payables**

All trade receivables are shown net of an allowance for uncollectible accounts. Unbilled service receivables represent the estimated amount of accounts receivable for services that have not yet been billed. The amount represents a timing difference between the end of the financial statement cycle (month end) and the billing cycle (varying dates each billing period).

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (CONTINUED)**

**c. Due to/Due from**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of inter-fund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans.) All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

**d. Inventories and prepaid items**

Inventories are valued at cost (using average cost) in governmental type funds and the lower of cost (weighted average) or market in business-type funds. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as expenditures when consumed rather than when purchased.

**e. Restricted assets**

Certain proceeds from bonds, notes, and loans, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants and restrictions. As a general rule these restricted assets are maintained in separate accounts.

The Fort Pierce Utilities Authority has similar restricted assets.

**f. Capital assets**

Capital assets, include property, plant, equipment, and infrastructure assets (e.g., road, bridges, sidewalks, and similar items), which are reported in the applicable governmental or business-type activities columns on the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, works of art, and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (CONTINUED)**

**f. Capital assets (continued)**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated lives:

|                                   |             |
|-----------------------------------|-------------|
| Buildings and improvements        | 3-55 years  |
| Improvements other than buildings | 20-25 years |
| Equipment                         | 3-20 years  |
| Public domain infrastructure      | 15-75 years |

**g. Deferred outflows/inflows of resources**

The Statement of Net Position includes a separate section for Deferred Outflows of Resources. This represents the usage of net position applicable to future periods and will be recognized as expenditures in the future period to which it applies. This category includes Deferred Charge on Refunding reported on the Government-wide Statement of Net Position. The deferred charge on refunding is the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt. This category also contains amounts related to pensions and OPEB for certain actuarially determined differences projected and actual investment earnings.

The Statement of Net Position also includes a separate section for Deferred Inflows of Resources. This represents the acquisition of net position applicable to future periods and will be recognized as revenue in the future period to which it applies. Currently, this category includes revenue received in advance, and amounts related to pensions and OPEB for certain actuarially determined differences between projected and actual experience.

Deferred Inflows of Resources in the Governmental Funds Balance Sheet include unavailable revenue. Unavailable revenue consists primarily of special assessment, loans and notes receivable. The city considers revenues available if they are collected within 60 days of the end of the fiscal year.

**h. Compensated absences**

Accumulated unpaid vacation and sick pay and the benefits associated with them are accrued when incurred in all proprietary fund types and in the component units. In governmental and Fiduciary fund types, the cost of vacation and sick pay is recognized when payments are made to employees or when matured, as a result of employee resignation or retirement.

All sick and vacation pay is accrued when incurred in the Government-Wide Financial Statements.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION (CONTINUED)**

**i. Other Post Employment Benefits**

The City provides certain health care and life insurance benefits for retired employees. The primary government recognizes the costs associated with providing these benefits as claims are paid. In the Government-Wide Financial Statements and proprietary fund types in the Fund Financial statements, other post employment benefits are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

**j. Long-term obligations**

In the Government-Wide Financial Statements and propriety fund types in the Fund Financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as insurance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond insurance costs are reported as deferred charges and amortized over the term of the related debt.

In the Fund Financial Statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**k. Fund equity**

The City implemented GASB No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions”, for the year ended September 30, 2011. The Statement requires the fund balance of governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

**5. ACCOUNTING ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

***NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY***

***1. Budgetary Information***

The appropriated budget is the expenditure authority created by the appropriation ordinance which is signed into law along with related estimated revenues for the general fund, one major special revenue fund; community redevelopment agency fund, and the following non-major special revenue funds: police grant fund, state housing initiatives program fund, community development block grant fund, and hurricane housing recovery grant fund. The major special revenue fund; restricted revenue fund was not legally required to adopt a budget.

The amended budget reflects the appropriated budget for the general fund and certain special revenue funds. Budgets are not adopted for governmental funds other than the general fund and previously noted major and non-major special revenue funds. All annual appropriations lapse at fiscal year end.

The City follows these procedures in establishing the appropriated budget reflected in the financial statement:

- a. Prior to August 15, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to October 1, the budget is legally enacted through passage of an ordinance.
- d. Formal budgetary integration is employed as a management control device during the year for the general fund, certain major and non-major special revenue funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternately achieved through general obligation bond indenture provisions.
- e. Budgets for the general fund, certain major and non-major special revenue funds are adopted on a basis consistent with generally accepted accounting principles. (GAAP).
- f. The level of control (level at which expenditures may not exceed budget) is the department. Department heads may move budget appropriations from one line item to another line item within his/her department with the approval of the Director of Finance. Transfers of budget appropriations between departments must be approved by the Director of Finance and the City Manager. Any increase in budget over what was appropriated must be approved by the City Commission. Unexpended balances of appropriations lapse at year end.
- g. In accordance with past practices, after the close of the year, the budget has been amended to reflect changes in available revenues and transfers of appropriations between departments and programs.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE C – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.**

“Total fund balances” as reported on the City’s Governmental Funds Balance Sheet \$21,597,497 differs from the “net position” of governmental activities \$51,661,632 that are reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the Governmental Funds Balance Sheet. The effect of the differences is illustrated below.

**Capital related items**

When capital assets (land, buildings and improvements, infrastructure, machinery and equipment, and construction in progress that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the city as a whole:

|   |    |                    |
|---|----|--------------------|
| Cost of capital assets, not being depreciated | \$ | 28,209,333         |
| Cost of capital assets, being depreciated     |    | 217,128,886        |
| Accumulated depreciation                      |    | (141,734,602)      |
| Total   | \$ | <u>103,603,617</u> |

**Long-term debt transactions**

Long-term liabilities applicable to the City’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2019 were:

|                                |    |                     |
|--------------------------------|----|---------------------|
| Bonds and notes payable        | \$ | (64,412,639)        |
| Capital lease obligations      |    | (1,674,225)         |
| Other post employment benefits |    | (2,309,675)         |
| Net Pension Liability          |    | (11,183,533)        |
| Compensated absences           |    | (3,234,684)         |
| Total                          | \$ | <u>(82,814,756)</u> |

**Accrued interest**

Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds due to accrued interest on bonds and revenue notes.

|                        |    |                  |
|------------------------|----|------------------|
| Bond and revenue notes | \$ | <u>(427,645)</u> |
|------------------------|----|------------------|

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE C – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

***1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position (continued)***

**Prepaid Insurance and Deferred Charge on Refunding**

Bond insurance costs and deferred charge on refunding in the Statement of Net Position differs from the amount reported in governmental funds because bond insurance costs and the difference between the carrying value of refunded debt and its reacquisition price are capitalized and amortized over the term of the bonds, whereas these costs are reported as expenditures in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance.

|                                  |              |
|----------------------------------|--------------|
| Net bond insurance costs         | \$ 26,945    |
| Net Deferred charge on refunding | \$ 2,859,216 |

**Unavailable revenues**

Unavailable revenues in the Statement of Net Position differ from the amount reported in governmental funds due to various receivables. Governmental fund financial statements report unearned revenues or revenues which are measurable but not available, as unavailable revenues. However, unavailable revenues in governmental funds are subject to full accrual on the government-wide financial statements.

|                                 |              |
|---------------------------------|--------------|
| Liens receivable                | \$ 9,309,988 |
| Loans receivable                | 45,948       |
| Notes receivable                | 1,769,282    |
| Due from other governments      | 517,430      |
| Allowance for doubtful accounts | (8,082,459)  |
| Deferred revenues               | \$ 3,560,189 |

**Deferred Inflows and Outflows from Pension Activity**

Deferred inflows and outflows related to pensions are not financial resources and are not reported in governmental funds.

Deferred inflows/outflows

|                                     |              |
|-------------------------------------|--------------|
| Deferred Inflows-Pensions and OPEB  | \$ (300,000) |
| Deferred Outflows-Pensions and OPEB | \$ 3,556,569 |

**Elimination of inter-fund receivables/payables**

Inter-fund receivables and payables in the amount of \$867,007 between governmental funds have been eliminated for the Statement of Net Position.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE C – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The “net change in fund balances” for government funds \$2,318,134 differs from the “change in net position” for governmental activities \$1,553,845 reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Capital related items**

When capital assets are purchased or constructed for governmental activities, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year.

|                      |                       |
|----------------------|-----------------------|
| Capital outlay       | \$ 2,034,264          |
| Depreciation expense | (4,837,562)           |
|                      | <u>\$ (2,803,298)</u> |

In the Statement of Activities, only the gain and loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the adjusted basis of the capital assets sold. Also, governmental funds do not show contributions of capital assets. Thus, the change in net assets differs from the change in fund balance by the fair market value of the asset at date of contribution.

|   |                    |
|---|--------------------|
| Net book value of capital assets disposed | <u>\$ (20,040)</u> |
|---|--------------------|

**Long-term debt transactions**

Repayments of principal on bonds, notes, and capital leases are reported as expenditures in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used. Principal payments reduce the liabilities in the Statement of Net Position, but do not result in an expense in the Statement of Activities.

|   |                     |
|---|---------------------|
| Bond, notes, and capital lease principal payments | <u>\$ 5,185,396</u> |
|---|---------------------|

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE C – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds. The amounts listed below are the net of prior and current fiscal years and are included in the Statement of activities.

|  |                |
|--|----------------|
| Net change in other post employment benefits | \$ (85,334)    |
| Net change in compensated absences           | \$ (23,359)    |
| Net interest adjustment                      | \$ (59,871)    |
| Net Change in Pension Liability              | \$ (1,878,195) |

In the Statement of Activities, debt proceeds increase long-term liabilities. However, in the governmental funds, debt proceeds are treated as other financing sources (uses) since they provide current financial resources to governmental funds.

|                              |                 |
|------------------------------|-----------------|
| Debt Issuance                | \$ (27,764,844) |
| Payment on advance refunding | 27,696,699      |
| Capital lease proceeds       | (467,928)       |
|                              | \$ (536,073)    |

**Bond issuance costs**

Bond issuance costs are reported as expenditures in the governmental funds. However, in the Statement of Activities, the bond issuance costs are amortized over the terms of the bond agreement.

|                       |              |
|-----------------------|--------------|
| Amortization expenses | \$ (360,425) |
|-----------------------|--------------|

**Deferred revenues**

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

|                                |              |
|--------------------------------|--------------|
| Net change in Deferred Revenue | \$ (183,090) |
|--------------------------------|--------------|

**Reclassification and Eliminations**

The General Fund recognizes revenues in the amount of \$1,253,609 for the general administrative charges to the various functions. These revenues and expenditures must be eliminated to avoid “double counting”. Transfers in and transfers out in the amount of \$15,836,543 between governmental activities are eliminated in the government-wide financial statements.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

***NOTE D – CASH AND INVESTMENTS***

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments. The carrying amount of these deposits at September 30, 2019 was \$23,103,394 and the bank balance was \$22,981,351. The deposits are insured by federal depository insurance or collateralized under the provisions of Chapter 280, Florida Statutes.

Deposits - Florida statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral for their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits. The City had deposits only with qualifying institutions as of September 30, 2019, or with banks in which depository insurance was sufficient to cover the deposit balance.

Cash resources of the individual funds are combined to form a pool of cash and investments which is managed by the City Finance Director. Cash equivalents consist of demand deposits, certificates of deposit, and money market accounts. Investments in the pooled fund consist of Repurchase agreements (overnight), Treasury notes, and Government securities.

The FPUA also invests in the SBA Florida PRIME Local Government Surplus Fund which are governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the SBA. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

The Florida PRIME has met the criteria as a "2a7-like" pool; this pool was assigned a rating of AAAM by the Standards and Poor's Rating Service. The FPUA has a \$5,531,770 balance at September 30, 2019. The fair value of the position in the pool is valued the same as the pooled shares.

The Florida Municipal Investment Trust (Municipal Trust) was created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust. The Municipal Trust is not a registrant with the Securities and Exchange Commission (SEC); however the board has adopted operating procedures consistent with the requirements for a "2a-7 like" pool.

The City has implemented the GASB Statement No. 72 *Fair Value Measurement and Application* by categorizing its investments according to the fair market value hierarchy established by the statement. The hierarchy is based on the valuation input used to measure the fair value of the asset as follows:

- Level 1- inputs are quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2- inputs-other than quoted prices included within level 1-debt securities classified as level 2 are valued using a matrix pricing technique.
- Level 3- unobservable inputs for an asset or liability.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE D – CASH AND INVESTMENTS (CONTINUED)**

A summary of pooled cash and investments as of September 30, 2019 is as follows:

|   | <u>Primary<br/>Government</u> | <u>Component<br/>Unit-FPUA</u> |
|---|-------------------------------|--------------------------------|
| Cash  | \$ 5,664,746                  | \$ 7,635,270                   |
| Investments:                                    |                               |                                |
| Certificates of Deposit                         | -                             | 3,322,082                      |
| State Board of Administration pooled trust fund | -                             | 5,531,770                      |
| Florida Municipal Investment trust              | 51,991                        | -                              |
| Money market                                    | -                             | 7,196,167                      |
| Repurchase agreements                           | 17,386,657                    | 33,120,064                     |
| Total investments                               | <u>17,438,648</u>             | <u>49,170,083</u>              |
| Total pooled cash and investments               | <u>\$ 23,103,394</u>          | <u>\$ 56,805,353</u>           |

All investments held in the primary government and component unit at September 30, 2019 have maturity dates less than one year.

A summary of investments held in pension trust funds as of September 30, 2019 is as follows:

|                         | <u>Fair Value Measurements</u> |                     |                     |
|-------------------------|--------------------------------|---------------------|---------------------|
|                         | <u>Level 1</u>                 | <u>Level 2</u>      | <u>Level 3</u>      |
| U.S. Agencies           | \$ 21,136,478                  | \$ -                | \$ -                |
| Municipal Bonds         | 313,708                        | -                   | -                   |
| Certificates of Deposit | 349,856                        | -                   | -                   |
| Corporate obligations   | -                              | 30,913,666          | -                   |
| Common stock            | 15,473,448                     | -                   | -                   |
| Mutual funds-equity     | 126,254,224                    | -                   | -                   |
| Real estate trust L.P.  | -                              | -                   | 20,852,825          |
| Common trust fund       | -                              | -                   | 940,127             |
| Money market funds      | 2,470,966                      | -                   | -                   |
|                         | <u>\$165,998,680</u>           | <u>\$30,913,666</u> | <u>\$21,792,952</u> |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE D – CASH AND INVESTMENTS (CONTINUED)**

|                         | Investment Maturities in Years |                      |                     |                     |                      | total                 |
|-------------------------|--------------------------------|----------------------|---------------------|---------------------|----------------------|-----------------------|
|                         | under 1                        | 1-5                  | 6-10                | 10-20               | over 20              |                       |
| U.S. Agencies           | \$ -                           | \$ 3,541,624         | \$ 980,563          | \$ 1,571,026        | \$ 15,043,265        | \$ 21,136,478         |
| Municipal Bonds         | -                              | -                    | -                   | -                   | 313,708              | 313,708               |
| Certificates of Deposit | -                              | 349,856              | -                   | -                   | -                    | 349,856               |
| Corporate obligations   | -                              | 17,641,448           | 9,008,701           | 2,594,546           | 1,668,971            | 30,913,666            |
| Common stock            | 15,473,448                     | -                    | -                   | -                   | -                    | 15,473,448            |
| Mutual funds-equity     | 126,254,224                    | -                    | -                   | -                   | -                    | 126,254,224           |
| Real estate trust L.P.  | 20,852,825                     | -                    | -                   | -                   | -                    | 20,852,825            |
| Common trust fund       | 940,127                        | -                    | -                   | -                   | -                    | 940,127               |
| Money market funds      | 2,470,966                      | -                    | -                   | -                   | -                    | 2,470,966             |
|                         | <u>\$ 165,991,590</u>          | <u>\$ 21,532,928</u> | <u>\$ 9,989,264</u> | <u>\$ 4,165,572</u> | <u>\$ 17,025,944</u> | <u>\$ 218,705,298</u> |

*Credit Risk.* State law limits investments in corporate notes to the top two ratings issued by nationally recognized statistical ratings organizations (NRSROs). It is the City's policy to limit its investments in these investment types to A or better, with a maximum 15% discretionary allocation to BBB by Standard and Poor's. Money Market securities rated A1/P1 by Standard and Poor's/Moody's are allowed. The City has certain investments in an unrated 2a7-like investment pool administered by the Florida League of Cities.

As of September 30, 2019, the pension plans had the following fixed income investments with corresponding credit ratings:

|                 | Credit Rating | Amount               |
|-----------------|---------------|----------------------|
| Corporate Bonds | A1            | 2,581,839            |
| Corporate Bonds | A2            | 6,749,243            |
| Corporate Bonds | A3            | 7,206,793            |
| Corporate Bonds | Aaa           | 1,757,284            |
| Corporate Bonds | Aa1           | 506,231              |
| Corporate Bonds | Aa2           | 832,143              |
| Corporate Bonds | Aa3           | 1,260,547            |
| Corporate Bonds | Baa1          | 5,882,148            |
| Corporate Bonds | Baa2          | 2,025,528            |
| Corporate Bonds | Baa3          | 699,896              |
| Corporate Bonds | not rated     | 1,412,014            |
|                 |               | <u>\$ 30,913,666</u> |
| Municipal Bonds | A2            | <u>\$ 313,708</u>    |

**NOTE D – CASH AND INVESTMENTS (CONTINUED)**

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy discourages long-term investments. For the City's pension plans, maturities are significantly longer. The pension system may invest in various mortgaged-backed securities, such as collateralized mortgage obligations. These securities are based on cash flows on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates.

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's pension funds consist of uninsured, unregistered investments held by a counterparty's trust department but not in the City's name.

Investments - The primary government, except for the Enterprise Fund and Expendable Pension Trust Funds, is authorized by Ordinance to invest in:

1. Local Governmental Surplus Trust Funds
2. Interest-bearing time deposits or savings accounts in banks organized under the laws of this State or the United States and doing business in this State as detailed in the investment policy of the City.
3. Deposits and certificates of deposit in out-of-state banks, savings and loan associations and other regulated financial institutions as may be required by contractual agreements when approved by the City Commission.
4. Negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government at the then prevailing price for such securities.
5. Repurchase Agreements, secured by the type of investment listed above, restricted as to acquisition, term, and market value.

The FPUA (a component unit) is authorized by resolution to invest in:

1. Local Government Surplus Trust Funds.
2. Negotiable direct obligations of the United States Government, or obligations, the principal and interest which are unconditionally guaranteed by the United States Government.
3. Obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation, including Federal Home Loan Corporation participation certificates, or the Federal Home Loan Bank or its district banks, or obligations guaranteed by the Government National Mortgage Association, U. S. Treasury, agencies, and instrumentalities.
4. Repurchase Agreements secured by the type of investment listed above, restricted as to acquisition, term and market value.

***NOTE D – CASH AND INVESTMENTS (CONTINUED)***

5. Interest-bearing time deposits or savings accounts in banks organized under the laws of this State, in national banks organized under the laws of the United States and doing business and situated in this State, in savings and loan associations which are under State supervision, or in federal savings and loan associations located in this State and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law.
6. Deposits and certificates of deposit in out-of-state banks, savings and loan associations and other regulated financial institutions insured by the FDIC.
7. Full faith and credit direct general obligations of any state, or unlimited tax direct obligations of any political subdivision thereof, the payment of which the full faith and credit of such political subdivision is pledged, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by a nationally recognized bond rating agency.

The General Employees Pension Trust Fund is authorized by resolution to invest in:

1. Common and preferred stock issues.
2. Publicly traded Government, corporate, and agency bonds.
3. Publicly traded money market securities.

The Police Officers Pension Trust Fund is authorized by resolution to invest in:

1. Common and preferred stock issues. (Limited to holdings of less than five percent of any one entity's stock, and aggregate stock holdings of less than fifty percent of total plan assets.)
2. Publicly traded Government, corporate, and agency bonds.
3. Publicly traded money market securities.
4. Interest-bearing time deposits or savings accounts in banks organized under the laws of this State or the United States and doing business in this State as detailed in the investment policy of the Police Officers' Pension Trust Fund.

***NOTE E - PROPERTY TAXES***

The City's property tax is levied by St. Lucie County each November 1 on the assessed value listed as of the prior January 1 for real and personal property located in the City. Property taxes become a lien on the first day of the levy year and are due on or before March 31. Assessed values are established by the St. Lucie County Property Appraiser. The assessed value at January 1, 2018, upon which the 2018-2019 levy is based, was \$2,378,742,249.

The City is permitted by State law to levy taxes of up to 10 mills of assessed valuation for the General Fund. Taxes are levied at 6.9 mills for the General Fund for the fiscal year ended September 30, 2019.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

***NOTE F - ACCOUNTS RECEIVABLE/NOTES RECEIVABLE***

Accounts Receivable

Accounts receivable held by the primary government's enterprise funds and the FPUA (a component unit) are stated net of allowances for estimated uncollectibles of \$15,639 for the marina, \$27,235 for sanitation, \$0 for storm water, \$0 for golf course, and \$902,903 the FPUA, respectively. The general fund accounts receivable is stated net of allowance for estimated uncollectibles of \$8,082,459. No other allowance is provided for receivables held by governmental or fiduciary fund types because, in the opinion of management, all such accounts are collectible.

Notes Receivable

Notes Receivable is comprised of various down payment assistance loans as part of the City's redevelopment plan. The terms of the notes range from 5 to 30 years with interest rates from 0% to 5% based on the recipient's income level.

***NOTE G - DUE FROM OTHER GOVERNMENTS***

Amounts due from other governments include \$393,055 from U.S. Department of Housing & Urban Development, \$5,696 from Federal Department of Justice, \$32,967 from the Florida Department of Law Enforcement, \$410,237 from the U.S. Department of Agriculture, \$90,086 from St. Lucie County, \$443,512 from FEMA, \$73,919 from Florida Department of Community Affairs, \$72,530 from Florida Inland Navigation, and \$82,204 due from St. Lucie County Housing Authority.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE H - CAPITAL ASSETS**

Capital asset activity of the **primary government** for the year ended September 30, 2019 was as follows:

**Governmental Activities:**

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>      | <u>Decreases</u>   | <u>Transfers</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|-----------------------|--------------------|------------------|---------------------------|
| Capital assets, not being depreciated:       |                              |                       |                    |                  |                           |
| Land   | \$ 27,796,483                | \$ -                  | \$ -               | \$ -             | \$ 27,796,483             |
| Construction in Progress                     | 145,874                      | 276,976               | -                  | (10,000)         | 412,850                   |
| Total capital assets, not being depreciated  | 27,942,357                   | 276,976               | -                  | (10,000)         | 28,209,333                |
| Capital assets, being depreciated:           |                              |                       |                    |                  |                           |
| Buildings                                    | 42,701,001                   | 47,800                | -                  | -                | 42,748,801                |
| Improvements other than buildings            | 45,391,630                   | 491,636               | -                  | -                | 45,883,266                |
| Equipment                                    | 19,128,482                   | 1,217,852             | (783,876)          | 10,000           | 19,572,458                |
| Infrastructure                               | 108,924,361                  | -                     | -                  | -                | 108,924,361               |
| Total  | 216,145,474                  | 1,757,288             | (783,876)          | 10,000           | 217,128,886               |
| Less accumulated depreciation for:           |                              |                       |                    |                  |                           |
| Buildings                                    | (15,854,671)                 | (895,529)             | -                  | -                | (16,750,200)              |
| Improvements other than buildings            | (23,650,911)                 | (1,555,889)           | -                  | -                | (25,206,800)              |
| Equipment                                    | (13,648,866)                 | (1,166,296)           | 763,836            | -                | (14,051,326)              |
| Infrastructure                               | (84,506,428)                 | (1,219,848)           | -                  | -                | (85,726,276)              |
| Total accumulated depreciation               | (137,660,876)                | (4,837,562)           | 763,836            | -                | (141,734,602)             |
| Total capital assets, being depreciated, net | 78,484,598                   | (3,080,274)           | (20,040)           | 10,000           | 75,394,284                |
| Total capital assets, net                    | <u>\$ 106,426,955</u>        | <u>\$ (2,803,298)</u> | <u>\$ (20,040)</u> | <u>\$ -</u>      | <u>\$ 103,603,617</u>     |

Depreciation expense charged to functions/programs of the **primary government** (governmental activities) for the year ended September 30, 2019 was as follows:

**Governmental activities:**

|                        |                     |
|------------------------|---------------------|
| General government     | \$ 200,210          |
| Public safety          | 779,148             |
| Transportation         | 3,431,963           |
| Economic environment   | 85,347              |
| Culture and recreation | 340,894             |
| Total                  | <u>\$ 4,837,562</u> |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE H - CAPITAL ASSETS (CONTINUED)**

**Business-type activities:**

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>    | <u>Decreases</u> | <u>Transfers</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|---------------------|------------------|------------------|---------------------------|
| Capital assets, not being depreciated:       |                              |                     |                  |                  |                           |
| Land   | \$ 674,008                   | \$ -                | \$ -             | \$ -             | \$ 674,008                |
| Construction in Progress                     | 2,025,813                    | 1,180,270           | -                | (2,025,813)      | 1,180,270                 |
| Total capital assets, not being depreciated  | 2,699,821                    | 1,180,270           | -                | (2,025,813)      | 1,854,278                 |
| Capital assets, being depreciated:           |                              |                     |                  |                  |                           |
| Buildings                                    | 17,903,077                   | -                   | -                | -                | 17,903,077                |
| Improvements other than buildings            | 97,456,982                   | 3,443,513           | -                | 2,025,813        | 102,926,308               |
| Equipment                                    | 11,207,010                   | 553,001             | (192,932)        | -                | 11,567,079                |
| Total  | 126,567,069                  | 3,996,514           | (192,932)        | 2,025,813        | 132,396,464               |
| Less accumulated depreciation for:           |                              |                     |                  |                  |                           |
| Buildings                                    | (7,809,977)                  | (1,713,184)         | -                | -                | (9,523,161)               |
| Improvements other than buildings            | (26,393,359)                 | (1,333,095)         | -                | -                | (27,726,454)              |
| Equipment                                    | (8,570,177)                  | (679,102)           | 192,932          | -                | (9,056,347)               |
| Total accumulated depreciation               | (42,773,513)                 | (3,725,381)         | 192,932          | -                | (46,305,962)              |
| Total capital assets, being depreciated, net | 83,793,556                   | 271,133             | -                | 2,025,813        | 86,090,502                |
| Total capital assets, net                    | <u>\$ 86,493,377</u>         | <u>\$ 1,451,403</u> | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 87,944,780</u>      |

Additions to accumulated depreciation and depreciation expense charged to functions/programs of the **primary government** (business-type activities) for the year ended September 30, 2019 was as follows:

|                 |                     |
|-----------------|---------------------|
| Solid waste     | \$ 508,933          |
| Marina          | 1,126,095           |
| Stormwater      | 1,334,588           |
| Golf course     | 140,492             |
| Sunrise Theatre | 546,487             |
| Building Fund   | 68,786              |
| Total           | <u>\$ 3,725,381</u> |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE H - CAPITAL ASSETS (CONTINUED)**

Capital asset activity of the **FPUA** (a component unit) for the year ended September 30, 2018 was as follows:

|   | <b>Beginning<br/>Balance</b> | <b>Increases</b>     | <b>Decreases</b>       | <b>Ending<br/>Balance</b> |
|---|------------------------------|----------------------|------------------------|---------------------------|
| Utility Plant, not being depreciated:             |                              |                      |                        |                           |
| Land  | \$ 9,947,000                 | \$ 5,000             | \$ (396,000)           | \$ 9,556,000              |
| Construction Work in Progress                     | 18,051,916                   | 12,650,511           | (13,219,000)           | 17,483,427                |
| Total Utility Plant, not being depreciated        | 27,998,916                   | 12,655,511           | (13,615,000)           | 27,039,427                |
| Utility Plant, being depreciated:                 |                              |                      |                        |                           |
| Transmission, distribution and collection systems | 349,610,784                  | 9,761,934            | (8,922,000)            | 350,450,718               |
| Equipment   | 57,637,000                   | 1,901,000            | (2,925,000)            | 56,613,000                |
| Structures and improvements                       | 38,450,000                   | 2,598,000            | (76,000)               | 40,972,000                |
| Total Utility Plant being depreciated             | 445,697,784                  | 14,260,934           | (11,923,000)           | 448,035,718               |
| Less accumulated depreciation for:                |                              |                      |                        |                           |
| Transmission, distribution and collection systems | (196,700,943)                | (10,815,434)         | 6,917,000              | (200,599,377)             |
| Equipment   | (38,545,000)                 | (2,268,000)          | 2,925,000              | (37,888,000)              |
| Structures and improvements                       | (24,623,000)                 | (874,000)            | 76,000                 | (25,421,000)              |
| Total accumulated depreciation                    | (259,868,943)                | (13,957,434)         | 9,918,000              | (263,908,377)             |
| Total Utility Plant, being depreciated, net       | 185,828,841                  | 303,500              | (2,005,000)            | 184,127,341               |
| Total Utility Plant, net                          | <u>\$ 213,827,757</u>        | <u>\$ 12,959,011</u> | <u>\$ (15,620,000)</u> | <u>\$ 211,166,768</u>     |

Construction work in progress at September 30, 2019 consists principally of expansions and upgrades to the electric transmission and distribution system, water supply and distribution system, wastewater collection system, and gas distribution system.

The **FPUA** has entered into contracts for the construction or expansion of various system assets as follows.

|                | <b>Project<br/>Total</b> | <b>Expended<br/>to Date</b> | <b>Remaining<br/>Commitment</b> | <b>Required<br/>Further<br/>Financing</b> |
|----------------|--------------------------|-----------------------------|---------------------------------|---|
| Water          | \$ 1,767,000             | \$ 694,000                  | \$ 1,073,000                    | None                                      |
| Wastewater     | 5,332,000                | 2,655,000                   | 2,677,000                       | None                                      |
| Gas            | 290,000                  | 173,000                     | 117,000                         | None                                      |
| Electric       | 315,000                  | 142,000                     | 173,000                         | None                                      |
| Administration | 59,000                   | 20,000                      | 39,000                          | None                                      |
|                | <u>\$ 7,763,000</u>      | <u>\$ 3,684,000</u>         | <u>\$ 4,079,000</u>             |   |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE H - CAPITAL ASSETS (CONTINUED)**

In addition, the component unit has entered into unit price contracts for the construction and renovation of system assets. These contracts are not firm commitments, and the contractors are utilized as needed. As of September 30, 2019, costs of \$300,000 were authorized under these contracts, \$76,000 has been spent, and authorized amounts of \$224,000 remained.

**NOTE I – LONG TERM DEBT**

Bond and note obligations of the **primary government** as of September 30, 2019 are as follows:

|   | <u>Business-type<br/>Activities</u> | <u>Government<br/>Activities</u> |
|---|-------------------------------------|----------------------------------|
| \$6,825,000 Capital Improvement Revenue Refunding Bonds, Series 2010A, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, 5% interest payable semi-annually with a sinking fund installment of 480,000 in 2020. Proceeds used to defease the 1998 and 2001 Capital Improvement bonds. Current portion of bond is 480,000.   | 129,889                             | 350,111                          |
| \$2,935,000 Taxable Capital Improvement Revenue Refunding Bonds, Series 2010B, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, 5.344% interest payable semi-annually and annual sinking fund installments ranging from 360,000 to 400,000 beginning in 2014 through September 1, 2022. Proceeds used to partially refund the Taxable Capital Improvement Revenue Refunding Bonds, Series 2008. Current portion of bond is 360,000. | -                                   | 1,140,000                        |
| \$3,395,000 Section 108 Loan Payable, variable interest only monthly to 2012, annual principal payments beginning in 2012 ranging from 282,000 to 283,000 to 2024, payable from proceeds of a note receivable secured by a shopping center with a pledge of the City's Community Development Block Grant revenues. Current portion of note is \$283,000.  | -                                   | 1,414,000                        |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE 1 – LONG TERM DEBT (CONTINUED)**

|  | <u>Business-type<br/>Activities</u> | <u>Government<br/>Activities</u> |
|--|-------------------------------------|----------------------------------|
| <p>\$6,079,229 Capital Improvement Revenue Note, Series 2014, payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, 3.055% interest payable semi-annually and annual principal payments ranging from 365,716 to 535,541 beginning in 2014 through December 1, 2028. Proceeds used to purchase energy conservation equipment. Current portion of note is 365,716.</p>  | -                                   | 4,478,221                        |
| <p>\$3,920,771 Capital Improvement Revenue Note, Series 2014A, payable from net marina revenues and the half-cent sales tax, 3.19% interest payable semi-annually and annual principal payments ranging from 260,605 to 346,491 beginning in 2016 through December 1, 2029. Proceeds used for construction costs related to the city owned marina. Current portion of note is 260,605.</p>   | 3,017,381                           | -                                |
| <p>\$13,745,000 Stormwater Utility System Revenue Refunding Note, Series 2016, payable from and secured by a first lien and pledge upon the Stormwater revenues, interest at 2.90% payable semi-annually and sinking fund installments ranging from \$740,000 to \$1,095,000 through October 1, 2030. Proceeds used to currently refund the 2002 and 2006 Stormwater Utility Revenue Bonds. Current portion is \$900,000.</p>            | 10,240,000                          | -                                |
| <p>\$20,000,000 Fort Pierce Redevelopment Revenue Refunding Notes, Series 2015A, payable from and secured by a first lien and pledge upon tax increment revenues, with interest at 3.2%, payable semi-annually and sinking fund installments ranging from \$1,110,000 to \$1,615,000 through May 1, 2031. Proceeds will be used to refund the Fort Pierce Redevelopment Bonds, Series 2005 and 2006. Current portion is \$1,110,000.</p> | -                                   | 15,980,000                       |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE 1 – LONG TERM DEBT (CONTINUED)**

|  | <b>Business-type<br/>Activities</b> | <b>Government<br/>Activities</b> |
|--|-------------------------------------|----------------------------------|
| <p>\$11,055,000 Fort Pierce Redevelopment Revenue Refunding Notes, Series 2015B, payable from and secured by a first lien and pledge upon tax increment revenues, with interest at 3.2%, payable semi-annually and sinking fund installments ranging from \$610,000 to \$905,000 through May 1, 2031. Proceeds used to refund the Fort Pierce Redevelopment Bonds, Series 2005 and 2006. Current portion is \$610,000.</p> | -                                   | 8,790,000                        |
| <p>\$1,280,000 Fort Pierce Taxable Capital Improvement Revenue Note, 2016A , payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, with interest at 4.25%, payable semi-annually and sinking fund installments ranging from \$120,000 to \$150,000 through August 1, 2026. Proceeds used to repay Fort Pierce Utility Authority. Current portion is \$120,000.</p>                                | -                                   | 935,000                          |
| <p>\$820,000 Fort Pierce Capital Improvement Revenue Note, 2016B , payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, with interest at 3.09%, payable semi-annually and sinking fund installments ranging from \$50,000 to \$65,000 through August 1, 2026. Proceeds used for land purchase. Current portion is \$50,000.</p>  | -                                   | 680,000                          |
| <p>\$1,435,000 Fort Pierce Taxable Capital Improvement Revenue Note, 2016C , payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, with interest at 2.35%, payable semi-annually and sinking fund installments ranging from \$205,000 to \$215,000 through August 1, 2023. Proceeds used for new radios. Current portion is \$205,000.</p>  |                                     | 840,000                          |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE 1 – LONG TERM DEBT (CONTINUED)**

|  | <b>Business-type<br/>Activities</b> | <b>Government<br/>Activities</b> |
|--|-------------------------------------|----------------------------------|
| <p>\$6,860,000 Fort Pierce Capital Improvement Revenue Refunding Note, 2018 , payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, with interest at 3.61%, payable semi-annually and sinking fund installments ranging from \$70,000 to \$750,000 through August 1, 2023. Proceeds used to defease a portion of the Series 2010A Capital Improvement Revenue Refunding Bonds. Current portion is \$70,000.</p>                                     | 1,818,444                           | 4,901,556                        |
| <p>\$26,460,000 Fort Pierce Capital Improvement Revenue and Refunding Bonds, 2019 , payable from Non-Ad Valorem Revenues appropriated in the City's annual budget, with interest at 5%, payable semi-annually and sinking fund installments ranging from \$500,000 to \$2,180,000 through September 1, 2038. Proceeds used to defease the Series 2015 Capital Improvement Revenue Refunding Note, and finance costs of a marina project. Current portion is \$1,215,000.</p> | 3,225,000                           | 21,540,000                       |
|  | 18,430,714                          | 61,048,888                       |
| Less: current portion payable from restricted assets   | (1,309,436)                         | (4,719,885)                      |
| Unamortized items  | (145,163)                           | 3,363,751                        |
|  | \$ 16,976,115                       | \$ 59,692,754                    |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE I – LONG TERM DEBT (CONTINUED)**

Requirements to pay principal and interest on the **primary government's** obligations in each of the years/periods ending September 30, is as follows

**Governmental Activities:**

|           | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
|-----------|----------------------|----------------------|----------------------|
| 2020      | \$ 4,719,885         | 2,313,735            | \$ 7,033,620         |
| 2021      | 4,913,736            | 2,116,192            | 7,029,928            |
| 2022      | 5,089,081            | 1,935,420            | 7,024,501            |
| 2023      | 4,858,884            | 1,761,502            | 6,620,386            |
| 2024      | 4,815,200            | 1,591,830            | 6,407,030            |
| 2025-2029 | 24,860,055           | 5,277,462            | 30,137,517           |
| 2030-2032 | 11,792,047           | 892,006              | 12,684,053           |
|           | <u>\$ 61,048,888</u> | <u>\$ 15,888,147</u> | <u>\$ 76,937,035</u> |

**Business-Type Activities:**

|           | <u>Principal</u>     | <u>Interest</u>     | <u>Total</u>         |
|-----------|----------------------|---------------------|----------------------|
| 2020      | \$ 1,309,436         | 556,686             | \$ 1,866,122         |
| 2021      | 1,347,287            | 504,692             | 1,851,979            |
| 2022      | 1,389,995            | 464,851             | 1,854,846            |
| 2023      | 1,434,335            | 423,746             | 1,858,081            |
| 2024      | 1,477,609            | 381,329             | 1,858,938            |
| 2025-2029 | 7,264,100            | 1,236,715           | 8,500,815            |
| 2030-2034 | 1,997,952            | 497,154             | 2,495,106            |
| 2034-2038 | 2,210,000            | 168,000             | 2,378,000            |
|           | <u>\$ 18,430,714</u> | <u>\$ 4,233,173</u> | <u>\$ 22,663,887</u> |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE I – LONG TERM DEBT (CONTINUED)**

Long-term liability activity of the **primary government** for the year ended September 30, 2019 was as follows:

|   | <b>Beginning<br/>Balance<br/>10/1/2018</b> | <b>Additions</b>     | <b>Reductions</b>    | <b>Ending<br/>Balance<br/>9/30/2019</b> | <b>Amounts<br/>Due within<br/>One Year</b> | <b>Amounts<br/>Due after<br/>One Year</b> |
|---|--|----------------------|----------------------|---|--|---|
| <b>Governmental Activities:</b>           |  |                      |                      |   |  |   |
| Notes, bonds payable, and loans:          |  |                      |                      |   |  |   |
| Revenue notes                             | \$ 65,911,787                              | \$ -                 | \$ 29,307,010        | \$ 36,604,777                           | \$ 2,511,774                               | \$ 34,093,003                             |
| Revenue bonds                             | 1,830,111                                  | 23,235,000           | 2,035,000            | 23,030,111                              | 1,925,111                                  | 21,105,000                                |
| Section 108 Loan                          | 1,697,000                                  | -                    | 283,000              | 1,414,000                               | 283,000                                    | 1,131,000                                 |
| Unamortized items                         | 228,089                                    | 3,225,000            | 89,338               | 3,363,751                               | -  | 3,363,751                                 |
|   | <u>69,666,987</u>                          | <u>26,460,000</u>    | <u>31,714,348</u>    | <u>64,412,639</u>                       | <u>4,719,885</u>                           | <u>59,692,754</u>                         |
| Capital lease payable                     |  |                      |                      |   |  |   |
| Capital lease payable                     | 1,656,683                                  | 467,928              | 450,386              | 1,674,225                               | 494,793                                    | 1,179,432                                 |
| Other Liabilities:                        |  |                      |                      |   |  |   |
| Other post employment benefits            | 1,922,945                                  | 386,730              | -                    | 2,309,675                               | -  | 2,309,675                                 |
| Net Pension Liability                     | 7,406,400                                  | 3,777,133            | -                    | 11,183,533                              | -  | 11,183,533                                |
| Compensated absences                      | 3,211,324                                  | 1,250,115            | 1,226,755            | 3,234,684                               | 316,602                                    | 2,918,082                                 |
| Total governmental activities             | <u>\$ 83,864,339</u>                       | <u>\$ 32,341,906</u> | <u>\$ 33,391,489</u> | <u>\$ 82,814,756</u>                    | <u>\$ 5,531,280</u>                        | <u>\$ 77,283,476</u>                      |
| <b>Business-type Activities:</b>          |  |                      |                      |   |  |   |
| Notes, bonds payable, and capital leases: |  |                      |                      |   |  |   |
| Revenue notes                             | \$ 17,203,083                              | \$ -                 | \$ 1,997,369         | \$ 15,205,714                           | \$ 1,309,436                               | \$ 13,896,278                             |
| Revenue bonds                             | -  | 3,225,000            | -                    | 3,225,000                               | -  | 3,225,000                                 |
| Unamortized items                         | (30,505)                                   | (128,639)            | (13,981)             | (145,163)                               | -  | (145,163)                                 |
|   | <u>17,172,578</u>                          | <u>3,096,361</u>     | <u>1,983,388</u>     | <u>18,285,551</u>                       | <u>1,309,436</u>                           | <u>16,976,115</u>                         |
| Capital lease payable                     |  |                      |                      |   |  |   |
| Capital lease payable                     | 1,203,685                                  | -                    | 351,865              | 851,820                                 | 311,411                                    | 540,409                                   |
| Other Liabilities:                        |  |                      |                      |   |  |   |
| Other post employment benefits            | 327,407                                    | 89,600               | -                    | 417,007                                 | -  | 417,007                                   |
| Net Pension Liability                     | 1,337,134                                  | 767,769              | -                    | 2,104,903                               | -  | 2,104,903                                 |
| Compensated absences                      | 503,305                                    | 277,145              | 214,038              | 566,412                                 | 75,859                                     | 490,553                                   |
| Total business activities                 | <u>\$ 20,544,109</u>                       | <u>\$ 4,230,875</u>  | <u>\$ 2,549,291</u>  | <u>\$ 22,225,693</u>                    | <u>\$ 1,696,706</u>                        | <u>\$ 20,528,987</u>                      |

| <b>Compensated absences</b>       | <b>Beginning<br/>Balance<br/>10/1/2018</b> | <b>Additions</b>    | <b>Reductions</b>   | <b>Ending<br/>Balance<br/>9/30/2019</b> |
|-----------------------------------|--|---------------------|---------------------|---|
| <b>Governmental Activities:</b>   |  |                     |                     |   |
| General Fund                      | \$ 3,187,642                               | \$ 1,237,167        | \$ 1,205,477        | \$ 3,219,332                            |
| Community Development Block Grant | 23,682                                     | 12,948              | 21,278              | 15,352                                  |
|                                   | <u>\$ 3,211,324</u>                        | <u>\$ 1,250,115</u> | <u>\$ 1,226,755</u> | <u>\$ 3,234,684</u>                     |

The compensated absence liability, net pension liability and net other postemployment obligation attributed to governmental activities are being liquidated in the General Fund, and Community Development Block Grant.

***NOTE I – LONG TERM DEBT (CONTINUED)***

Capital Improvement Revenue Refunding Bonds, Series 2010A and 2010B

The Series 2010 Bonds were issued pursuant to Chapter 166, Part II, Florida Statutes, The City Charter, Chapter 159, Part VII, Florida Statutes, and Resolution No. 10-34 as supplemented for the purpose of (i) refunding all of the City’s outstanding Capital Improvement Revenue Bonds, Series 1998, all of the City’s outstanding Capital Improvement Revenue Refunding Bonds, Series 2001 and a portion of the City’s outstanding Taxable Capital Improvement Revenue Refunding Bonds, Series 2008B (ii) financing the costs of issuance of the Series 2010 Bonds including the municipal bond insurance premium and reserve policy premium. The resolution provides for the creation and establishment of the following funds:

1. Reserve Fund – For deposit of an amount equal to the reserve requirement to be used only for the purpose of the payment of amortization installments, principal of, or interest on the outstanding bonds when the other monies are insufficient therefore, and for no other purpose. The “reserve account requirement” is defined as the lesser of (i) the maximum debt service requirement, (ii) 125% of the average annual debt service requirement, or (iii) 10% of the proceeds of the Series 2010 Bonds. As provided for in the resolution, the City elected to provide for the maximum reserve by purchasing a surety bond through Assured Guaranty municipal Corp.

The Series 2010 Bonds and interest thereon are payable from amounts the City has covenanted and agreed to appropriate in its annual budget by amendment if necessary, from non-ad valorem funds sufficient to pay principal of, redemption price, if any, and interest on the Series 2010 Bonds when due.

Section 108 Note Payable

The City entered into a Loan Guarantee Assistance Contract with the Secretary of Housing and Urban Development in 2009, for the construction of a shopping center by a developer. The City then executed a mortgage receivable with the developer to ensure repayment of the debt. The Note Payable requires quarterly interest payments at .2% above LIBOR. Annual principal payments begin in 2013 and continue to 2023. The loan is secured by future Community Development Block Grant funds in the event that the developer defaults.

Capital Improvement Revenue Note, Series 2014

The Series 2014 Notes were issued for the purpose of: (i) financing the City’s cost of acquiring and installing energy efficient conservation equipment under a guaranteed energy, water and wastewater performance contract (ii) finance the costs of issuance of the Series 2014 notes.

The Series 2014 Notes and interest thereon are payable from amounts the City has covenanted and agreed to appropriate in its annual budget by amendment if necessary, from non-ad valorem funds sufficient to pay principal of and interest on the Series 2014 Notes when due.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

***NOTE I – LONG TERM DEBT (CONTINUED)***

Capital Improvement Revenue Note, Series 2014A

The Series 2014 Notes were issued for the purpose of: (i) financing the construction of improvements and rehabilitation of the city owned and operated marina (ii) finance the costs of issuance of the Series 2014 notes.

The Series 2014 Notes and interest thereon are payable from net marina revenues and the half-cent sales tax.

Stormwater Revenue Refunding Note, Series 2016

The Series 2016 Notes were issued for the purpose of: (i) refunding the Stormwater Utility System Revenue Bonds Series 2002 and 2006 (ii) finance the costs of issuance of the Series 2016 notes.

The Series 2016 Notes and interest thereon are payable from Stormwater Revenues.

Capital Improvement Revenue Refunding Note, Series 2015

The Series 2015 Notes were issued for the purpose of: (i) currently refunding the Capital Improvement Revenue Bonds Series 2004 and advance refund the Capital Improvement Revenue Bonds Series 2008A (ii) finance the costs of issuance of the Series 2015 notes.

The Series 2015 Notes and interest thereon are payable from amounts the City has covenanted and agreed to appropriate in its annual budget by amendment if necessary, from non-ad valorem funds sufficient to pay principal of and interest on the Series 2015 Notes when due.

Redevelopment Revenue Refunding Note, Series 2015A and B

The Series 2015 Notes were issued for the purpose of: (i) currently refunding the Capital Improvement Revenue Bonds Series 2004 and advance refund the Capital Improvement Revenue Bonds Series 2008A (ii) finance the costs of issuance of the Series 2015 notes.

The Series 2015 Notes and interest thereon are payable from and secured by a first lien and pledge upon the Tax Increment Revenues.

Redevelopment Revenue Refunding Note, Series 2016 A, B and C

The Series 2016 Notes were issued for the purpose of: (i) repay the loan from the Fort Pierce Utilities Authority (ii) purchase land for public parking (iii) purchase radios and related equipment for use by the city's emergency services employees.

The Series 2016 Notes and interest thereon are payable from amounts the City has covenanted and agreed to appropriate in its annual budget by amendment if necessary, from non-ad valorem funds sufficient to pay principal of and interest on the Series 2016 Notes when due.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

***NOTE I – LONG TERM DEBT (CONTINUED)***

Capital Improvement Revenue Refunding Note, Series 2018

The Series 2018 Notes were issued for the purpose of: (i) advance refund a portion of the City's outstanding Capital Improvement Revenue Refunding Bonds, Series 2010A (ii) finance the costs of issuance of the Series 2018 notes.

The Series 2018 Notes and interest thereon are payable from amounts the City has covenanted and agreed to appropriate in its annual budget by amendment if necessary, from non-ad valorem funds sufficient to pay principal of and interest on the Series 2018 Notes when due.

Capital Improvement Revenue and Refunding Bonds, Series 2019

The Series 2019 Notes were issued for the purpose of: (i) advance refund the City's outstanding Capital Improvement Revenue Refunding Bonds, Series 2015, (ii) financing the cost of designing, permitting, constructing, reconstructing and equipping a marina project (iii) finance the costs of issuance of the Series 2019 bonds.

The Series 2019 Bonds and interest thereon are payable from amounts the City has covenanted and agreed to appropriate in its annual budget by amendment if necessary, from non-ad valorem funds sufficient to pay principal of and interest on the Series 2019 Bonds when due.

Defeasance of Revenue Bonds Payable

On July 12, 2019 the city advance refunded and defeased the Series 2015 Capital Improvement Revenue Refunding Bonds maturing on September 1, 2019 through September 1, 2032 amounting to \$26,890,000. The City deposited proceeds of \$28,015,690 from Series 2019 Capital Improvement Revenue and Refunding Bonds in an irrevocable trust account and invested in direct obligations of the United States of America to allow for future payments of principal and interest until the redemption date of September 1, 2032 at a redemption price of 100%.

The difference in the cash flows of the old debt service compared to the new issue was a positive \$1,821,843. The economic gain (difference between the present value of the net debt service payments of the refunded and refunding debt) was \$1,250,191. The City refunded the issue to reduce debt service costs over the term of the loan.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE 1 – LONG TERM DEBT (CONTINUED)**

In prior years, the city defeased certain outstanding Redevelopment Revenue Bonds payable from tax increment revenues. The city also defeased certain Sunshine Governmental Financing Commission Revenue Notes payable from Non-Ad Valorem Revenues appropriated in the City’s annual budget. For each issue, the City deposited proceeds of the refunding bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City’s financial statements.

At September 30, 2019 the following bonds are considered defeased:

| <u>Bond Issue</u>                              | <u>Series</u> | <u>Beginning<br/>Balance<br/>10-1-2018</u> | <u>Additions</u>     | <u>Retirement</u>   | <u>Ending<br/>Balance<br/>9-30-2019</u> |
|--|---------------|--|----------------------|---------------------|---|
| Capital Improvement Bonds                      | 2001          | \$ 330,000                                 | \$ -                 | \$ 105,000          | \$ 225,000                              |
| Redevelopment Revenue Bonds                    | 2003          | 3,330,000                                  | -                    | 605,000             | 2,725,000                               |
| Capital Improvement Bonds                      | 2008          | 22,090,000                                 | -                    | 1,075,000           | 21,015,000                              |
| Redevelopment Revenue Bonds                    | 2006          | 13,585,000                                 | -                    | 705,000             | 12,880,000                              |
| Capital Improvement<br>Revenue Refunding Bonds | 2010          | 6,345,000                                  | -                    | -                   | 6,345,000                               |
| Capital Improvement<br>Revenue Refunding Bonds | 2015          | -  | 26,890,000           | 1,545,000           | 25,345,000                              |
|  |               | <u>\$ 45,680,000</u>                       | <u>\$ 26,890,000</u> | <u>\$ 4,035,000</u> | <u>\$ 68,535,000</u>                    |

Component Unit

Bond obligations of the FPUA (a component unit) as of September 30, 2019 are as follows:

|   | <b><u>Business-type<br/>Activities</u></b> |
|---|--|
| \$10,223,254 Utilities Revenue Capital Appreciation Bonds, Series 1999B, collateralized by pledge of and first lien on the net revenues of the combined systems, yield varying from 5.80% to 5.90%. The accreted value at September 30, 2019 is \$22,612,000. The remaining principal to be paid totals \$26,020,000 in annual amounts ranging from \$4,335,000 to \$4,340,000 through October 1, 2024. | 22,612,000                                 |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE 1 – LONG TERM DEBT (CONTINUED)**

Component Unit

Bond obligations of the FPUA (a component unit) as of September 30, 2019 are as follows:

|   | <b>Business-type<br/>Activities</b> |
|---|-------------------------------------|
| \$9,545,000 Utilities Revenue Bonds, Series 2016, collateralized by pledge of and first lien on the net revenues of the combined systems, interest at 2.14%. Theremaining annual principal amounts range from \$308,000 to \$3,451,000 through October 1, 2026.                                     | 8,776,000                           |
| \$34,800,000 Utilities Refunding Revenue Bonds, Series 2009, collateralized by pledge of and first lien on the net revenues of the combined systems, interest varying from 4.0% to 5.00% on the remaining annual principal amounts ranging from \$1,310,000 to \$7,285,000 through October 1, 2029. | 32,335,000                          |
|   | <u>63,723,000</u>                   |
| Less: Unamortized portion of bond premium and discounts   | 42,000                              |
| Current portion payable from restricted assets  | <u>5,953,000</u>                    |
|   | <u>\$ 57,728,000</u>                |

Long-term liability activity of the FPUA (a component unit) for the year ended September 30, 2019 was as follows:

|                                | <b>Balance<br/>10/1/2018</b> | <b>Additions</b>    | <b>Reductions</b>     | <b>Balance<br/>9/30/2019</b> | <b>Due within<br/>One Year</b> |
|--------------------------------|------------------------------|---------------------|-----------------------|------------------------------|--------------------------------|
| Loans and revenue bonds        | \$ 68,347,000                | \$ 1,273,000        | \$ (5,897,000)        | \$ 63,723,000                | \$ 5,953,000                   |
| Deferred Amounts               | (48,000)                     | -                   | 6,000                 | (42,000)                     | -                              |
| Due to St. Lucie County        | 77,000                       | -                   | (77,000)              | -                            | -                              |
| Net Pension Liability          | 7,408,000                    | 4,198,000           | -                     | 11,606,000                   | -                              |
| Capital Leases                 | 138,000                      | -                   | (24,380)              | 113,620                      | 29,000                         |
| Other Liabilities:             |                              |                     |                       |                              |                                |
| Compensated absences           | 2,015,000                    | 1,575,000           | (1,379,000)           | 2,211,000                    | -                              |
| Other Post Employment Benefits | 856,000                      | 197,000             | (64,000)              | 989,000                      | -                              |
| <b>Total</b>                   | <u>\$ 78,793,000</u>         | <u>\$ 7,243,000</u> | <u>\$ (7,435,380)</u> | <u>\$ 78,600,620</u>         | <u>\$ 5,982,000</u>            |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE 1 – LONG TERM DEBT (CONTINUED)**

Requirements to pay principal and interest on the **FPUA** (a component unit) obligations in each of the years/periods ending September 30, 2019 are as follows

|  | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
|--|----------------------|----------------------|----------------------|
| 2020   | \$ 5,953,000         | 1,645,000            | 7,598,000            |
| 2021   | 6,015,000            | 1,584,000            | 7,599,000            |
| 2022   | 6,076,000            | 1,519,000            | 7,595,000            |
| 2023   | 6,138,000            | 1,449,000            | 7,587,000            |
| 2024   | 6,210,000            | 1,377,000            | 7,587,000            |
| 2025-2029                                      | 29,454,000           | 4,278,000            | 33,732,000           |
| 2030   | 7,285,000            | -                    | 7,285,000            |
|  | <u>67,131,000</u>    | <u>11,852,000</u>    | <u>78,983,000</u>    |
| Future accretion on capital appreciation bonds | <u>(3,408,000)</u>   | <u>3,408,000</u>     | <u>-</u>             |
|  | <u>\$ 63,723,000</u> | <u>\$ 15,260,000</u> | <u>\$ 78,983,000</u> |

Other Requirements

The Series 1999, 2009, and 2016 bond issues provide that the Authority accumulate monthly 1/6 of the amount of all interest becoming due on the next semi-annual interest payment date, and 1/12 of the amount of principal which will become due and payable on the next principal maturity date. Additionally, FPUA’s Master Bond Resolution requires renewal and replacement, emergency reserve, and debt service reserve subaccount funds with minimum requirements of \$500,000, \$900,000 and \$5,457,000, respectively. These reserves are funded in the amounts of \$500,000, \$900,000, and \$5,457,000, respectively, at September 30, 2019.

The 2016 Utilities Refunding Bonds, maturing on October 1, 2026 with an interest rate of 2.14% are redeemable at any time at the option of FPUA. Any full or partial prepayment will carry a fee equal to the greater of (i) 1% of the principal balance multiplied by the number of years remaining or (ii) a “yield maintenance Fee”.

Other Requirements

The Series 2009 Bonds maturing in the year 2029 with an interest rate of 4.70% are redeemable, prior to their stated date of maturity, at the option of the Authority, on or after October 1, 2014. The Series 2009 Bonds maturing on or after October 1, 2020 (excluding those maturing in the year 2029 with an interest rate of 4.7%) are redeemable, prior to their stated date of maturity, at the option of the Authority, on or after October 1, 2019 at par plus accrued interest to the redemption date.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE J - INTERFUND ADVANCES, RECEIVABLES, PAYABLES, AND TRANSFERS**

Advances

During the year ending September 30, 2015, the Section 108 Debt Service fund advanced approximately \$1,090,000 to the Marina Fund to aid in the construction of new docks. Terms of the loan require 96 monthly payments of \$12,903, including interest at 3%. At September 30, 2019, the long-term portion of the advance was \$538,568.

During the year ending September 30, 2016, the Section 108 Debt Service fund advanced approximately \$1,400,000 to the General Fund to aid in the construction of infrastructure improvements. Terms of the loan require 96 monthly payments of \$16,421, including interest at 3%. At September 30, 2019, the long-term portion of the advance was \$915,602.

The composition of interfund balances as of and for the year ended September 30, 2019, is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u>            | <u>Amount</u>       |
|------------------------|--------------------------------|---------------------|
| General                | Nonmajor                       | \$ 100,036          |
| General                | Community Redevelopment Agency | 22,691              |
| General                | Solid Waste                    | 6,666               |
| General                | Marina                         | 7,163               |
| General                | Stormwater                     | 2,088,468           |
| General                | Golf Course                    | 635,468             |
| General                | Sunrise Theatre                | 740,645             |
| General                | Building Fund                  | 11,057              |
|                        |                                | <u>\$ 3,612,194</u> |

**Due to/Due from other funds:**

Amounts due to the General Fund include general and administrative charges and various reimbursements.

**Due to the primary government and from the component units:**

| <u>Receivable Entity</u> | <u>Payable Entity</u> | <u>Amount</u>       |
|--------------------------|-----------------------|---------------------|
| General fund             | FPUA                  | \$ 236,076          |
| Solid waste fund         | FPUA                  | 711,778             |
| Storm Water fund         | FPUA                  | 251,508             |
| Building fund            | FPUA                  | 2,415               |
|                          |                       | <u>\$ 1,201,777</u> |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE J - INTERFUND ADVANCES, RECEIVABLES, PAYABLES, AND TRANSFERS  
(CONTINUED)**

**Inter-fund transfers:**

|                       | <u>General</u>      | <u>Restricted<br/>Revenue<br/>Funds</u> | <u>Sunrise<br/>Theatre</u> | <u>Nonmajor<br/>Funds</u> | <u>Total</u>         |
|-----------------------|---------------------|---|----------------------------|---------------------------|----------------------|
| <b>Transfers out:</b> |                     |   |                            |                           |                      |
| General               | \$ -                | \$ 1,038,574                            | \$ -                       | \$ 6,092,728              | \$ 7,131,302         |
| Community Redev.      |                     |   |                            |                           |                      |
| Agency                | 2,734,449           | -                                       | 450,000                    | 2,510,920                 | 5,695,369            |
| Restricted Rev.       | 600,000             | -                                       | 30,338                     | -                         | 630,338              |
| Solid Waste           | 882,491             | -                                       | -                          | -                         | 882,491              |
| Marina                | 250,000             | -                                       | -                          | -                         | 250,000              |
| Building              | 5,386               | -                                       | -                          | -                         | 5,386                |
| Nonmajor              | 3,441               | -                                       | -                          | 2,376,093                 | 2,379,534            |
|                       | <u>\$ 4,475,767</u> | <u>\$ 1,038,574</u>                     | <u>\$ 480,338</u>          | <u>\$ 10,979,741</u>      | <u>\$ 16,974,420</u> |

Transfers into the Nonmajor funds were for debt service payments made from the various debt service funds. The transfer into the Sunrise Theatre from the Community Redevelopment Agency special revenue fund and Restricted Fund were to provide support for operations and capital expenses, respectively. The General Fund received a transfer from the Community Redevelopment Agency Fund to subsidize redevelopment district projects and related debt. The General Fund also received an annual transfer from the Solid Waste Fund, Marina Fund, Golf Course, and Building Fund. The General Fund received a transfer from a nonmajor fund that was closed in 2019.

**NOTE K - TRANSACTIONS WITH COMPONENT UNITS**

**Fort Pierce Utilities Authority (a discretely presented component unit)**

Transactions occur throughout the year in the ordinary course of operations between the City and the Fort Pierce Utilities Authority (FPUA) (a proprietary fund and component unit of the City). A summary of significant transactions follows:

Vehicle Maintenance - The City charges the FPUA, on a monthly basis, for fuel used by FPUA vehicles.

Non-metered and Metered Service Charges - The FPUA bills the City, on a monthly basis, for all nonmetered and metered services.

Charges to City residents for sanitation and utility taxes are included on the FPUA's monthly billing statements to customers as a service to the City. The FPUA acts only as an agent with all cash collections relating to the charges forwarded directly to the City. The City is charged \$187,200 annually by the FPUA for performance of these services.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

***NOTE K - TRANSACTIONS WITH COMPONENT UNITS (CONTINUED)***

Total charges to the City for nonmetered and metered services for the year ended September 30, 2019, were approximately \$1,784,000. Total disbursements made to the City by the FPUA, including payments of utility tax and sanitation charges collected during year ended September 30, 2019, were approximately \$10,770,000. Amounts receivable from the FPUA at September 30, 2019 were approximately \$1,112,000.

The Fort Pierce City Charter, Article XII, Section 178, provides that each year the Utility Authority shall pay to the City of Fort Pierce a sum equal to six percent of gross revenues derived from the operation of the utilities for the preceding fiscal year. The city commission, by majority vote, may agree to accept a lesser percentage. For purposes of this section the Charter defines gross revenues as all income derived from retail sales of electricity, gas, and wastewater disposal; wholesale and retail sales of water; gains on sales of assets, interest, rents, royalties, dividends, and management fees. Where a power cost adjustment or purchase gas adjustment is utilized, gross income shall mean the amount billed based upon the applicable rate without a debit or credit for the cost adjustment. For the year ended September 30, 2019, the amount transferred to the General Fund under this provision was \$6,125,000.

***NOTE L - RISK MANAGEMENT***

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program mainly encompasses obtaining property and liability insurance through commercial insurance carriers. During the year ended September 30, 2019, the City paid premiums of approximately \$2,499,500 to commercial insurance carriers for provisions of various liability, property, casualty and workers compensation insurance. The City has various deductible amounts ranging from \$500 to \$25,000 on various policies. At year-end, the City did not have any significant claims, and past claims have not exceeded insurance coverage in any of the past three years. There were no significant changes in coverage retention, or limits during the fiscal year. The General Fund handles property claims for the City and absorbs the loss for any amounts below the deductible amounts.

The City contracted with Blue Cross and Blue Shield of Florida for health insurance for its employees, effective June 1, 2008. Prior to June 1, 2008, the City was a self-insurer for the health and accident claims of its employees. The City closed the Internal Service Fund as of September 30, 2009 and accordingly, no current claims liability is reported.

The City adopted the provisions of GASB No. 49, *Accounting and Reporting for Pollution Remediation Obligations*, in the fiscal year ending September 30, 2011. Fort Pierce Utilities Authority transferred property to the Fort Pierce Redevelopment Agency, for which there is a dual responsibility for post remediation monitoring. The estimated cost related to the cleanup is discussed in Note X.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE M - EMPLOYEE RETIREMENT SYSTEMS**

The City participates in two retirement and benefit plans. The General Employees' Retirement and Benefit System covers all primary government and component unit employees. The Municipal Police Officers' Retirement Trust Fund covers the City's police officers. The City and The Utilities Authority, a component unit, offer a Deferred Retirement Option Plan (DROP).

Currently an annual actuarial evaluation is performed for both Plans. The most recent actuarial valuations were performed for the year ended September 30, 2019. Other information regarding contributions and funding progress is included as supplementary information to this report.

The City accounts for both plans as pension trust funds; therefore, they are accounted for in substantially the same manner as proprietary funds with an economic resources measurement focus and the accrual basis of accounting. Plan member contributions, employer contributions and contributions from other entities are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with terms of the plans. Plan assets are valued at fair market value for financial statement purposes.

The defined benefit plans do not issue stand-alone financial reports and are not included in any other retirement system's or entity's financial report. Financial statements for the individual pension plans are presented below since separate GAAP financial reports have not been issued for the individual plans.

Below is a summary of all pension related items in the aggregate across governmental, business-type and component unit activities. Details related to these items are presented separately for each plan on the following pages.

|   | Net Pension<br>Liability | Deferred<br>Outflows | Deferred<br>Inflows | Pension<br>Expense |
|---|--------------------------|----------------------|---------------------|--------------------|
| Municipal Police Officers'<br>Retirement Trust Fund               | 722,211                  | 646,917              | 354,932             | 363,826            |
| General Employee Retirement and<br>Benefit System ( City Portion) | 12,566,225               | 3,641,592            | 436,903             | 5,059,678          |
| Subtotal  | 13,288,436               | 4,288,509            | 791,835             | 5,423,504          |
| General Employee Retirement and<br>Benefit System ( FPUA Portion) | 11,606,105               | 3,328,336            | 441,439             | 4,673,094          |
| Total   | <u>24,894,541</u>        | <u>7,616,845</u>     | <u>1,233,274</u>    | <u>10,096,598</u>  |

***NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)***

The General Employees' Retirement and Benefit System

**Plan Description**

The General Employees' Retirement and Benefit System (the System) is a cost-sharing multiple-employer PERS defined benefit plan administered by the City covering all municipal employees, including the Fort Pierce Utilities authority employees (FPUA). The System does not issue a stand-alone financial report but is included in the Pension Trust Fund of the City's financial statements. Participation in the Plan is compulsory for all full-time employees of the City, who are eligible upon employment.

Upon retirement, members are entitled to an annual retirement benefit, payable for life, of total service times 3.0% of final average salary, based upon the highest five consecutive years of the last ten years for General Employees and Utilities Authority.

Plan Changes effective for October 1, 2012

For members hired prior to October 1, 2012:

- Benefits vest 100% after five years of service.
- Overtime hours included in compensation are limited to 300 hours per year.
- Payments for unused sick/vacation time are limited to the September 30, 2012 balance.
- Maximum pension benefit paid is \$100,000 per year.

Plan Changes effective for October 1, 2018 (retroactive change)

For members hired after October 1, 2012:

- Benefits vest 100% after five years of service.(10 year of service before retroactive change)
- Overtime hours included in compensation are limited to 300 hours per year.
- Maximum pension benefit paid is the lesser of \$100,000 or 75% of final five year average.

Police receive 3.0% of final average salary, based upon the highest five years out of the last ten years. (Optional benefit forms are available on an actuarial equivalent basis.) The system also provides death and disability benefits. These benefit provisions and all other requirements are established and may be amended by State Statute and City ordinance. Ad hoc increases in benefits may be granted periodically by a decision of the Retirement Board with the approval of the City Commission.

**Funding Policy**

Per City Code Section 13-39 and 13-40, as amended by Ordinance K-121, the City and FPUA employees are required to contribute 5.16% and 6.16% respectively of their annual salary to the System whether or not they are subject to collective bargaining. The employer is required to contribute actuarially determined amounts which, together with member contributions, are sufficient to fund the System. Administrative costs are financed through investment earnings.

The System funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient

***NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)***

assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using an attained age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized at a level percent of payroll over periods of 3-30 years.

**Membership**

At September 30, 2019, the Plan's membership consisted of: (1) 517 retirees and beneficiaries currently receiving benefits and 47 terminated employees entitled to benefits but not yet receiving them; (2) 308 vested active employees; and (3) 242 non-vested active employees.

**Benefits**

The plan provides retirement, termination, disability, and death benefits to all full time employees.

Normal Retirement- Eligibility occurs at 25 years of service regardless of age, or at age 60 (55 for police officers) with 5 years of service. Retirees receive of 3% of final average salary times total service with a maximum of \$100,000 per year.

Non-Duty Disability Retirement- Benefits occur after 5 years of service; computed as a normal retirement based upon service and final average salary at date of disability.

Duty Disability Retirement- No service requirement; computed as a normal retirement based upon service projected to the end of the duty disability period and final average salary at the time of disability.

Non-Duty Pre-Retirement Death Benefit- Benefits occur after 5 years of service; computed as a normal retirement but actuarially reduced in accordance with a 100% joint and survivor election.

Duty Pre-Retirement Death Benefit- No age of service requirement benefits begin upon termination of

workers compensation; benefits paid at the same amount that was paid by workers' compensation to the spouse until death, or to unmarried children under 18 and dependents of parents.

Deferred Retirement Option Plan- Eligibility is based on normal retirement. The maximum participation period is 5 years, but not beyond 30 years of service. The benefit is calculated as normal retirement but based on service and final average salary at the date of the DROP election. Member contributions cease and monthly benefits accumulate in a self-directed DROP account and are payable upon termination of employment.

**Contributions**

For the Three years ended 2017, 2018 and 2019, employer contributions to the Plan, all made in accordance with actuarially determined requirements, were \$4,565,884, \$4,909,654 and \$5,240,707 which was 15.33%, 16.27% and 16.20% respectively, of annual covered payroll.

The total payroll for employees covered by the System for the year ended September 30, 2019 was \$32,342,994 which includes \$15,007,022 for Fort Pierce Utilities Authority employees. One hundred percent of required contributions were actually made for 2017, 2018 and 2019.

**Pension Payable**

At September 30, 2019, the City reported payable's to the pension for their final two payrolls of the fiscal year of \$210,302 (including member contributions of \$61,959) for the City and the final payroll of the fiscal year \$78,097 (including member contributions of \$20,264) for FPUA.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

**Investments**

Investments are reported at fair value and are managed by third party money managers. Investments that do not have established market values are reported at estimated fair market value.

Best estimates of real rates of return for each major asset class included in the plan's target asset allocation as of September 30, 2019 are summarized in the following table:

| Asset Class           | Target Allocation | Long-term Expected Real Rate of Return | Allocation-weighted Long-term Expected Real Rate of Return |
|-----------------------|-------------------|--|--|
| Large Cap Equity      | 26%               | 4.75%                                  | 1.24%  |
| Small/Mid Cap Equity  | 12%               | 5.00%                                  | 0.60%  |
| Global Ex-US Equity   | 25%               | 5.00%                                  | 1.25%  |
| Domestic Fixed Income | 27%               | 1.50%                                  | 0.41%  |
| Real Estate           | 10%               | 4.00%                                  | 0.40%  |
|                       | 100%              |  | 3.90%  |

For the year ended September 30, 2019, the annual money-weighted rate of return, net of investment expenses was 2.65%.

**Pension Liabilities, Pension Expense and Deferred Outflows and Inflows of Resources**

At September 30, 2019, the City and Fort Pierce Utilities Authority (FPUA) reported their proportional share of the following:

|  | City       | Component Unit FPUA |
|--|------------|---------------------|
| Net Pension Liability                      | 12,566,225 | 11,606,105          |
| Employer Allocation Percentage             | 51.99%     | 48.01%              |
| Proportional Share of Plan Pension Expense | 5,059,678  | 4,673,094           |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

The City and FPUA reported proportional shares of deferred outflows of resources and deferred inflows of resources from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| <b>Primary Government:</b>   |                                      |                                     |
| Difference between Expected and Actual Experience  | 143,059                              | 436,903                             |
| Net Difference between Projected and Actual Investment Earnings<br>on Pension Plan Investments     | 1,584,039                            | -                                   |
| Change of Assumptions  | 1,876,576                            | -                                   |
| Changes in Proportion and Differences between Employer<br>Contributions and Share of Contributions | 37,918                               | -                                   |
|  | <u>3,641,592</u>                     | <u>436,903</u>                      |
| <b>Component Unit-FPUA:</b>  |                                      |                                     |
| Difference between Expected and Actual Experience  | 132,129                              | 403,521                             |
| Net Difference between Projected and Actual Investment Earnings<br>on Pension Plan Investments     | 1,463,011                            | -                                   |
| Change of Assumptions  | 1,733,196                            | -                                   |
| Changes in Proportion and Differences between Employer<br>Contributions and Share of Contributions | -                                    | 37,918                              |
|  | <u>3,328,336</u>                     | <u>441,439</u>                      |
|  | <u>6,969,928</u>                     | <u>878,342</u>                      |

Deferred outflows and inflows of resources by year to be recognized in future pension expenses:

| Year Ending<br>September 30 | Net Deferred Outflows of Resources |                           |                     |
|-----------------------------|------------------------------------|---------------------------|---------------------|
|                             | City                               | Component<br>Unit<br>FPUA | Total               |
| 2020                        | 1,227,258                          | 1,212,472                 | 2,439,730           |
| 2021                        | 407,627                            | 285,549                   | 693,176             |
| 2022                        | 506,399                            | 413,086                   | 919,485             |
| 2023                        | 1,063,405                          | 975,790                   | 2,039,195           |
| Thereafter                  | -                                  | -                         | -                   |
| TOTAL                       | <u>\$ 3,204,689</u>                | <u>\$ 2,886,897</u>       | <u>\$ 6,091,586</u> |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

**NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions**

The annual required contribution for the current year was determined as part of the September 30, 2019 actuarial valuation of the Plan. The following methods and assumptions were used to determine the contribution rates:

|                               |   |
|-------------------------------|---|
| Valuation date                | Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.  |
| Actuarial cost method         | Entry Age Normal  |
| Amortization method           | Level Percent of Payroll, closed  |
| Remaining amortization period | 2-30 years as of September 30, 2017   |
| Asset valuation method        | 4-year smoothed market  |
| Wage Inflation                | 4.0%  |
| Salary increases              | General & Utilities Authority; 4.0% to 6.5%, including inflation<br>Police; 4.0% to 8.0%  |
| Investment rate of return     | 7.75%   |
| Long-term municipal bond rate | 2.75%   |
| Retirement Age                | Age and service-based tables that are specific to the type of eligibility condition.  |
| Mortality                     | The Florida Retirement System(FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.   |
| Cost-of-living Adjustment     | COLA's are granted if the investment return exceeds the investment return assumption and the cummulative actuarial gains and losses since 1995 are positive. Because the cummulative gains and losses are (30) million, the COLA provision is assumed to not operate for the indefinite future. |

**Notes:**The September 30, 2019 valuation reflects changes in relation to City Ordinance Nos. 18-037, 18-038, and 18-042. City Ordinance nos. 18-037 &18-042 restored the 5 year vesting requirement from 10 years for members hired after October 1, 2012, resulting in a small increase in the Total Pension Liability. City Ordinance No. 18-038 has a de minimis impact and codifies that Human Resource shall inform the member in writing of his/her entitlement to claim military service credit immediately upon the member's return from active duty.

**NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

**Discount Rate**

A single discount rate of 7.75% is used to measure the total pension liability. This single rate was based on the expected rate of return on pension plan investments of 7.75%. The projection of cash flows used to determine this single discount rate assumes that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of Pension Liability**

The following presents the City's proportional share of the plan's net pension liability, calculated using a single discount rate of 7.75%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher:

**Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption**

|                                      | 1% Decrease<br>6.75  | Current Single Discount<br>Rate Assumption<br>7.75 | 1% Increase<br>8.75 |
|--------------------------------------|----------------------|--|---------------------|
| Total Pension Liability              | \$ 254,078,088       | \$ 228,566,233                                     | 207,071,915         |
| Net Position Restricted for Pensions | 204,393,903          | 204,393,903  | 204,393,903         |
| Net Pension Liability                | <u>\$ 49,684,185</u> | <u>\$ 24,172,330</u>                               | <u>\$ 2,678,012</u> |

**Municipal Police Officers' Retirement Trust Fund**

**Plan Description**

The Municipal Police Officers' Retirement Trust Fund (the Fund) is a single employer defined benefit plan administered by the City for the benefit of its police officers. The Fund is established under the provisions of Chapter 185 Florida Statutes. The Fund does not issue a stand-alone financial report, but is included in the Pension Trust Fund of the City's financial statements. Participation in the Plan is compulsory for all certified police officers of the City, who are eligible upon employment.

Police officers with ten or more years of continuous service with the police department are eligible for benefits. On April 15, 1985, the Fort Pierce City Commission approved an amendment to the benefit provisions of the Pension Trust. Prior to the amendment, all police officers who were eligible for benefits had the option to accept a lump sum in cash or the purchase of an annuity equal to the value of the lump sum payment at the date of retirement.

***NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)***

The amendment allows lump sum payments only to participants hired prior to December 17, 1984.

These benefit provisions and all other requirements are established and may be amended by State Statute and City Ordinance. Ad hoc increases in benefits may be granted periodically by a decision of the Police Retirement Board with approval by the City Commission.

**Membership**

As of September 30, 2019, Plan membership consisted of: (1) 37 retirees and beneficiaries currently receiving benefits and 1 terminated employees entitled to benefits but not yet receiving them; (2) 41 vested active employees; and (3) 73 non-vested active employees.

**Funding Policy**

Contribution requirements for the Plan are established and may be amended by State law and City ordinance. Contributions for the Plan are financed principally by contributions from the State of Florida, which are financed by a .85% excise tax on casualty insurance premiums on policies covering property within the corporate limits of City of Fort Pierce, as provided under provisions of Chapter 185, Florida Statutes. Current year contributions to the plan from the State of Florida were \$402,063. The revenue and corresponding expense are recorded in the general fund. In accordance with City Code Section 13-169 each Plan member is required to make contributions of 7% of their salaries to the Plan. The funding policy for the Plan is actuarially determined in that an annual actuarial valuation is made to determine if State and employee contributions are sufficient to fund the Plan. The City is not required to contribute in any way to the Plan. Administrative costs are financed through investment earnings.

The actuarial valuation as of September 30, 2019 found anticipated revenues to be sufficient to fund the current year benefits provided by the Plan in accordance with the provisions of Chapter 185, Florida Statutes.

**Benefits**

The plan provides retirement, termination, disability, and death benefits to all full time police officers.

Normal Retirement- Benefits occur at age 55 with 10 years of service, or 25 years of service. Retirees receive the greater of 2% of final average salary times total service with a maximum of \$1,000 per month, or 1% of final average salary times credited service up to 30 years.

Early Retirement-Benefits occur at age 45 with 10 years of service. Retirees receive 2% of final average salary times total service, with a maximum benefit of \$1,000 per month. The pension is reduced by 3% for each complete year retirement age precedes 55.

Disability Retirement- Benefits occur after 10 years of service. A lump sum payment equal to the actuarial equivalent of pension benefit the member accrued as of the date of disability.

Pre-Retirement Death Benefit- Benefits occur after 10 years of service. A lump sum payment equal to the actuarial equivalent of pension benefits to which the deceased member would have been entitled at normal retirement age.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

Deferred Retirement Option Plan- Eligibility is based on normal retirement. The maximum participation period is 5 years, but not beyond 30 years of service. The monthly pension is calculated with normal retirement based on frozen years of service and final average salary at the time the member elects to participate in DROP.

**Pension Payable**

At September 30, 2019, the City reported a payable to the police pension related to employee contributions of \$28,614 withheld from the City's final payroll of the fiscal year.

**Investments**

Investments are reported at fair value and are managed by third party money managers. Investments that do not have established market values are reported at estimated fair market value.

Best estimates of real rates of return for each major asset class included in the plan's target asset allocation as of September 30, 2019 are summarized in the following table:

| Asset Class           | Target Allocation | Long-term Expected Real Rate of Return | Allocation-weighted Long-term Expected Real Rate of Return |
|-----------------------|-------------------|--|--|
| Large Cap Equity      | 15%               | 7.40%                                  | 1.50%  |
| Small/Mid Cap Equity  | 14%               | 7.80%                                  | 1.40%  |
| Global Ex-US Equity   | 15%               | 2.40%                                  | 0.70%  |
| Domestic Fixed Income | 25%               | 3.20%                                  | 1.40%  |
| MLP                   | 6%                | 8.10%                                  | 0.60%  |
| High Yield            | 6%                | 5.70%                                  | 0.50%  |
| Convertible Bonds     | 8%                | 6.30%                                  | 0.70%  |
| REITS                 | 5%                | 7.20%                                  | 0.50%  |
| Real Estate           | 5%                | 4.90%                                  | 0.40%  |
| Cash                  | 1%                | 0.60%                                  | 0.00%  |
|                       | 100%              |  | 7.70%  |

For the year ended September 30, 2019, the annual money-weighted rate of return, net of investment expenses was 5.29%.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

**Pension Liabilities, Pension Expense and Deferred Outflows and Inflows of Resources**

At September 30, 2019, the City reported a liability of \$722,211 for its share of the net pension liability. The net pension liability was measured at September 30, 2019 with an actuarial valuation date of September 30, 2019.

For the year ended September 30, 2019, the city recognized pension expense of \$363,826. The City reported deferred outflows of resources and deferred inflows of resources from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between Expected and Actual Experience  | 329,339                              | 265,830                             |
| Net Difference between Projected and Actual Investment Earnings<br>on Pension Plan Investments | 317,578                              | -                                   |
| Change of Assumptions  | -                                    | 89,102                              |
| Total Deferred Outflows/Inflows of Resources   | <u>646,917</u>                       | <u>354,932</u>                      |

Deferred outflows and inflows of resources by year to be recognized in future pension expenses:

| Year Ending<br>September 30 | Net Deferred<br>Outflows of<br>Resources |
|-----------------------------|--|
| 2020                        | 37,345                                   |
| 2021                        | 67,586                                   |
| 2022                        | 119,364                                  |
| 2023                        | 90,007                                   |
| 2024                        | 8,236                                    |
| Thereafter                  | (30,553)                                 |
| TOTAL                       | <u>\$ 291,985</u>                        |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

**Net Pension Liability and Plan Fiduciary Net Position**

The components of the net pension liability and plan fiduciary net position of the City at September 30, 2019, were as follows:

|   |                             |
|---|-----------------------------|
| <b>Total Pension Liability:</b>                         |                             |
| Service cost  | \$ 565,351                  |
| Interest  | 1,154,457                   |
| Benefit change  | -                           |
| Difference between actual & expected experience         |                             |
| experience  | (213,853)                   |
| Assumption changes                                      | -                           |
| Benefit payments  | (697,198)                   |
| Refunds   | (39,638)                    |
| <b>Net Change in Total Pension Liability</b>            | <u>769,119</u>              |
| <br>  |                             |
| <b>Total Pension Liability-Beginning</b>                | 15,726,606                  |
| <b>Total Pension Liability-Ending (a)</b>               | <u><u>\$ 16,495,725</u></u> |
| <br>  |                             |
| <b>Plan Fiduciary Net Position:</b>                     |                             |
| Contributions-employer                                  | \$ -                        |
| Contributions-employer (from state)                     | 402,063                     |
| Contributions-Employee(Including buyback contributions) | 569,137                     |
| Net investment income                                   | 723,841                     |
| Benefit payments  | (697,198)                   |
| Refunds   | (39,638)                    |
| Administrative expense                                  | (39,355)                    |
| Other   | -                           |
| <b>Net Change in Plan Fiduciary Net Position</b>        | <u>918,850</u>              |
| <br>  |                             |
| <b>Plan Fiduciary Net Position-Beginning</b>            | 14,854,664                  |
| <b>Plan Fiduciary Net Position-Ending (b)</b>           | <u><u>\$ 15,773,514</u></u> |
| <br>  |                             |
| <b>Net Pension Liability-Ending (a) - (b)</b>           | 722,211                     |

**NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions**

The annual required contribution for the current year was determined as part of the September 30, 2018 actuarial valuation of the Plan. The following methods and assumptions were used to determine the contribution rates:

|                               |   |
|-------------------------------|---|
| Valuation date                | September 30, 2018  |
| Actuarial cost method         | Entry Age Normal  |
| Amortization method           | Level Percent of Payroll, closed  |
| Remaining amortization period | 20 years (single equivalent amortization period)  |
| Asset valuation method        | 4-year smoothed market  |
| Inflation rate                | 2.5%  |
| Salary increases              | 3.5% to 6.5% depending on completed years of service including inflation  |
| Investment rate of return     | 7.25%   |
| Retirement Age                | Experienced-based table of rates that are specific to the type of eligibility condition   |
| Mortality                     | RP-2000 Combined Healthy Participant Mortality Table(for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants(for postretirement mortality), with mortality improvements projected for all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for special risk class members of the Florida Retirement System(FRS). Florida Statutes Chapter 112.63(1)(f) mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS. |

**Discount Rate**

A single discount rate of 7.25% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.25%) was applied to all periods of projected benefit payments to determine the total pension liability.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

***NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)***

**Sensitivity of Pension Liability**

The following presents the plan's net pension liability, calculated using a single discount rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher:

| 1% Decrease<br>6.25% | Current Single Discount<br>Rate Assumption<br>7.25% | 1% Increase<br>8.25% |
|----------------------|---|----------------------|
| \$ 2,801,274         | \$ 722,211  | \$ (967,028)         |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

City of Fort Pierce, Florida  
**COMBINING STATEMENT OF  
FIDUCIARY FUNDS NET POSITION**  
September 30, 2019

|   | Pension Trusts        |                      | Total                 |
|---|-----------------------|----------------------|-----------------------|
|   | General<br>Employees  | Police<br>Officers   |                       |
| <b>ASSETS</b>   |                       |                      |                       |
| Cash and cash equivalents                               | \$ 494,439            | \$ 345,914           | \$ 840,353            |
| Investments, at fair value:                             |                       |                      |                       |
| U.S. Government Securities                              | 19,773,179            | 1,363,299            | 21,136,478            |
| Mutual Funds  | 115,090,591           | 11,163,633           | 126,254,224           |
| Municipal Bonds   | 313,708               | -                    | 313,708               |
| Certificates of Deposit                                 | -                     | 349,856              | 349,856               |
| Common Stock  | 15,473,448            | -                    | 15,473,448            |
| Corporate Bonds   | 29,681,150            | 1,232,516            | 30,913,666            |
| Real Estate Trust L.P.                                  | 20,852,825            | -                    | 20,852,825            |
| Common Trust Fund                                       | -                     | 940,127              | 940,127               |
| Money Market  | 2,116,983             | 353,983              | 2,470,966             |
| Total investments                                       | <u>203,301,884</u>    | <u>15,403,414</u>    | <u>218,705,298</u>    |
| Total cash and investments                              | 203,796,323           | 15,749,328           | 219,545,651           |
| Accounts receivable                                     | 288,399               | 28,615               | 317,014               |
| Accrued interest receivable                             | 382,903               | -                    | 382,903               |
| Total assets  | <u>\$ 204,467,625</u> | <u>\$ 15,777,943</u> | <u>\$ 220,245,568</u> |
| <b>LIABILITIES</b>                                      |                       |                      |                       |
| Accounts payable and accrued liabilities                | \$ 73,722             | \$ 4,430             | \$ 78,152             |
| <b>NET POSITION-RESTRICTED FOR<br/>PENSION BENEFITS</b> |                       |                      |                       |
|   | <u>\$ 204,393,903</u> | <u>\$ 15,773,513</u> | <u>\$ 220,167,416</u> |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE M - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)**

City of Fort Pierce, Florida  
**COMBINING STATEMENT OF CHANGES  
IN FIDUCIARY FUNDS NET POSITION**  
Year ended September 30, 2019

|  | Pension Trusts    |                 | Total          |
|--|-------------------|-----------------|----------------|
|  | General Employees | Police Officers |                |
| <b>ADDITIONS</b>   |                   |                 |                |
| Contributions  |                   |                 |                |
| Employer   | \$ 5,240,707      | \$ -            | \$ 5,240,707   |
| Employees  | 1,818,969         | 569,137         | 2,388,106      |
| State-via the general fund                                   | -                 | 402,063         | 402,063        |
| Total contributions  | 7,059,676         | 971,200         | 8,030,876      |
| Investment income  |                   |                 |                |
| Interest   | 2,524,352         | 86,196          | 2,610,548      |
| Dividends  | 1,045,427         | 361,864         | 1,407,291      |
| Net appreciation (depreciation) in fair value of investments | 2,470,453         | 345,998         | 2,816,451      |
| Total investment income                                      | 6,040,232         | 794,058         | 6,834,290      |
| Investment expenses  | (759,826)         | (70,218)        | (830,044)      |
| Net investment income  | 5,280,406         | 723,840         | 6,004,246      |
| Total increases  | 12,340,082        | 1,695,040       | 14,035,122     |
| <b>DEDUCTIONS</b>  |                   |                 |                |
| Retirement benefits paid                                     | 14,176,818        | 697,198         | 14,874,016     |
| Refunds of employee contributions                            | 428,151           | 39,638          | 467,789        |
| Administrative expenses                                      | 285,821           | 39,355          | 325,176        |
| Insurance expense  | 20,651            | -               | 20,651         |
| Total deductions   | 14,911,441        | 776,191         | 15,687,632     |
| Net Increase (Decrease)                                      | (2,571,359)       | 918,849         | (1,652,510)    |
| <b>NET POSITION-RESTRICTED FOR PENSION BENEFITS</b>          |                   |                 |                |
| Beginning of year  | 206,965,262       | 14,854,664      | 221,819,926    |
| End of year  | \$ 204,393,903    | \$ 15,773,513   | \$ 220,167,416 |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE N - POST-EMPLOYMENT HEALTH CARE BENEFITS**

In addition to providing pension benefits, the City provides certain health care and life insurance benefits for retired employees. Substantially all of the City’s employees may become eligible for those benefits if they reach normal retirement age while working for the City. The primary government recognizes the costs associated with providing these benefits as premiums are paid. The FPUA (a component unit) recognizes the cost as it is incurred. Premiums paid by retirees for the primary government and for the FPUA total approximately \$326,000 and \$291,000, respectively.

Section 112.0801, Florida Statutes, as amended by Sections 1 and 2 of Chapter 87-373, Laws of Florida, requires all public employers to allow their retirees to participate in the same health group plan or self-insurance plan offered to their active employees.

**Plan Description**

The Other Post Employment Benefit plan is a single-employer benefit plan administered by the City. Retiree’s are charged the same rate by the insurance company as active employees. Premiums charged by the insurance company are a blended rate based on the experience of younger active employees and older retired employees. Since retirees actually have higher costs yet pay the same rate as younger active employees, the city actually subsidizes the cost of the retirees’ health insurance coverage.

**Funding Policy**

As of September 30, 2019, the most recent actuarial measurement date, the city’s and FPUA’s plans were unfunded.

**Membership**

At September 30, 2019, the City’s Plan membership consisted of: (1) 51 retirees and beneficiaries, and (2) 308 active employees. At September 30, 2019, the FPUA’s Plan membership consisted of: (1) 50 retirees and beneficiaries, and (2) 278 active employees.

**OPEB Liabilities, OPEB Expense and Deferred Outflows and Inflows of Resources**

At September 30, 2019, the City and FPUA reported an OPEB liability of \$2,726,682, and \$989,212. The net OPEB liability was measured at September 30, 2019 with an actuarial valuation date of September 30, 2018.

For the year ended September 30, 2019, the city and FPUA recognized OPEB expense of \$238,189, and \$64,148, respectively.

|  | Primary<br>Government | Component<br>Unit<br>FPUA |
|--|-----------------------|---------------------------|
| <b>OPEB Expense:</b>   |                       |                           |
| Service Cost   | \$ 99,678             | \$ 26,709                 |
| Interest on the Total OPEB Liability                                 | 85,282                | 37,439                    |
| Recognition of Outflow(Inflow) of<br>of Resources Due to Liabilities | 53,229                | -                         |
|  | <u>\$ 238,189</u>     | <u>\$ 64,148</u>          |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE N - POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

**Recognition of Deferred Outflows and Inflows of Resources**

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period. At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 2,680 years. Additionally, the total plan membership (active employees and inactive employees) was 359. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 7.4649 years.

The City and FPUA reported deferred outflows of resources and deferred inflows of resources from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
|   | <u>                    </u>          | <u>                    </u>         |
| <b>Primary Government:</b>                        |                                      |                                     |
| Difference between Expected and Actual Experience | 121,448                              | -                                   |
| Change of Assumptions                             | 281,177                              | 52,361                              |
|   | <u>402,625</u>                       | <u>52,361</u>                       |
| <b>Component Unit-FPUA:</b>                       |                                      |                                     |
| Difference between Expected and Actual Experience | 113,951                              | 36,445                              |
| Change of Assumptions                             | -                                    | -                                   |
| Difference between Expected and Actual Experience | -                                    | -                                   |
|   | <u>113,951</u>                       | <u>36,445</u>                       |

Deferred outflows and inflows of resources by year to be recognized in future OPEB expenses:

| Year Ending<br>September 30 | Net Deferred Outflows of Resources |                             |
|-----------------------------|------------------------------------|-----------------------------|
|                             | Primary<br>Government              | Component Unit<br>FPUA      |
|                             | <u>                    </u>        | <u>                    </u> |
| 2020                        | 53,229                             | 11,534                      |
| 2021                        | 53,229                             | 11,534                      |
| 2022                        | 53,229                             | 11,534                      |
| 2023                        | 53,229                             | 11,534                      |
| 2024                        | 53,229                             | 11,534                      |
| Thereafter                  | 84,119                             | 19,836                      |
| TOTAL                       | <u>\$ 350,264</u>                  | <u>\$ 77,506</u>            |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE N - POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

**Net OPEB Liability**

|   | Primary<br>Government      | Component<br>Unit<br>FPUA |
|---|----------------------------|---------------------------|
| <b>Total OPEB Liability:</b>                                      |                            |                           |
| Service cost  | \$ 99,678                  | \$ 26,709                 |
| Interest  | 85,282                     | 37,439                    |
| Benefit change  | -                          | -                         |
| Difference between actual & expected experience                   | 113,730                    | 132,631                   |
| Assumption changes  | 324,670                    | -                         |
| Benefit payments  | <u>(147,030)</u>           | <u>(63,859)</u>           |
| <b>Net Change in Total OPEB Liability</b>                         | <b>476,330</b>             | <b>132,920</b>            |
| <b>Total OPEB Liability-Beginning</b>                             | <u>2,250,352</u>           | <u>856,298</u>            |
| <b>Total OPEB Liability-Ending (a)</b>                            | <u><b>\$ 2,726,682</b></u> | <u><b>\$ 989,218</b></u>  |
| Covered Payroll   | 16,903,846                 | 16,496,863                |
| Net OPEB Liability as a Percentage of<br>Covered Employee Payroll | 16.13%                     | 6.00%                     |

**Actuarial Assumptions and Methods**

|                         |   |
|-------------------------|---|
| Valuation date          | September 30, 2018  |
| Actuarial cost method   | Entry Age Normal  |
| Amortization method     | Level Percent of Payroll, open 30-year period   |
| Wage Inflation          | 2.5%  |
| Salary increases        | General : 4.0% to 6.5%, including inflation<br>Police; 4% to 8%   |
| Retirement Age          | Age and service-based tables that are specific to the type of eligibility   |
| Mortality               | The Florida Retirement System(FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.   |
| Health Care Trend Rates | Trend starting at 9.0% and gradually decreasing to an ultimate trend rate of 4.0%   |
| Aging Factors           | Based on the 2013 SOA Study "Health Care Costs-From Birth to Death"   |
| Expenses                | Administrative expenses are included in the premium costs   |
| Notes                   | There were no benefit changes during the year.<br>Assumption changes include: 1) resetting the trend, 2) adjusting the single discount rate from 3.83% to 2.75%, 3) updates to the election assumption, and 4) the inclusion of a 2% excise tax load. |

**NOTE N - POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

**Discount Rate**

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 2.75% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”). The discount rate was 3.83% as of the prior measurement date.

**Sensitivity of Total OPEB Liability**

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan’s total OPEB liability, calculated using a discount rate of 2.75%, as well as what the plan’s total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

| <b>Sensitivity of the Total OPEB Liability to the Discount Rate Assumption</b> |  |              |
|--|--|--------------|
| 1% Decrease  | Current Single Discount<br>Rate Assumption | 1% Increase  |
| 1.75   | 2.75                                       | 3.75         |
| \$ 3,007,256   | \$ 2,726,682                               | \$ 2,480,690 |

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan’s total OPEB liability, calculated using the assumed trend rates as well as what the plan’s total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

| <b>Sensitivity of Total OPEB Liability to Healthcare Cost Rate Assumption</b> |   |              |
|---|---|--------------|
| 1% Decrease   | Current Healthcare<br>Cost Trend<br>Rate Assumption | 1% Increase  |
| \$ 2,436,400  | \$ 2,726,682  | \$ 3,081,548 |

**NOTE O - DEFERRED COMPENSATION PLAN**

The primary government (the City) and the component unit (the Authority) offer employees a deferred compensation Plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation assets are not available to employees until termination, retirement, death, or unforeseeable emergency.

During the year ended September 30, 1997, the assets in the plan were transferred into trust funds. The assets are protected by the trust agreement from any claims on the employer and from any use by the employer other than paying benefits to employees and their beneficiaries in accordance with the plan. In accordance with GASB Statement No. 32, the plan's assets and related liability were removed from the City and the Authority balance sheets as of September 30, 1997.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

***NOTE P - CONTRACT COMMITMENTS***

**FPUA**, the “Authority” (a component unit)

FMPA All-requirements Power Supply Project

As of January 1, 1998, the Authority became a participant in Florida Municipal Power Agency’s (FMPA) All-Requirements Power Supply Project (hereinafter referred to as ARP). The Authority has agreed to purchase all capacity and energy necessary for their electric system from FMPA’s ARP during the term of the contract. The contract is a 30 year evergreen, automatically renewing on October 1 of each year unless notification is provided one year prior to the automatic extension date.

Prior to being involved in the ARP, the Authority had Project Support Contracts and Power Sales Contracts with FMPA regarding Stanton Unit No. 1 (Stanton and Tri-City Projects) and Stanton Unit No. 2, coal-fired plants constructed by the Orlando Utilities Commission. The Authority’s resources which have been assigned include the contracts with FMPA related to Stanton Unit No. 1 and Stanton Unit No. 2, and part of the contract with Florida Gas Transmission for the purchase of firm capacity natural gas. (See below). The contracts related to the St. Lucie Project, detailed below, have not been assigned; however, as of January 1, 1998, the Authority’s share of transmission costs related to the St. Lucie Project has been assigned to the ARP.

FMPA St. Lucie Project

The Authority has entered into agreements with the Florida Municipal Power Agency (FMPA), of which it is a member, and with certain other members of FMPA, for entitlement to capacity, energy and transmission services from Florida Power & Light Company's St. Lucie Unit No. 2 (the Unit), which is located on South Hutchinson Island near Fort Pierce, and through a reliability exchange agreement in St. Lucie Unit No. 1, located on the same site. Pursuant to a Power Sales Contract and a Project Support Contract, the Authority has acquired an entitlement share of FMPA's allocation of these services. The Power Sales Contract requires payments for each month in which capacity, energy, or transmission services are available from the St. Lucie Project. Payments due each month are based upon an annual budget. Once each year the excess or deficiency of payments related to actual cost is calculated and applied to the monthly statements from FMPA to the Authority.

***NOTE P - CONTRACT COMMITMENTS (CONTINUED)***

The Power Sales Contract will remain in effect until the latest of (i) the date principal of, premium, if any, and interest on all bonds of the Unit have been paid or funds are set aside for the payment thereof, (ii) the date the Unit is decommissioned or finally disposed of as an electric generating unit pursuant to the Participation Agreement or FMPA's interest in the Unit is terminated pursuant to the Participation Agreement or otherwise disposed of, or (iii) the date all obligations or FMPA under the Participation Agreement have been paid, performed or provided for.

In any month when electric capacity, energy, or transmission services are not made available to the Authority, payment is made to FMPA under a Project Support Contract in a like amount as would have been due under the Power Sales Contract.

Purchases under these contracts are accounted for as operating expenses by the Authority. Total cost included in operating expenses for the year ended September 30, 2019 is \$8,146,000. The Authority is committed under the agreements to payments totaling \$7,862,000 for the year ending September 30, 2019.

Florida Gas Transmission

The Authority executed an All Requirements Gas Service Agreement with Florida Gas Utility (FGU) on January 15, 2002. As a member of the All Requirements project, the Authority is required to purchase natural gas and the firm capacity needed for its delivery through FGU. The firm capacity of natural gas is the availability of the pipeline required to transport the natural gas to the Authority. This agreement will remain in effect until cancelled by the Authority.

On July 3, 2012, the Authority acquired additional firm capacity from the City of Sunrise, Florida in order to meet the needs of new industrial customers. This agreement will remain in effect until cancelled by the Authority. In fiscal 2016, additional firm capacity was made available from FGT and the Authority exercised rights to obtain this capacity. An additional 96,800 MMBtu of capacity was obtained. With the additional capacity, the amount of Sunrise capacity was reduced by 45,300 MMBtu via a revised interlocal agreement with the City of Sunrise. In fiscal 2019, FPUA will be entitled to firm capacity of 566,412 MMBtu, and will commit to purchase 305,931 MMBtu of natural gas at a cost of \$712,000. The amounts purchased under these contracts for fiscal 2019 and fiscal 2018 were \$1,717,000 and 1,763,000, respectively.

FMPA Treasure Coast Energy Center

The Authority has entered into an agreement with FMPA to manage and operate their newly developed facility located in St. Lucie County near Fort Pierce. The Treasure Coast Energy Center (TCEC) is a natural gas fueled power generation site. The initial terms of this agreement(s) commenced on July 24, 2007 and expired on September 30, 2011, after which the agreement becomes a one-year evergreen protecting both parties from a long term commitment. The agreement has been extended for the year ended September 30, 2019.

The Authority has been engaged to manage, operate, and maintain the TCEC. TCEC employees are on the payroll of the Authority and all costs associated with them are reimbursed bi-weekly by FMPA. TCEC employee costs and revenue for Fiscal 2019 totaled \$2,284,000.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE Q - CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**NOTE R - LEASES**

Operating Leases:

The city entered into a 5 year agreement effective August 2018, for body camera equipment and support at \$7,500 per month extending to August 2023.

The City entered into a 25 year lease agreement, effective October 2012, with the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida. The City, as lessee, agrees to certain conditions for the use of sovereign submerged land for the purpose of operating the Marina under an operating lease expiring September 23, 2037. Per the agreement, annual lease payments may be adjusted due to a change in the 5 year average consumer price index.

Minimum future rental payments under operating leases for each of the years/period ending September 30 are as follows:

|            |    |                  |
|------------|----|------------------|
| 2020       | \$ | 122,302          |
| 2021       |    | 122,302          |
| 2022       |    | 122,302          |
| 2023       |    | 114,802          |
| 2024       |    | 32,302           |
| Thereafter |    | 419,926          |
|            | \$ | <u>1,065,416</u> |

Rent expense for the above referenced leases was \$124,338 for the year ended September 30, 2019.

Capital Leases:

The City has entered into lease agreements as lessee for financing the acquisition of vehicles and certain equipment. These lease agreements qualify as capital leases for accounting purposes and accordingly have been recorded at the present value of their future minimum lease payments as of the inception date. Aggregate cost and accumulated depreciation of assets acquired through capital leases are as follows:

|                                | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> |
|--------------------------------|------------------------------------|-------------------------------------|
| Machinery and Equipment        | \$ 2,227,161                       | \$ 1,524,415                        |
| Less: accumulated depreciation | (918,684)                          | (660,582)                           |
| Total                          | <u>\$ 1,308,477</u>                | <u>\$ 863,833</u>                   |

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE R – LEASES (CONTINUED)**

The future minimum lease obligations and net present value of these minimum lease payments as of September 30, 2019, were as follows:

|  | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> |
|--|------------------------------------|-------------------------------------|
| 2020   | \$ 570,559                         | \$ 332,734                          |
| 2021   | 534,143                            | 332,734                             |
| 2022   | 496,133                            | 221,823                             |
| 2023   | 157,858                            | -                                   |
| 2024   | 72,015                             | -                                   |
|  | <u>1,830,708</u>                   | <u>887,291</u>                      |
| Less: Amount representing interest             | (156,483)                          | (35,471)                            |
| Present value of future minimum lease payments | <u>\$ 1,674,225</u>                | <u>\$ 851,820</u>                   |

FPUA(component unit) entered into a five-year capital lease on January 14, 2018 for equipment capitalized at \$154,000. The interest/maintenance costs for 2019 were \$21,000. The Future minimum lease payments for this capital lease are as follows:

|  | <u>Amount</u>     |
|--|-------------------|
| 2020   | 45,468            |
| 2021   | 45,468            |
| 2022   | 45,468            |
| 2023   | <u>11,367</u>     |
|  | 147,771           |
| Less: Amount representing interest             | (34,151)          |
| Present value of future minimum lease payments | <u>\$ 113,620</u> |

**NOTE S - OPERATING LESSOR**

On August 18, 1998, the City, as lessor, entered into an agreement with the Tiki Bar and Restaurant of Fort Pierce, Inc. (the “tenant”), the lessee, to rent the restaurant facility located at the City’s public marina and docking facility. The current lease expired in August 2018. Both parties agreed to continue on a month to month basis until March 2019, when the restaurant closed. Rent is payable monthly on the last day of each month. Currently the lease terms call for rent payments equal to a certain percentage of the tenant’s gross revenues. Until the tenant’s calendar year-to-date revenues exceed \$1,000,000, rent is equal to 10% of the tenant’s gross revenues. For the remainder of the calendar year, rent is equal to 5% of the tenant’s gross revenues. The City collected \$62,176 from the tenant for the year ended September 30, 2019.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

***NOTE S - OPERATING LESSOR (CONTINUED)***

On December 15, 2005 the City, as a lessor, entered into an agreement with Ianco, LLC (the “tenant”), the lessee, to rent the restaurant facility located on the western side of the City’s public marina and docking facility. The current lease agreement extends to June 30, 2021. Rent is payable monthly within five business days of the closing of any monthly period. Rent is computed at the greater of 7.25% of all gross revenues or \$6,500 per month. The City collected \$220,043 from the tenant for the year ended September 30, 2019.

***NOTE T-FUND BALANCE***

The City implemented GASB No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions”, for the year ended September 30, 2011. The Statement requires the fund balance of governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

As of September 30, 2019, the fund balances of the governmental funds are classified as follows:

**Non-spendable-** Amounts that cannot be spent because they are not in spendable form, or because they are legally or contractually required to be maintained intact.

**Restricted-** Amounts can be used only for specific purposes because of a constitutional provision, enabling legislation, or externally imposed constraints by creditors, grantors, contributors, or other governments.

**Committed-** Amounts can be used only for specific purposes because of a formal action (ordinance) of the City Commission, the highest level of decision making authority. Commitments may be changed or lifted only by the City Commission taking the same formal action(ordinance) that imposed the original constraint.

**Assigned-** Amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes as determined by the City Commission.

**Unassigned-** Residual amount retained in the general fund that has not been otherwise classified.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first from committed, second from assigned, and lastly from unassigned balances.

Through a resolution, the City Commission established a minimum fund balance of ten percent of annual operating budgeted expenditures in the general fund to be held for unexpected unforeseen expenditures. The Commission reviews the policy annually to determine if adjustments are necessary.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE T-FUND BALANCE (CONTINUED)**

As of September 30, 2019, the fund balances of the governmental funds are:

| <b>FUND BALANCES</b>        | General<br>Fund     | Community<br>Redevelopment<br>Agency | Restricted<br>Revenue<br>Fund | Other<br>Governmental<br>Funds | Totals               |
|-----------------------------|---------------------|--------------------------------------|-------------------------------|--------------------------------|----------------------|
| <b>Nonspendable:</b>        |                     |                                      |                               |                                |                      |
| Inventories                 | \$ 52,692           | \$ -                                 | \$ -                          | \$ -                           | \$ 52,692            |
| Prepaid Items               | -                   | 14,196                               | -                             | -                              | 14,196               |
| <b>Restricted for:</b>      |                     |                                      |                               |                                |                      |
| Law Enforcement             | -                   | -                                    | -                             | 99,245                         | 99,245               |
| Debt Service                | -                   | -                                    | -                             | 2,145,172                      | 2,145,172            |
| Grant-CDBG                  | -                   | -                                    | -                             | 779,489                        | 779,489              |
| Redevelopment Projects      | -                   | 800,964                              | -                             | -                              | 800,964              |
| State Housing Initiatives   | -                   | -                                    | -                             | 339,382                        | 339,382              |
| Grant-Administration        | -                   | -                                    | -                             | 331,634                        | 331,634              |
| Impact Fees-Capital Improv. | -                   | -                                    | 3,393,297                     | -                              | 3,393,297            |
| PSFRD-Capital Improv.       | -                   | -                                    | 59,729                        | -                              | 59,729               |
| Park Improvements           | -                   | -                                    | 691,208                       | -                              | 691,208              |
| Special Projects            | -                   | -                                    | 1,173,957                     | -                              | 1,173,957            |
| Capital Improvement:        |                     |                                      |                               |                                |                      |
| Roads                       | -                   | -                                    | 600,000                       | -                              | 600,000              |
| Infrastructure              | -                   | -                                    | 928,318                       | -                              | 928,318              |
| Theatre Restoration         | -                   | -                                    | 213,126                       | -                              | 213,126              |
| <b>Committed to:</b>        |                     |                                      |                               |                                |                      |
| Budget Appropriations       | 462,950             | -                                    | -                             | -                              | 462,950              |
| <b>Assigned to:</b>         |                     |                                      |                               |                                |                      |
| 10% Reserve Policy          | 4,242,997           | -                                    | -                             | -                              | 4,242,997            |
| Art in Public Places        | -                   | -                                    | 4,583                         | -                              | 4,583                |
| Advances to Other Funds     | -                   | -                                    | -                             | 1,282,848                      | 1,282,848            |
| <b>Unassigned:</b>          | 3,981,710           | -                                    | -                             | -                              | 3,981,710            |
|                             | <u>\$ 8,740,349</u> | <u>\$ 815,160</u>                    | <u>\$ 7,064,218</u>           | <u>\$ 4,977,770</u>            | <u>\$ 21,597,497</u> |

**NOTE U – TAX ABATEMENTS**

The city provides tax abatements under the Economic Development Ad Valorem Tax Exemption program(EDATE). The city established the EDATE program by ordinance in accordance with Florida Statutes Section 196.1995. The abatements are up to 100% of the assessed value of all improvements to real property and are used to attract and/or expand businesses. The City entered into an EDATE agreement in 2010 with Wal-mart related to the construction of a distribution center and annexation of the property into the City. By agreeing to the annexation, Wal-mart qualified for the tax abatement. The agreement does not include any recapture provisions. The agreement allowed for tax abatements of 100% for 2010-2015, 80% in 2016, 60% in 2017, 40% in 2018, and 20% in 2019. At September 30, 2019, the abated taxes related to the distribution center were approximately \$161,000.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

**NOTE V - RESTRICTED ASSETS**

Certain assets are restricted by bond resolution and some have been classified as restricted in accordance with governmental accounting standards for enterprise funds.

The restricted assets of the **primary government** as of September 30, 2019 are as follows:

**Business-type activities:**

|                                |                     |
|--------------------------------|---------------------|
| Capital projects-Bond Proceeds | \$ 2,387,689        |
| Customer deposits              | 184,526             |
|                                | <u>2,572,215</u>    |
|                                | <u>\$ 2,572,215</u> |

The restricted assets of the **FPUA** (a component unit) as of September 30, 2019, are as follows:

|  |                      |
|--|----------------------|
| Cash and investments:                  |                      |
| Principal and interest on debt service | \$ 6,805,853         |
| Capital Improvement charges            | 4,155,212            |
| Debt service                           | 5,456,825            |
| Emergency reserve                      | 900,000              |
| Renewal and replacement reserve        | 500,000              |
| Customer security deposits             | 8,481,418            |
|  | <u>26,299,308</u>    |
|  | <u>\$ 26,299,308</u> |

**NOTE W – CONDUIT DEBT OBLIGATIONS**

The City issued Capital Improvement Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public’s interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the facilities transfers to the private-sector entity served by the bond issuance. The City, the State, and any political subdivisions thereof are not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2019, there were two series of Capital Improvement Revenue Bonds outstanding. The aggregate principal amount payable for the series issued after October 1, 1996, is \$9,238,021.

**NOTE X- EXTRAORDINARY ITEM**

FPUA transferred the ownership of the former site of the Henry D. King Power Plant to the Fort Pierce Redevelopment Agency (FPRA) on October 15, 2009. A grant awarded to the FPRA for the cleanup was not sufficient to cover the cost of remediation. Since then, the cost of the remediation activities was either paid by FPUA, or with loans obtained from the Treasure Coast Regional Planning Council by the FPRA. FPUA provided irrevocable letters of credit to secure these loans. As of November 26, 2018, all the loans have been repaid. The extraordinary income received by FPUA in FY 2019 of \$97,307 was paid by the FPRA from net proceeds of the sale of a Voluntary Cleanup Tax Certificate, after repayment of the loans, as set forth in the FPRA Resolution No. 18-02.

City of Fort Pierce, Florida  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2019

---

***NOTE Y- SUBSEQUENT EVENTS***

Management has performed an analysis of the activities and transactions subsequent to September 30, 2019 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2019. As a result of the spread of COVID-19, economic uncertainties have risen which are likely to negatively impact operating results, though such potential impact is unknown at this time. Management has performed their analysis through March 18, 2020, the date the financial statements were available for issuance.

**THIS PAGE INTENTIONALLY LEFT BLANK**



## REQUIRED SUPPLEMENTARY INFORMATION

- ◆ **GASB Statement 75**
- ◆ **GASB Statement 67**
- ◆ **GASB Statement 68**



City of Fort Pierce, Florida  
**GASB STATEMENT 75 REQUIREMENT SUPPLEMENTARY INFORMATION**  
City of Ft. Pierce Other Post Employment Benefits  
Schedule of Changes in the City's Net OPEB Liability and Related Ratios  
September 30, 2019  
(Unaudited)

| <b>Primary Government</b>                             |                            |                            |
|---|----------------------------|----------------------------|
|   | <u>2019</u>                | <u>2018</u>                |
| <b>Total OPEB Liability:</b>                          |                            |                            |
| Service cost  | \$ 99,678                  | \$ 107,243                 |
| Interest  | 85,282                     | 78,531                     |
| Benefit change  | -                          | -                          |
| Difference between actual & expected experience       | 113,730                    | 31,535                     |
| Assumption changes                                    | 324,670                    | (71,941)                   |
| Benefit payments                                      | <u>(147,030)</u>           | <u>(170,274)</u>           |
| <b>Net Change in Total OPEB Liability</b>             | 476,330                    | (24,906)                   |
| <b>Total OPEB Liability-Beginning</b>                 | <u>2,250,352</u>           | <u>2,275,258</u>           |
| <b>Total OPEB Liability-Ending (a)</b>                | <u><u>\$ 2,726,682</u></u> | <u><u>\$ 2,250,352</u></u> |
| Covered Payroll                                       | 16,903,846                 | 17,543,452                 |
| Net OPEB Liability as a Percentage of Covered Payroll | 16.13%                     | 12.83%                     |
| <b>Component Unit-FPUA</b>                            |                            |                            |
| Service cost  | \$ 26,709                  | \$ 19,960                  |
| Interest  | 37,439                     | 33,195                     |
| Benefit change  | -                          | -                          |
| Difference between actual & expected experience       | 132,631                    | (50,737)                   |
| Assumption changes                                    | -                          | -                          |
| Implicit rate subsidy                                 | <u>(63,859)</u>            | <u>(40,626)</u>            |
| <b>Net Change in Total OPEB Liability</b>             | 132,920                    | (38,208)                   |
| <b>Total OPEB Liability-Beginning</b>                 | <u>856,298</u>             | <u>894,506</u>             |
| <b>Total OPEB Liability-Ending (a)</b>                | <u><u>\$ 989,218</u></u>   | <u><u>\$ 856,298</u></u>   |
| Covered Payroll                                       | 16,496,863                 | 15,838,042                 |
| Net OPEB Liability as a Percentage of Covered Payroll | 6.00%                      | 5.41%                      |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, OPEB plans should present information for those years for which information is available.

City of Fort Pierce, Florida

**GASB STATEMENT 75 REQUIREMENT SUPPLEMENTARY INFORMATION**

September 30, 2019

(Unaudited)

---

**ACTUARIAL ASSUMPTIONS AND METHODS**

|                       |   |
|-----------------------|---|
| Valuation date        | September 30, 2018  |
| Actuarial cost method | Entry Age Normal  |
| Amortization method   | Level Percent of Payroll, open 30-year period   |
| Wage Inflation        | 2.5%  |
| Salary increases      | General : 4.0% to 6.5%, including inflation<br>Police; 4% to 8%   |
| Retirement Age        | Age and service-based tables that are specific to the type of eligibility   |
| Mortality             | The Florida Retirement System(FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.   |
| Health Care           |   |
| Trend Rates           | Trend starting at 9.0% and gradually decreasing to an ultimate trend rate of 4%   |
| Aging Factors         | Based on the 2013 SOA Study "Health Care Costs-From Birth to Death"   |
| Expenses              | Administrative expenses are included in the premium costs   |
| Notes                 | There were no benefit changes during the year.<br>Assumption changes include: 1) resetting the trend, 2) adjusting the single discount rate from 3.83% to 2.75%, 3) updates to the election assumption, and 4) the inclusion of a 2% excise tax load. |

City of Fort Pierce, Florida  
Required Supplementary Information  
Schedule of Changes in the City's Net Pension Liability and Related Ratios  
General Employees Retirement and Benefits System  
September 30, 2019

|   | 2019                  | 2018                  | 2017                  |
|---|-----------------------|-----------------------|-----------------------|
| <b>Total Pension Liability:</b>   |                       |                       |                       |
| Service cost  | \$ 4,901,223          | \$ 4,568,028          | \$ 4,587,528          |
| Interest  | 16,847,951            | 16,278,951            | 15,490,335            |
| Benefit change  | 174,512               | -                     | -                     |
| Difference between actual<br>& expected experience                            | (997,275)             | 521,525               | 344                   |
| Assumption changes  | -                     | -                     | 9,957,279             |
| Benefit payments  | (14,176,818)          | (13,781,354)          | (13,426,539)          |
| Refunds   | (428,152)             | -                     | -                     |
| <b>Net Change in Total Pension Liability</b>                                  | 6,321,441             | 7,587,150             | 16,608,947            |
| <b>Total Pension Liability-Beginning</b>                                      | 222,244,792           | 214,657,642           | 198,048,695           |
| <b>Total Pension Liability-Ending (a)</b>                                     | <u>\$ 228,566,233</u> | <u>\$ 222,244,792</u> | <u>\$ 214,657,642</u> |
| <br><b>Plan Fiduciary Net Position:</b>                                       |                       |                       |                       |
| Contributions-employer  | \$ 5,240,707          | \$ 4,909,654          | \$ 4,565,884          |
| Contributions-member  | 1,818,969             | 1,690,811             | 1,669,207             |
| Net investment income   | 5,280,406             | 19,626,060            | 19,013,825            |
| Benefit payments  | (14,176,818)          | (13,781,354)          | (13,426,539)          |
| Refunds   | (428,152)             | -                     | -                     |
| Administrative expense  | (249,712)             | (207,265)             | (209,251)             |
| Other   | (56,759)              | (46,756)              | (45,031)              |
| <b>Net Change in Plan Fiduciary Net Position</b>                              | (2,571,359)           | 12,191,150            | 11,568,095            |
| <b>Plan Fiduciary Net Position-Beginning</b>                                  | 206,965,262           | 194,774,112           | 183,206,017           |
| <b>Plan Fiduciary Net Position-Ending (b)</b>                                 | <u>\$ 204,393,903</u> | <u>\$ 206,965,262</u> | <u>\$ 194,774,112</u> |
| <br><b>Net Pension Liability-Ending (a) - (b)</b>                             | 24,172,330            | 15,279,530            | 19,883,530            |
| <br>Plan Fiduciary Net Position as a Percentage<br>of Total Pension Liability | 89.42%                | 93.12%                | 90.74%                |
| <br>Covered Payroll   | 32,342,994            | 30,176,465            | 29,789,176            |
| <br>Net Pension Liability as a Percentage of<br>Covered Payroll               | 74.74%                | 50.63%                | 66.75%                |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present those years for which information is available.

|    | 2016               | 2015                  | 2014                  |
|----|--------------------|-----------------------|-----------------------|
| \$ | 4,329,645          | \$ 4,044,804          | \$ 4,049,351          |
|    | 14,668,388         | 14,241,759            | 13,874,945            |
|    | -                  | -                     | -                     |
|    | (620,021)          | -                     | (500,696)             |
|    | 5,168,979          | -                     | (335,946)             |
|    | (13,376,671)       | (12,528,070)          | (11,877,048)          |
|    | -                  | (287,469)             | (307,836)             |
|    | 10,170,320         | 5,471,024             | 4,902,770             |
|    | <u>187,878,375</u> | <u>182,407,351</u>    | <u>177,504,581</u>    |
| \$ | <u>198,048,695</u> | <u>\$ 187,878,375</u> | <u>\$ 182,407,351</u> |

|    |                    |                       |                       |
|----|--------------------|-----------------------|-----------------------|
| \$ | 4,211,311          | \$ 4,093,268          | \$ 4,356,127          |
|    | 1,533,510          | 1,473,091             | 1,493,529             |
|    | 16,472,191         | 2,984,072             | 16,939,786            |
|    | (13,376,671)       | (12,528,070)          | (11,877,048)          |
|    | -                  | (287,469)             | (307,836)             |
|    | (217,891)          | (176,341)             | (199,552)             |
|    | (50,240)           | (44,893)              | (47,555)              |
|    | 8,572,210          | (4,486,342)           | 10,357,451            |
|    | <u>174,633,807</u> | <u>179,120,149</u>    | <u>168,762,698</u>    |
| \$ | <u>183,206,017</u> | <u>\$ 174,633,807</u> | <u>\$ 179,120,149</u> |

|            |            |           |
|------------|------------|-----------|
| 14,842,678 | 13,244,568 | 3,287,202 |
|------------|------------|-----------|

|            |            |            |
|------------|------------|------------|
| 92.51%     | 92.95%     | 98.20%     |
| 27,295,114 | 26,139,109 | 26,380,878 |

|        |        |        |
|--------|--------|--------|
| 54.38% | 50.67% | 12.46% |
|--------|--------|--------|

City of Fort Pierce, Florida  
**REQUIREMENT SUPPLEMENTARY INFORMATION**  
 General Employee's Retirement and Benefit System  
 September 30, 2019  
 (Unaudited)

---

**CITY OF FT. PIERCE**  
**SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY**

---

|   | <u>9/30/2019</u> | <u>9/30/2018</u> | <u>9/30/2017</u> | <u>9/30/2016</u> | <u>9/30/2015</u> |
|---|------------------|------------------|------------------|------------------|------------------|
| Employer's Proportion of the Net Pension Liability(Asset)   | 12,566,225       | 7,871,592        | 9,793,225        | 8,187,612        | 7,716,429        |
| Employer's Proportionate share of the Net Pension Liability(Asset)                                    | 51.99%           | 51.52%           | 49.25%           | 55.16%           | 58.26%           |
| Employer's Covered Payroll  | 17,335,972       | 16,775,936       | 16,580,599       | 14,786,848       | 13,707,805       |
| Employer's Proportionate share of the Net Pension Liability(Asset) as a Percentage of Covered Payroll | 72.49%           | 46.92%           | 59.06%           | 55.37%           | 56.29%           |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability                                | 89.42%           | 93.12%           | 90.74%           | 92.51%           | 92.95%           |

**FORT PIERCE UTILITY AUTHORITY(component unit)**  
**SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY**

---

|   | <u>9/30/2019</u> | <u>9/30/2018</u> | <u>9/30/2017</u> | <u>9/30/2016</u> | <u>9/30/2015</u> |
|---|------------------|------------------|------------------|------------------|------------------|
| Employer's Proportion of the Net Pension Liability(Asset)   | 11,606,105       | 7,407,938        | 10,090,305       | 6,655,066        | 5,528,139        |
| Employer's Proportionate share of the Net Pension Liability(Asset)                                    | 48.01%           | 48.48%           | 50.75%           | 44.84%           | 41.74%           |
| Employer's Covered Payroll  | 15,007,022       | 13,400,529       | 13,208,577       | 12,508,266       | 12,431,304       |
| Employer's Proportionate share of the Net Pension Liability(Asset) as a Percentage of Covered Payroll | 77.34%           | 55.28%           | 76.39%           | 53.21%           | 44.47%           |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability                                | 89.42%           | 93.12%           | 90.74%           | 92.51%           | 92.95%           |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present those years for which information is available.

City of Fort Pierce, Florida  
**REQUIREMENT SUPPLEMENTARY INFORMATION**  
 General Employee's Retirement and Benefit System  
 September 30, 2019  
 (Unaudited)

**CITY OF FT. PIERCE  
 SCHEDULE OF CONTRIBUTIONS**

| Fiscal Year Ending | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|--------------------|-------------------------------------|---------------------|----------------------------------|-----------------|---|
| 9/30/2014          | 2,302,840                           | 2,302,840           | -                                | 14,546,191      | 15.83%  |
| 9/30/2015          | 2,006,447                           | 2,006,447           | -                                | 13,707,805      | 14.64%  |
| 9/30/2016          | 2,172,613                           | 2,172,613           | -                                | 14,786,848      | 14.69%  |
| 9/30/2017          | 2,418,554                           | 2,418,554           | -                                | 16,580,599      | 14.59%  |
| 9/30/2018          | 2,507,774                           | 2,507,774           | -                                | 16,775,936      | 14.95%  |
| 9/30/2019          | 2,523,920                           | 2,523,920           | -                                | 17,335,972      | 14.56%  |

**FORT PIERCE UTILITY AUTHORITY(component unit)  
 SCHEDULE OF CONTRIBUTIONS**

| Fiscal Year Ending | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|--------------------|-------------------------------------|---------------------|----------------------------------|-----------------|---|
| 9/30/2014          | 2,053,287                           | 2,053,287           | -                                | 11,834,687      | 17.35%  |
| 9/30/2015          | 2,086,821                           | 2,086,821           | -                                | 12,431,304      | 16.79%  |
| 9/30/2016          | 2,038,699                           | 2,038,699           | -                                | 12,508,266      | 16.30%  |
| 9/30/2017          | 2,147,330                           | 2,147,330           | -                                | 13,208,577      | 16.26%  |
| 9/30/2018          | 2,401,880                           | 2,401,880           | -                                | 13,400,529      | 17.92%  |
| 9/30/2019          | 2,716,787                           | 2,716,787           | -                                | 15,007,022      | 18.10%  |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present those years for which information is available.

City of Fort Pierce, Florida  
**REQUIREMENT SUPPLEMENTARY INFORMATION**  
 General Employee's Retirement and Benefit System  
 September 30, 2019  
 (Unaudited)

---

**Notes to Schedule of Contributions:**

|                               |  |
|-------------------------------|--|
| Valuation date                | Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.   |
| Actuarial cost method         | Individual Entry Age Normal  |
| Amortization method           | Level Percent of Payroll, closed   |
| Remaining amortization period | 2-30 years as of September 30, 2017  |
| Asset valuation method        | 4-year smoothed market   |
| Wage Inflation                | 4.0%   |
| Salary increases              | General & Utilities Authority; 4.0% to 6.5%, including inflation<br>Police; 4.0% to 8.0%   |
| Investment rate of return     | 7.75%  |
| Long-term municipal bond rate | 2.75%  |
| Retirement Age                | Age and service-based tables that are specific to the type of eligibility condition.   |
| Mortality                     | The Florida Retirement System(FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.  |
| Cost-of-living Adjustment     | COLA's are granted if the investment return exceeds the investment return assumption and the cumulative actuarial gains and losses since 1995 are positive. Because the cumulative gains and losses are (30) million, the COLA provision is assumed to not operate for the indefinite future.  |
| Notes                         | The September 30, 2019 valuation reflects changes in relation to City Ordinance Nos. 18-037, 18-038, and 18-042. City Ordinance nos. 18-037 & 18-042 restored the 5 year vesting requirement from 10 years for members hired after October 1, 2012, resulting in a small increase in the Total Pension Liability. City Ordinance No. 18-038 has a de minimis impact and codifies that Human Resource shall inform the member in writing of his/her entitlement to claim military service credit immediately upon the member's return from active duty. |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present those years for which information is available.

City of Fort Pierce, Florida  
**REQUIREMENT SUPPLEMENTARY INFORMATION**  
 General Employee's Retirement and Benefit System  
 September 30, 2019  
 (Unaudited)

---

**SCHEDULE OF INVESTMENT RETURNS MULTIYEAR\***

---

| Annual money-weighted rate of return, net of investment expense: | <u>Annual<br/>Return</u> |
|--|--------------------------|
| Fiscal year ending September 30, 2014                            | 10.48%                   |
| Fiscal year ending September 30, 2015                            | 1.75%                    |
| Fiscal year ending September 30, 2016                            | 9.86%                    |
| Fiscal year ending September 30, 2017                            | 11.79%                   |
| Fiscal year ending September 30, 2018                            | 9.38%                    |
| Fiscal year ending September 30, 2019                            | 2.65%                    |

\* This schedule is presented to illustrate the requirement to show information for 10 years.  
 However, until a full 10-year trend is compiled, pension plans should present information

City of Fort Pierce, Florida  
Required Supplementary Information  
Schedule of Changes in the City's Net Pension Liability and Related Ratios  
Municipal Police Officers' Retirement Trust Fund  
September 30, 2019

|   | <u>2019</u>                | <u>2018</u>                | <u>2017</u>                 |
|---|----------------------------|----------------------------|-----------------------------|
| <b>Total Pension Liability:</b>   |                            |                            |                             |
| Service cost  | \$ 565,351                 | \$ 548,415                 | \$ 492,850                  |
| Interest  | 1,154,457                  | 1,067,784                  | 1,000,403                   |
| Benefit change  | -                          | -                          | -                           |
| Difference between actual & expected experience                           | (213,853)                  | 297,338                    | 206,823                     |
| Assumption changes  | -                          | -                          | (155,930)                   |
| Benefit payments  | (697,198)                  | (637,505)                  | (566,773)                   |
| Refunds   | <u>(39,638)</u>            | <u>(95,647)</u>            | <u>(40,689)</u>             |
| <b>Net Change in Total Pension Liability</b>                              | 769,119                    | 1,180,385                  | 936,684                     |
| <b>Total Pension Liability-Beginning</b>                                  | <u>15,726,606</u>          | <u>14,546,221</u>          | <u>13,609,537</u>           |
| <b>Total Pension Liability-Ending (a)</b>                                 | <u><u>\$16,495,725</u></u> | <u><u>\$15,726,606</u></u> | <u><u>\$ 14,546,221</u></u> |
| <br>  |                            |                            |                             |
| <b>Plan Fiduciary Net Position:</b>                                       |                            |                            |                             |
| Contributions-employer  | \$ -                       | \$ -                       | \$ -                        |
| Contributions-Employer(State)   | 402,063                    | 367,113                    | 329,933                     |
| Contributions-member  | 569,137                    | 502,051                    | 487,044                     |
| Net investment income   | 723,841                    | 780,019                    | 1,130,702                   |
| Benefit payments  | (697,198)                  | (637,505)                  | (566,773)                   |
| Refunds   | (39,638)                   | (95,647)                   | (40,689)                    |
| Administrative expense  | (39,355)                   | (35,078)                   | (34,525)                    |
| Other   | <u>-</u>                   | <u>-</u>                   | <u>-</u>                    |
| <b>Net Change in Plan Fiduciary Net Position</b>                          | 918,850                    | 880,953                    | 1,305,692                   |
| <b>Plan Fiduciary Net Position-Beginning</b>                              | <u>14,854,664</u>          | <u>13,973,711</u>          | <u>12,668,019</u>           |
| <b>Plan Fiduciary Net Position-Ending (b)</b>                             | <u><u>\$15,773,514</u></u> | <u><u>\$14,854,664</u></u> | <u><u>\$ 13,973,711</u></u> |
| <br>  |                            |                            |                             |
| <b>Net Pension Liability-Ending (a) - (b)</b>                             | 722,211                    | 871,942                    | 572,510                     |
| <br>  |                            |                            |                             |
| Plan Fiduciary Net Position as a Percentage<br>of Total Pension Liability | 95.62%                     | 94.46%                     | 96.06%                      |
| Covered Payroll   | 8,130,527                  | 7,172,157                  | 6,957,771                   |
| <br>  |                            |                            |                             |
| Net Pension Liability as a Percentage of<br>Covered Payroll               | 8.88%                      | 12.16%                     | 8.23%                       |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

| 2016                | 2015                | 2014                |
|---------------------|---------------------|---------------------|
| \$ 498,450          | \$ 498,038          | \$ 592,432          |
| 952,685             | 916,626             | 861,104             |
| -                   | -                   | -                   |
| (66,499)            | (158,912)           | (9,847)             |
| -                   | -                   | 305,956             |
| (540,270)           | (561,863)           | (729,776)           |
| (293,992)           | (121,468)           | (132,922)           |
| <u>550,374</u>      | <u>572,421</u>      | <u>886,947</u>      |
| <u>13,059,163</u>   | <u>12,486,742</u>   | <u>11,599,795</u>   |
| <u>\$13,609,537</u> | <u>\$13,059,163</u> | <u>\$12,486,742</u> |

|                     |                     |                     |
|---------------------|---------------------|---------------------|
| \$ -                | \$ -                | \$ -                |
| 302,837             | 265,449             | 248,113             |
| 471,774             | 452,740             | 449,881             |
| 1,000,576           | (232,886)           | 896,529             |
| (540,270)           | (561,863)           | (729,776)           |
| (293,992)           | (121,468)           | (132,922)           |
| (36,110)            | (30,114)            | (65,371)            |
| -                   | -                   | -                   |
| <u>904,815</u>      | <u>(228,142)</u>    | <u>666,454</u>      |
| <u>11,763,204</u>   | <u>11,991,346</u>   | <u>11,324,892</u>   |
| <u>\$12,668,019</u> | <u>\$11,763,204</u> | <u>\$11,991,346</u> |

|           |           |           |
|-----------|-----------|-----------|
| 941,518   | 1,295,959 | 495,396   |
| 93.08%    | 90.08%    | 96.03%    |
| 6,739,629 | 6,450,909 | 6,426,871 |
| 13.97%    | 20.09%    | 7.71%     |

City of Fort Pierce, Florida  
**REQUIREMENT SUPPLEMENTARY INFORMATION**  
Municipal Police Officers' Retirement Trust Fund  
September 30, 2019  
(Unaudited)

**SCHEDULE OF CONTRIBUTIONS**

| Fiscal Year Ending | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|--------------------|-------------------------------------|---------------------|----------------------------------|-----------------|---|
| 9/30/2014          | 285,353                             | 248,113             | 37,240 *                         | 6,426,871       | 3.86%   |
| 9/30/2015          | 198,688                             | 265,449             | (66,761)                         | 6,450,909       | 4.11%   |
| 9/30/2016          | 173,208                             | 302,837             | (129,629)                        | 6,739,629       | 4.49%   |
| 9/30/2017          | 186,468                             | 329,933             | (143,465)                        | 6,957,771       | 4.74%   |
| 9/30/2018          | 200,820                             | 367,113             | (166,293)                        | 7,172,157       | 5.12%   |
| 9/30/2019          | 256,925                             | 402,063             | (145,138)                        | 8,130,527       | 4.95%   |

\* This deficiency is satisfied through the use of an excess contribution reserve, which was built up by contributions in excess of the Actuarially Determined Contribution in previous years.

**Notes to Schedule of Contributions**

|                               |   |
|-------------------------------|---|
| Valuation date                | September 30, 2018  |
| Measurement date              | September 30, 2019  |
| Actuarial cost method         | Entry Age Normal  |
| Amortization method           | Level Percent of Payroll, closed  |
| Remaining amortization period | 20 years (single equivalent amortization period)  |
| Asset valuation method        | 4-year smoothed market  |
| Inflation rate                | 2.5%  |
| Salary increases              | 3.5% to 6.5% depending on completed years of service, including inflation               |
| Investment rate of return     | 7.25%   |
| Retirement Age                | Experienced-based table of rates that are specific to the type of eligibility condition |

**Mortality**  
RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality), with mortality improvements projected for all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for special risk class members of the Florida Retirement System (FRS). Florida Statutes Chapter 112.63(1)(f) mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

City of Fort Pierce, Florida  
**REQUIREMENT SUPPLEMENTARY INFORMATION**  
Municipal Police Officers' Retirement Trust Fund  
September 30, 2019  
(Unaudited)

---

---

**SCHEDULE OF INVESTMENT RETURNS MULTIYEAR\***

---

|  | Annual<br>Return |
|--|------------------|
| Annual money-weighted rate of return, net of investment expense: |                  |
| Fiscal year ending September 30, 2014                            | 9.3%             |
| Fiscal year ending September 30, 2015                            | -3.5%            |
| Fiscal year ending September 30, 2016                            | 9.57%            |
| Fiscal year ending September 30, 2017                            | 10.68%           |
| Fiscal year ending September 30, 2018                            | 6.47%            |
| Fiscal year ending September 30, 2019                            | 5.29%            |

\* This schedule is presented to illustrate the requirement to show information for those years for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

**THIS PAGE INTENTIONALLY LEFT BLANK**



## COMBINING AND INDIVIDUAL FUND STATEMENTS



**THIS PAGE INTENTIONALLY LEFT BLANK**



## GENERAL FUND

The General Fund is used to account for all sources and uses of financial resources applicable to the general operations of the City of fort pierce. All general operating revenue which are not restricted as to use are recorded in the General Fund.



City of Fort Pierce, Florida  
**SCHEDULE OF GENERAL FUND REVENUES AND  
OTHER FINANCING SOURCES  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND**  
Year ended September 30, 2019

|  | Budgeted Amounts     |                      | Actual               |
|--|----------------------|----------------------|----------------------|
|  | Original             | Final                |                      |
| <b>Revenues</b>                          |                      |                      |                      |
| Taxes                                    |                      |                      |                      |
| Ad valorem                               | \$ 15,696,008        | \$ 15,823,291        | \$ 15,823,291        |
| General sales and use                    | 2,025,000            | 2,220,408            | 2,220,408            |
| Franchise                                | 4,040,000            | 4,358,980            | 4,358,980            |
|  | <u>21,761,008</u>    | <u>22,402,679</u>    | <u>22,402,679</u>    |
| Licenses and permits                     |                      |                      |                      |
| Occupational licenses                    | 275,000              | 299,030              | 299,030              |
| Other                                    | 108,000              | 181,074              | 181,074              |
|  | <u>383,000</u>       | <u>480,104</u>       | <u>480,104</u>       |
| Intergovernmental revenue                |                      |                      |                      |
| State grants                             | -                    | 89,849               | 89,849               |
| Federal grants                           | -                    | 173,648              | 173,648              |
| State shared revenue                     | 3,228,000            | 4,706,446            | 4,706,446            |
| State retirement contribution            | 300,000              | 402,063              | 402,063              |
| County shared revenue                    | 50,000               | 55,541               | 55,541               |
| In lieu of taxes                         | 21,000               | 77,491               | 77,491               |
|  | <u>3,599,000</u>     | <u>5,505,038</u>     | <u>5,505,038</u>     |
| Charges for services                     |                      |                      |                      |
| General government                       | 257,800              | 325,088              | 325,088              |
| Physical environment                     | 73,000               | 105,939              | 105,939              |
|  | <u>330,800</u>       | <u>431,027</u>       | <u>431,027</u>       |
| Fines and forfeitures                    |                      |                      |                      |
| Court cases                              | 53,500               | 10,917               | 10,917               |
| Code violation                           | 192,500              | 348,541              | 348,541              |
|  | <u>246,000</u>       | <u>359,458</u>       | <u>359,458</u>       |
| Other                                    |                      |                      |                      |
| Contributions from component unit        | 6,082,515            | 6,125,454            | 6,125,454            |
| Investment income                        | 90,000               | 284,828              | 284,828              |
| Rents                                    | 28,334               | 32,986               | 32,986               |
| Administrative and contractual services  | 515,000              | 636,194              | 636,194              |
| Reimbursements by other funds            | 1,376,000            | 1,253,609            | 1,253,609            |
| Special assessments                      | 17,600               | 50,882               | 50,882               |
| Impact fees                              | -                    | -                    | -                    |
| Miscellaneous                            | 204,500              | 287,349              | 287,349              |
|  | <u>8,313,949</u>     | <u>8,671,302</u>     | <u>8,671,302</u>     |
| Total revenues                           | <u>34,633,757</u>    | <u>37,849,608</u>    | <u>37,849,608</u>    |
| <b>Other financing sources</b>           |                      |                      |                      |
| Transfers in                             | 4,038,947            | 4,475,767            | 4,475,767            |
| Capital lease proceeds                   | -                    | 467,928              | 467,928              |
| Total other financing sources            | <u>4,038,947</u>     | <u>4,943,695</u>     | <u>4,943,695</u>     |
| Total revenues, other financing sources, | <u>\$ 38,672,704</u> | <u>\$ 42,793,303</u> | <u>\$ 42,793,303</u> |

City of Fort Pierce, Florida  
**SCHEDULE OF GENERAL FUND EXPENDITURES  
AND OTHER FINANCING USES  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND**  
Year ended September 30, 2019

|  | Budgeted Amounts     |                      | Actual               |
|--|----------------------|----------------------|----------------------|
|  | Original             | Final                |                      |
| <b>Expenditures</b>                        |                      |                      |                      |
| General Government                         |                      |                      |                      |
| Legislative                                |                      |                      |                      |
| City Commission                            | \$ 246,606           | \$ 251,086           | \$ 251,086           |
| Executive                                  |                      |                      |                      |
| City Manager                               | 767,900              | 768,962              | 768,962              |
| City Clerk                                 | 323,768              | 306,361              | 306,361              |
| Financial and administrative               |                      |                      |                      |
| General administration                     | 6,212,520            | 7,071,437            | 7,071,437            |
| Finance                                    | 885,902              | 881,285              | 881,285              |
| MIS  | 1,190,540            | 1,098,687            | 1,098,687            |
| Purchasing                                 | 322,738              | 273,480              | 273,480              |
| Human Resources                            | 435,732              | 431,005              | 431,005              |
| Legal counsel                              |                      |                      |                      |
| City Attorney                              | 667,864              | 632,554              | 632,554              |
| Comprehensive planning                     |                      |                      |                      |
| Planning                                   | 566,959              | 533,845              | 533,845              |
| Public works                               |                      |                      |                      |
| Director                                   | 98,252               | 134,845              | 134,845              |
| Garage                                     | 585,387              | 748,587              | 748,587              |
| Building maintenance                       | 1,021,353            | 1,108,352            | 1,108,352            |
|  | <u>13,325,521</u>    | <u>14,240,486</u>    | <u>14,240,486</u>    |
| Public safety                              |                      |                      |                      |
| Law enforcement                            |                      |                      |                      |
| Police                                     | 5,125,000            | 6,075,078            | 6,075,078            |
| Police- Operations                         | 7,900,653            | 8,212,252            | 8,212,252            |
| Police- Support Operations                 | 1,250,000            | 1,095,923            | 1,095,923            |
| Code Enforcement                           | 1,057,212            | 1,206,496            | 1,206,496            |
|  | <u>15,332,865</u>    | <u>16,589,749</u>    | <u>16,589,749</u>    |
| Transportation                             |                      |                      |                      |
| Road and street facilities                 |                      |                      |                      |
| Engineering                                | 1,293,711            | 1,222,647            | 1,222,647            |
| Street maintenance                         | 1,784,669            | 1,934,332            | 1,934,332            |
|  | <u>3,078,380</u>     | <u>3,156,979</u>     | <u>3,156,979</u>     |
| Culture and recreation                     |                      |                      |                      |
| Parks and recreation                       | 2,143,014            | 2,231,695            | 2,231,695            |
| Riverwalk Center                           | 330,036              | 353,295              | 353,295              |
|  | <u>2,473,050</u>     | <u>2,584,990</u>     | <u>2,584,990</u>     |
| Total expenditures                         | 34,209,816           | 36,572,204           | 36,572,204           |
| <b>Other financing uses</b>                |                      |                      |                      |
| Transfers out                              | 4,699,797            | 7,131,302            | 7,131,302            |
| Total expenditures and other financing use | <u>\$ 38,909,613</u> | <u>\$ 43,703,506</u> | <u>\$ 43,703,506</u> |

## NONMAJOR GOVERNMENTAL FUNDS



## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The City does not have an appropriated budget for special revenue funds.

◆ **The Law Enforcement Trust Fund**

This fund is used to account for the assets confiscated by the Police Department. The money generated from the sale of confiscated property is used solely for the City's law enforcement system and is legally restricted for that purpose.

◆ **Police Grant Fund**

This fund is used to account for all Federal and State Grants received for the purpose of Law Enforcement.

◆ **State Housing Initiative Program (SHIP)**

This fund is used to record assistance received from the State of Florida for housing assistance for the City's low and moderate income citizens.

◆ **Federal Major Grant Program (CDBG)**

This fund is used to account for major grants administered by Grants Administration to record grant income and related eligible expenditures.

◆ **Hurricane Housing Recovery Grant Fund**

This fund is used to account for hurricane housing assistance program revenue, down payment assistance, rehabilitation assistance and donation grants.

## NONMAJOR GOVERNMENTAL FUNDS (CONT'D)

### DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The City does not have an appropriated budget for debt service funds.

◆ **Capital Improvement Revenue Refunding Bond Fund, Series 2008  
A&B**

This fund is used to account for the accumulation of monies to pay \$23,190,00 2008 Series A and \$6,650,000 2008 Series B of the Capital Improvement Revenue Refunding Bonds, Series 2008 issue. FPRA TIF funds are pledged for the payments of principal and interest due from 2009-2034.

◆ **Capital Improvement Revenue Refunding Bond Fund, Series 2010  
A&B**

This fund is used to account for the accumulation of monies to pay \$6,825,000 2010 Series A and \$2,935,000 2010 Series B of the Capital Improvement Revenue Refunding Bonds, Series 2010 issue. FPRA TIF funds are pledged for the payments of principal and interest due from 2014-2030.

◆ **Section 108 Note Payable**

This fund is used to account for the accumulation of monies to pay \$3,,395,000 Section 108 Loan. Proceeds of a note payable from a shopping center with a pledge from the Community Development Block is used for the payment of principal and interest due from 2012-2024.

◆ **Capital Improvement Revenue Refunding Bond Fund, Series 2014**

This fund is used to account for the accumulation of monies to pay \$6,079,229 of financing used for the purchase of capital energy conservation equipment. Non-Ad Valorem revenues are appropriated for the payment of principal and interest due from 2014-2028.

## NONMAJOR GOVERNMENTAL FUNDS (CONT'D)

### DEBT SERVICE FUNDS (CONT'D.)

◆ **Fort Pierce Redevelopment Revenue Refunding Note Fund, Series 2015 AB**

This fund is used to account for the accumulation of monies to pay \$20,000,000 Series 2006 and \$20,200,000 Series 2005 of the Redevelopment Bonds. FPRA TIF funds are pledged for the payments of principal and interest due from 2016-2031.

◆ **Capital Improvement Revenue Refunding Note Fund, Series 2015**

This fund is used to account for the accumulation of monies to pay \$3,170,000 Series 2004 and \$1,909,000 Series 2008A of the Capital Improvement Revenue Refunding Bonds. Non-Ad Valorem revenues are appropriated for the payment of principal and interest due from 2017-2032.

◆ **Capital Improvement Revenue Note Fund, Series 2016A**

This fund is used to account for the accumulation of monies to pay \$1,280,000 of financing used to repay Fort Pierce Utility Authority. Non-Ad Valorem revenues are appropriated for the payment of principal and interest due from 2016-2026.

◆ **Capital Improvement Revenue Note Fund, Series 2016B**

This fund is used to account for the accumulation of monies to pay \$820,000 of financing used to purchase land. Non-Ad Valorem revenues are appropriated for the payment of principal and interest due from 2016-2026.

◆ **Capital Improvement Revenue Note Fund, Series 2016C**

This fund is used to account for the accumulation of monies to pay \$1,435,000 of financing used to purchase radios. Non-Ad Valorem revenues are appropriated for the payment of principal and interest due from 2016-2023.

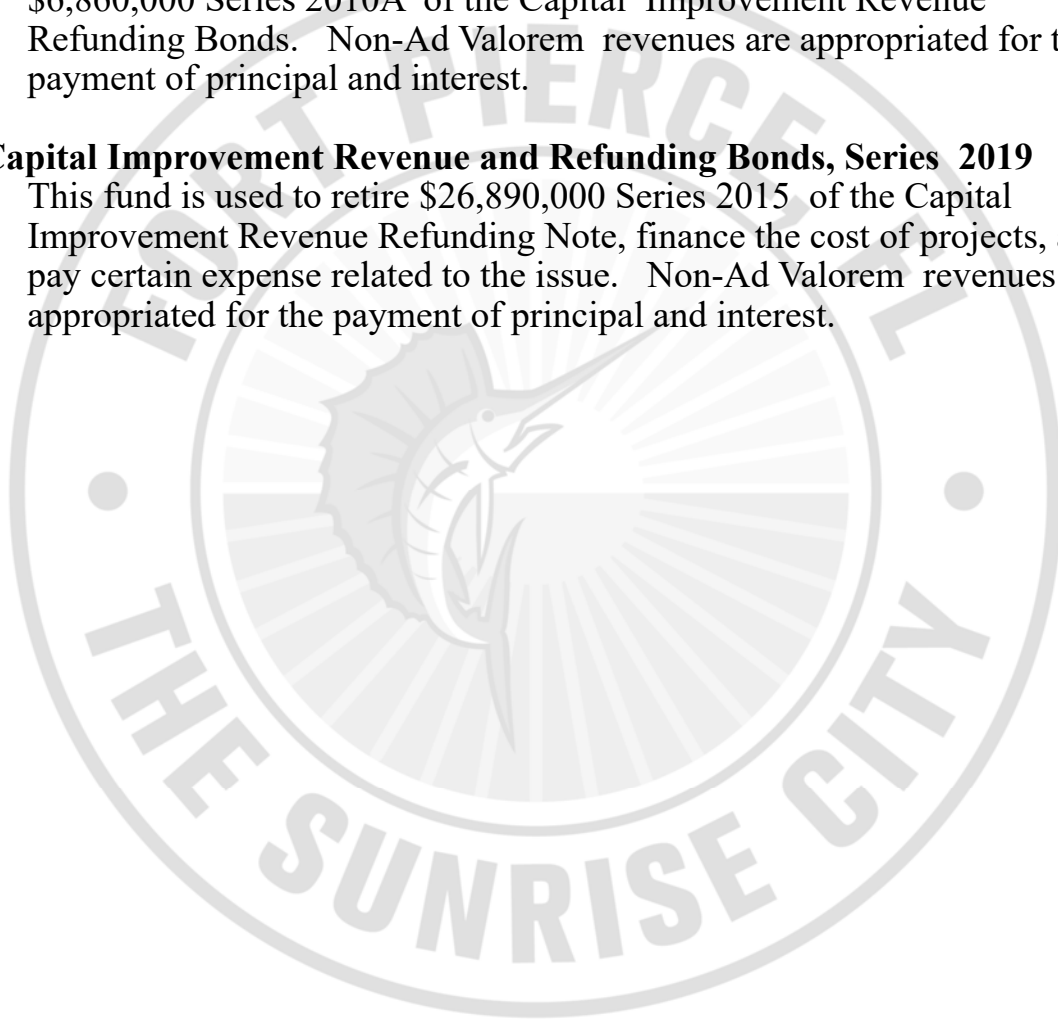
◆ **Capital Lease**

This fund is used to account for the accumulation of monies to pay \$2,388,791 of capital lease obligations.

## NONMAJOR GOVERNMENTAL FUNDS (CONT'D)

### DEBT SERVICE FUNDS (CONT'D.)

- ◆ **Capital Improvement Revenue Refunding Note Fund, Series 2018**  
This fund is used to account for the accumulation of monies to pay \$6,860,000 Series 2010A of the Capital Improvement Revenue Refunding Bonds. Non-Ad Valorem revenues are appropriated for the payment of principal and interest.
  
- ◆ **Capital Improvement Revenue and Refunding Bonds, Series 2019**  
This fund is used to retire \$26,890,000 Series 2015 of the Capital Improvement Revenue Refunding Note, finance the cost of projects, and pay certain expense related to the issue. Non-Ad Valorem revenues are appropriated for the payment of principal and interest.



**THIS PAGE INTENTIONALLY LEFT BLANK**



City of Fort Pierce, Florida  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
September 30, 2019

|  | Special<br>Revenue<br>Funds | Debt<br>Service<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-----------------------------|--------------------------|--|
| <b>ASSETS</b>  |                             |                          |  |
| Cash and investments   | \$ 1,162,615                | \$ 2,145,172             | \$ 3,307,787                               |
| Accounts Receivable  | 35,345                      | -                        | 35,345                                     |
| Advance to other funds   | -                           | 1,282,848                | 1,282,848                                  |
| Due from other governments   | 474,695                     | -                        | 474,695                                    |
| Notes Receivable   | 1,798,406                   | -                        | 1,798,406                                  |
|  | <u>\$ 3,471,061</u>         | <u>\$ 3,428,020</u>      | <u>\$ 6,899,081</u>                        |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES, AND FUND BALANCES</b> |                             |                          |  |
| <b>LIABILITIES</b>   |                             |                          |  |
| Accounts payable and accrued liabilities                                 | \$ 22,900                   | \$ -                     | \$ 22,900                                  |
| Due to other funds   | 100,036                     | -                        | 100,036                                    |
|  | <u>122,936</u>              | <u>-</u>                 | <u>122,936</u>                             |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                             |                          |  |
| Unavailable Revenue  | 1,798,375                   | -                        | 1,798,375                                  |
| <b>FUND BALANCES</b>   |                             |                          |  |
| Restricted   | 1,549,750                   | 2,145,172                | 3,694,922                                  |
| Assigned   | -                           | 1,282,848                | 1,282,848                                  |
|  | <u>1,549,750</u>            | <u>3,428,020</u>         | <u>4,977,770</u>                           |
| Total liabilities, deferred inflows<br>of resources, and fund balances   | <u>\$ 3,471,061</u>         | <u>\$ 3,428,020</u>      | <u>\$ 6,899,081</u>                        |

City of Fort Pierce, Florida  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Year ended September 30, 2019

|  | Special<br>Revenue<br>Funds | Debt<br>Service<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-----------------------------|--------------------------|--|
| <b>Revenues</b>                              |                             |                          |  |
| Intergovernmental                            | \$ 802,828                  | \$ -                     | \$ 802,828                                 |
| Fines and forfeitures                        | 4,006                       | -                        | 4,006                                      |
| Investment income                            | 34,503                      | 131,331                  | 165,834                                    |
| Miscellaneous                                | 140,288                     | -                        | 140,288                                    |
|  | <u>981,625</u>              | <u>131,331</u>           | <u>1,112,956</u>                           |
| Total revenues                               | 981,625                     | 131,331                  | 1,112,956                                  |
| <b>Expenditures</b>                          |                             |                          |  |
| Current                                      |                             |                          |  |
| Public safety                                | 370,492                     | -                        | 370,492                                    |
| Economic environment                         | 1,123,570                   | -                        | 1,123,570                                  |
| Capital Outlay                               | 43,042                      | -                        | 43,042                                     |
| Debt service                                 |                             |                          |  |
| Principal                                    | -                           | 5,185,396                | 5,185,396                                  |
| Interest and fees                            | -                           | 2,388,727                | 2,388,727                                  |
| Other  | -                           | 67,673                   | 67,673                                     |
|  | <u>1,537,104</u>            | <u>7,641,796</u>         | <u>9,178,900</u>                           |
| Total expenditures                           | 1,537,104                   | 7,641,796                | 9,178,900                                  |
| Excess of revenues over (under) expenditures | (555,479)                   | (7,510,465)              | (8,065,944)                                |
| <b>Other financing sources (uses)</b>        |                             |                          |  |
| Transfers in                                 | 757,845                     | 10,221,896               | 10,979,741                                 |
| Debt issuance                                | -                           | 27,764,844               | 27,764,844                                 |
| Payment on Advance Refunding                 | -                           | (27,696,699)             | (27,696,699)                               |
| Transfers out                                | (680,082)                   | (1,699,452)              | (2,379,534)                                |
|  | <u>77,763</u>               | <u>8,590,589</u>         | <u>8,668,352</u>                           |
| Total other financing sources (uses)         | 77,763                      | 8,590,589                | 8,668,352                                  |
| Net change in fund balances                  | (477,716)                   | 1,080,124                | 602,408                                    |
| Fund balance - beginning of year             | <u>2,027,466</u>            | <u>2,347,896</u>         | <u>4,375,362</u>                           |
| Fund balance - end of year                   | <u>\$ 1,549,750</u>         | <u>\$ 3,428,020</u>      | <u>\$ 4,977,770</u>                        |

City of Fort Pierce, Florida  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
September 30, 2019

|  | Police<br>Grants<br>Fund | Law<br>Enforcement<br>Trust Fund | State Housing<br>Initiatives Program<br>(S.H.I.P.) |
|--|--------------------------|----------------------------------|--|
| <b>ASSETS</b>  |                          |                                  |  |
| Cash and investments   | \$ 8,984                 | \$ 99,245                        | \$ 339,402   |
| Accounts Receivable  | 20,000                   | -                                | -  |
| Due from other governments   | 81,640                   | -                                | -  |
| Notes receivable   | -                        | -                                | 29,094   |
|  | <u>110,624</u>           | <u>99,245</u>                    | <u>368,496</u>                                     |
| Total assets   | <u>\$ 110,624</u>        | <u>\$ 99,245</u>                 | <u>\$ 368,496</u>                                  |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES, AND FUND BALANCES</b> |                          |                                  |  |
| <b>LIABILITIES</b>   |                          |                                  |  |
| Accounts payable and accrued liabilities                                 | \$ 460                   | \$ -                             | \$ -   |
| Due to other funds   | 100,000                  | -                                | 20   |
|  | <u>100,460</u>           | <u>-</u>                         | <u>20</u>  |
| Total liabilities  | <u>100,460</u>           | <u>-</u>                         | <u>20</u>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                          |                                  |  |
| Unavailable Revenue  | -                        | -                                | 29,094   |
|  | <u>-</u>                 | <u>-</u>                         | <u>29,094</u>                                      |
| <b>FUND BALANCES</b>   |                          |                                  |  |
| Restricted   | 10,164                   | 99,245                           | 339,382  |
| Total fund balances  | <u>10,164</u>            | <u>99,245</u>                    | <u>339,382</u>                                     |
| Total liabilities, deferred inflows<br>of resources, and fund balances   | <u>\$ 110,624</u>        | <u>\$ 99,245</u>                 | <u>\$ 368,496</u>                                  |

| Community<br>Development<br>Block Grant | Hurricane<br>Housing<br>Recovery Grant<br>Fund | Total Nonmajor<br>Special Revenue<br>Funds |
|---|--|--|
| \$ 389,684                              | \$ 325,300                                     | \$ 1,162,615                               |
| 15,295                                  | 50   | 35,345                                     |
| 393,055                                 | -  | 474,695                                    |
| <u>275,112</u>                          | <u>1,494,200</u>                               | <u>1,798,406</u>                           |
| <u>\$ 1,073,146</u>                     | <u>\$ 1,819,550</u>                            | <u>\$ 3,471,061</u>                        |
|   |  |  |
| \$ 18,559                               | \$ 3,881                                       | \$ 22,900                                  |
| <u>16</u>                               | <u>-</u>                                       | <u>100,036</u>                             |
| <u>18,575</u>                           | <u>3,881</u>                                   | <u>122,936</u>                             |
|   |  |  |
| <u>275,081</u>                          | <u>1,494,200</u>                               | <u>1,798,375</u>                           |
|   |  |  |
| <u>779,490</u>                          | <u>321,469</u>                                 | <u>1,549,750</u>                           |
| <u>779,490</u>                          | <u>321,469</u>                                 | <u>1,549,750</u>                           |
| <u>\$ 1,073,146</u>                     | <u>\$ 1,819,550</u>                            | <u>\$ 3,471,061</u>                        |

City of Fort Pierce, Florida  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
Year ended September 30, 2019

|  | Police<br>Grants<br>Fund | Law<br>Enforcement<br>Trust Fund | State Housing<br>Initiatives Program<br>(S.H.I.P.) |
|--|--------------------------|----------------------------------|--|
| <b>Revenues</b>                              |                          |                                  |  |
| Intergovernmental                            | \$ 202,741               | \$ -                             | \$ 73,063  |
| Fines and forfeitures                        | -                        | 4,006                            | -  |
| Investment income                            | 3,488                    | 1,768                            | 2,584  |
| Miscellaneous                                | 80,000                   | -                                | -  |
| Total revenues                               | 286,229                  | 5,774                            | 75,647   |
| <b>Expenditures</b>                          |                          |                                  |  |
| Current                                      |                          |                                  |  |
| Public safety                                | 363,977                  | 6,515                            | -  |
| Economic environment                         | -                        | -                                | 567,328  |
| Capital outlay                               | -                        | -                                | -  |
| Total expenditures                           | 363,977                  | 6,515                            | 567,328  |
| Excess of revenues over (under) expenditures | (77,748)                 | (741)                            | (491,681)  |
| <b>Other financing sources (uses)</b>        |                          |                                  |  |
| Transfers in                                 | 77,763                   | -                                | 680,082  |
| Transfers out                                | -                        | -                                | -  |
| Total other financing sources (uses)         | 77,763                   | -                                | 680,082  |
| Net change in fund balances                  | 15                       | (741)                            | 188,401  |
| Fund balance - beginning of year             | 10,149                   | 99,986                           | 150,981  |
| Fund balance - end of year                   | \$ 10,164                | \$ 99,245                        | \$ 339,382   |

| Community<br>Development<br>Block Grant | Hurricane<br>Housing<br>Recovery Grant<br>Fund | Total Non-Major<br>Special Revenue<br>Funds |
|---|--|---|
| \$ 485,632                              | \$ 41,392                                      | \$ 802,828                                  |
| -                                       | -  | 4,006                                       |
| 22,413                                  | 4,250  | 34,503                                      |
| 38                                      | 60,250   | 140,288                                     |
| <u>508,083</u>                          | <u>105,892</u>                                 | <u>981,625</u>                              |
| -                                       | -  | 370,492                                     |
| 435,418                                 | 120,824  | 1,123,570                                   |
| 43,042                                  | -  | 43,042                                      |
| <u>478,460</u>                          | <u>120,824</u>                                 | <u>1,537,104</u>                            |
| 29,623                                  | (14,932)                                       | (555,479)                                   |
| -                                       | -  | 757,845                                     |
| -                                       | (680,082)                                      | (680,082)                                   |
| -                                       | (680,082)                                      | 77,763                                      |
| 29,623                                  | (695,014)                                      | (477,716)                                   |
| 749,867                                 | 1,016,483                                      | 2,027,466                                   |
| <u>\$ 779,490</u>                       | <u>\$ 321,469</u>                              | <u>\$ 1,549,750</u>                         |

City of Fort Pierce, Florida

**STATEMENT OF SPECIAL REVENUE FUND REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
POLICE GRANTS FUND**

Year ended September 30, 2019

|                                       | Budgeted Amounts |                  | Actual           | Variance    |
|---------------------------------------|------------------|------------------|------------------|-------------|
|                                       | Original         | Final            |                  |             |
| <b>Revenues</b>                       |                  |                  |                  |             |
| Intergovernmental                     | \$ 658,716       | \$ 202,741       | \$ 202,741       | \$ -        |
| Investment income                     | -                | 3,488            | 3,488            | -           |
| Other                                 | 80,000           | 80,000           | 80,000           | -           |
| Total revenues                        | <u>738,716</u>   | <u>286,229</u>   | <u>286,229</u>   | <u>-</u>    |
| <b>Expenditures</b>                   |                  |                  |                  |             |
| Current                               |                  |                  |                  |             |
| Economic environment                  | 588,716          | 363,977          | 363,977          | -           |
| Capital outlay                        | 200,000          | -                | -                | -           |
| Total expenditures                    | <u>788,716</u>   | <u>363,977</u>   | <u>363,977</u>   | <u>-</u>    |
| Excess of revenues over expenditures  | (50,000)         | (77,748)         | (77,748)         | -           |
| <b>Other financing sources (uses)</b> |                  |                  |                  |             |
| Transfers in                          | <u>50,000</u>    | <u>77,763</u>    | <u>77,763</u>    | <u>-</u>    |
| Total other financing sources (uses)  | 50,000           | 77,763           | 77,763           | -           |
| Net change in fund balances           | -                | 15               | 15               | -           |
| Fund balance - beginning of year      | <u>10,149</u>    | <u>10,149</u>    | <u>10,149</u>    | <u>-</u>    |
| Fund balance - end of year            | <u>\$ 10,149</u> | <u>\$ 10,164</u> | <u>\$ 10,164</u> | <u>\$ -</u> |

City of Fort Pierce, Florida

**STATEMENT OF SPECIAL REVENUE FUND REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
STATE HOUSING INITIATIVES PROGRAM(SHIP)**

Year ended September 30, 2019

|                                       | Budgeted Amounts  |                   | Actual            | Variance    |
|---------------------------------------|-------------------|-------------------|-------------------|-------------|
|                                       | Original          | Final             |                   |             |
| <b>Revenues</b>                       |                   |                   |                   |             |
| Intergovernmental                     | \$ 353,000        | \$ 73,063         | \$ 73,063         | \$ -        |
| Investment income                     | 500               | 2,584             | 2,584             | -           |
| Other                                 | 40,000            | -                 | -                 | -           |
| Total revenues                        | <u>393,500</u>    | <u>75,647</u>     | <u>75,647</u>     | <u>-</u>    |
| <b>Expenditures</b>                   |                   |                   |                   |             |
| Current                               |                   |                   |                   |             |
| Economic environment                  | 393,500           | 567,328           | 567,328           | -           |
| Total expenditures                    | <u>393,500</u>    | <u>567,328</u>    | <u>567,328</u>    | <u>-</u>    |
| Excess of revenues over expenditures  | -                 | (491,681)         | (491,681)         | -           |
| <b>Other financing sources (uses)</b> |                   |                   |                   |             |
| Transfers in                          | -                 | 680,082           | 680,082           | -           |
| Total other financing sources (uses)  | -                 | 680,082           | 680,082           | -           |
| Net change in fund balances           | -                 | 188,401           | 188,401           | -           |
| Fund balance - beginning of year      | <u>150,981</u>    | <u>150,981</u>    | <u>150,981</u>    | <u>-</u>    |
| Fund balance - end of year            | <u>\$ 150,981</u> | <u>\$ 339,382</u> | <u>\$ 339,382</u> | <u>\$ -</u> |

City of Fort Pierce, Florida

**STATEMENT OF SPECIAL REVENUE FUND REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
COMMUNITY DEVELOPMENT BLOCK GRANT**

Year ended September 30, 2019

|                                      | Budgeted Amounts  |                   | Actual            | Variance    |
|--------------------------------------|-------------------|-------------------|-------------------|-------------|
|                                      | Original          | Final             |                   |             |
| <b>Revenues</b>                      |                   |                   |                   |             |
| Intergovernmental                    | \$ 859,320        | \$ 485,632        | \$ 485,632        | \$ -        |
| Investment income                    | 1,000             | 22,413            | 22,413            | -           |
| Other                                | 8,918             | 38                | 38                | -           |
| Total revenues                       | <u>869,238</u>    | <u>508,083</u>    | <u>508,083</u>    | <u>-</u>    |
| <b>Expenditures</b>                  |                   |                   |                   |             |
| Current                              |                   |                   |                   |             |
| Economic environment                 | 869,238           | 435,418           | 435,418           | -           |
| Capital outlay                       | -                 | 43,042            | 43,042            | -           |
| Total expenditures                   | <u>869,238</u>    | <u>478,460</u>    | <u>478,460</u>    | <u>-</u>    |
| Excess of revenues over expenditures | -                 | 29,623            | 29,623            | -           |
| Net change in fund balances          | -                 | 29,623            | 29,623            | -           |
| Fund balance - beginning of year     | <u>749,867</u>    | <u>749,867</u>    | <u>749,867</u>    | <u>-</u>    |
| Fund balance - end of year           | <u>\$ 749,867</u> | <u>\$ 779,490</u> | <u>\$ 779,490</u> | <u>\$ -</u> |

City of Fort Pierce, Florida

**STATEMENT OF SPECIAL REVENUE FUND REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
HURRICANE HOUSING RECOVERY GRANT FUND**

Year ended September 30, 2019

|                                       | Budgeted Amounts    |                   | Actual            | Variance    |
|---------------------------------------|---------------------|-------------------|-------------------|-------------|
|                                       | Original            | Final             |                   |             |
| <b>Revenues</b>                       |                     |                   |                   |             |
| Intergovernmental                     | \$ -                | \$ 41,392         | \$ 41,392         | \$ -        |
| Investment income                     | 250                 | 4,250             | 4,250             | -           |
| Other                                 | 213,500             | 60,250            | 60,250            | -           |
| Total revenues                        | <u>213,750</u>      | <u>105,892</u>    | <u>105,892</u>    | <u>-</u>    |
| <b>Expenditures</b>                   |                     |                   |                   |             |
| Current                               |                     |                   |                   |             |
| Economic environment                  | 258,750             | 120,824           | 120,824           | -           |
| Total expenditures                    | <u>258,750</u>      | <u>120,824</u>    | <u>120,824</u>    | <u>-</u>    |
| Excess of revenues over expenditures  | (45,000)            | (14,932)          | (14,932)          | -           |
| <b>Other financing sources (uses)</b> |                     |                   |                   |             |
| Transfers in                          | 45,000              | -                 | -                 | -           |
| Transfers out                         | -                   | (680,082)         | (680,082)         | -           |
| Total other financing sources (uses)  | 45,000              | (680,082)         | (680,082)         | -           |
| Net change in fund balances           | -                   | (695,014)         | (695,014)         | -           |
| Fund balance - beginning of year      | <u>1,016,483</u>    | <u>1,016,483</u>  | <u>1,016,483</u>  | <u>-</u>    |
| Fund balance - end of year            | <u>\$ 1,016,483</u> | <u>\$ 321,469</u> | <u>\$ 321,469</u> | <u>\$ -</u> |

City of Fort Pierce, Florida  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
September 30, 2019

---

|                                      | Capital<br>Improvement<br>Revenue<br>2008 | Capital<br>Improvement<br>Refunding<br>2010 | Capital<br>Improvement<br>Revenue<br>2014 | Section 108<br>Loan | Fort Pierce<br>Redevelopment<br>Refunding<br>2015 | Capital<br>Improvement<br>Refunding<br>2015 |
|--------------------------------------|---|---|---|---------------------|---|---|
| <b>ASSETS</b>                        |   |   |   |                     |   |   |
| Cash and investments                 | \$ -                                      | \$ 52                                       | \$ 1,450,821                              | \$ 129,357          | \$ 504,049  | \$ -  |
| Advance to other funds               | -   | -   | -   | 1,282,848           | -   | -   |
| Total Assets                         | <u>\$ -</u>                               | <u>\$ 52</u>                                | <u>\$ 1,450,821</u>                       | <u>\$ 1,412,205</u> | <u>\$ 504,049</u>                                 | <u>\$ -</u>                                 |
| <b>LIABILITIES AND FUND BALANCES</b> |   |   |   |                     |   |   |
| <b>FUND BALANCES</b>                 |   |   |   |                     |   |   |
| Restricted                           | -   | 52  | 1,450,821                                 | 129,357             | 504,049   | -   |
| Assigned                             | -   | -   | -   | 1,282,848           | -   | -   |
| Total fund balance                   | <u>-</u>                                  | <u>52</u>                                   | <u>1,450,821</u>                          | <u>1,412,205</u>    | <u>504,049</u>                                    | <u>-</u>                                    |
| Total liabilities and fund balance   | <u>\$ -</u>                               | <u>\$ 52</u>                                | <u>\$ 1,450,821</u>                       | <u>\$ 1,412,205</u> | <u>\$ 504,049</u>                                 | <u>\$ -</u>                                 |

---

| Capital<br>Improvement<br>Note A<br>2016 | Capital<br>Improvement<br>Note B<br>2016 | Capital<br>Improvement<br>Note C<br>2016 | Capital<br>Lease | Capital<br>Improvement<br>Refunding<br>2018 | Capital<br>Improvement<br>Refunding<br>2019 | Total Nonmajor<br>Debt Service<br>Funds |
|--|--|--|------------------|---|---|---|
| \$ 522                                   | \$ 959                                   | \$ 1,067                                 | \$ -             | \$ 7,025                                    | \$ 51,320                                   | \$ 2,145,172                            |
| -  | -  | -  | -                | -   | -   | 1,282,848                               |
| <u>\$ 522</u>                            | <u>\$ 959</u>                            | <u>\$ 1,067</u>                          | <u>\$ -</u>      | <u>\$ 7,025</u>                             | <u>\$ 51,320</u>                            | <u>\$ 3,428,020</u>                     |
| 522                                      | 959                                      | 1,067                                    | -                | 7,025                                       | 51,320                                      | 2,145,172                               |
| -  | -  | -  | -                | -   | -   | 1,282,848                               |
| <u>522</u>                               | <u>959</u>                               | <u>1,067</u>                             | <u>-</u>         | <u>7,025</u>                                | <u>51,320</u>                               | <u>3,428,020</u>                        |
| <u>\$ 522</u>                            | <u>\$ 959</u>                            | <u>\$ 1,067</u>                          | <u>\$ -</u>      | <u>\$ 7,025</u>                             | <u>\$ 51,320</u>                            | <u>\$ 3,428,020</u>                     |

City of Fort Pierce, Florida  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE**  
**NONMAJOR DEBT SERVICE FUNDS**  
 Year Ended September 30, 2019

|   | Capital<br>Improvement<br>Revenue<br>2008 | Capital<br>Improvement<br>Refunding<br>2010 | Capital<br>Improvement<br>Revenue<br>2014 | Section 108<br>Loan | Fort Pierce<br>Redevelopment<br>Refunding<br>2015 | Capital<br>Improvement<br>Refunding<br>2015 |
|---|---|---|---|---------------------|---|---|
| <b>Revenues</b>                                 |   |   |   |                     |   |   |
| Investment income                               | \$ 18                                     | \$ 5,785                                    | \$ 10,731                                 | \$ 48,330           | \$ 17,503   | \$ 30,652                                   |
| <b>Expenditures</b>                             |   |   |   |                     |   |   |
| Debt service                                    |   |   |   |                     |   |   |
| Principal                                       | -   | 340,000                                     | 351,892                                   | 283,000             | 1,665,000   | -   |
| Interest and fees                               | -   | 96,587                                      | 142,185                                   | 44,203              | 845,220   | 757,298                                     |
| Other   | -   | 1,974                                       | -   | -                   | 1,500   | -   |
| Total expenditures                              | -   | 438,561                                     | 494,077                                   | 327,203             | 2,511,720   | 757,298                                     |
| Excess of revenues<br>over (under) expenditures | 18  | (432,776)                                   | (483,346)                                 | (278,873)           | (2,494,217)                                       | (726,646)                                   |
| <b>Other financing sources (uses)</b>           |   |   |   |                     |   |   |
| Transfers in                                    | -   | 432,377                                     | 1,775,800                                 | -                   | 2,510,920   | 2,421,614                                   |
| Debt issuance                                   | -   | -   | -   | -                   | -   | -   |
| Payment on Advance Refunding                    | -   | -   | -   | -                   | -   | -   |
| Transfers out                                   | (3,441)                                   | -   | -   | -                   | -   | (1,696,011)                                 |
| Total other financing sources (uses)            | (3,441)                                   | 432,377                                     | 1,775,800                                 | -                   | 2,510,920   | 725,603                                     |
| Net change in fund balances                     | (3,423)                                   | (399)                                       | 1,292,454                                 | (278,873)           | 16,703  | (1,043)                                     |
| Fund balances - beginning of year               | 3,423                                     | 451   | 158,367                                   | 1,691,078           | 487,346   | 1,043                                       |
| Fund balances - end of year                     | \$ -                                      | \$ 52                                       | \$ 1,450,821                              | \$ 1,412,205        | \$ 504,049  | \$ -  |

| Capital Improvement Note A 2016 | Capital Improvement Note B 2016 | Capital Improvement Note C 2016 | Capital Lease | Capital Improvement Refunding 2018 | Capital Improvement Refunding 2019 | Total Nonmajor Debt Service Funds |
|---------------------------------|---------------------------------|---------------------------------|---------------|------------------------------------|------------------------------------|-----------------------------------|
| \$ 483                          | \$ 844                          | \$ 1,045                        | \$ -          | \$ 946                             | \$ 14,994                          | \$ 131,331                        |
| 115,000                         | 45,000                          | 200,000                         | 450,387       | 40,117                             | 1,695,000                          | 5,185,396                         |
| 44,625                          | 22,403                          | 24,440                          | 75,245        | 178,394                            | 158,127                            | 2,388,727                         |
| -                               | -                               | -                               | 585           | -                                  | 63,614                             | 67,673                            |
| 159,625                         | 67,403                          | 224,440                         | 526,217       | 218,511                            | 1,916,741                          | 7,641,796                         |
| (159,142)                       | (66,559)                        | (223,395)                       | (526,217)     | (217,565)                          | (1,901,747)                        | (7,510,465)                       |
| 159,647                         | 67,425                          | 224,462                         | 526,217       | 218,512                            | 1,884,922                          | 10,221,896                        |
| -                               | -                               | -                               | -             | -                                  | 27,764,844                         | 27,764,844                        |
| -                               | -                               | -                               | -             | -                                  | (27,696,699)                       | (27,696,699)                      |
| -                               | -                               | -                               | -             | -                                  | -                                  | (1,699,452)                       |
| 159,647                         | 67,425                          | 224,462                         | 526,217       | 218,512                            | 1,953,067                          | 8,590,589                         |
| 505                             | 866                             | 1,067                           | -             | 947                                | 51,320                             | 1,080,124                         |
| 17                              | 93                              | -                               | -             | 6,078                              | -                                  | 2,347,896                         |
| \$ 522                          | \$ 959                          | \$ 1,067                        | \$ -          | \$ 7,025                           | \$ 51,320                          | \$ 3,428,020                      |

**THIS PAGE INTENTIONALLY LEFT BLANK**



## STATISTICAL SECTION



## A-1 STATISTICAL TABLES

This section of the City of Fort Pierce's Comprehensive Annual Report contains information to assist the reader in understanding the financial Statements, notes to the financial and other supplemental information.

**Financial Trends** - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

**Revenue Capacity** - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

**Debt Capacity** - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

**Demographic and Economic Information** - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

**Operating Information** - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and the activities it performs.

**MISCELLANEOUS STATISTICS**  
**September 30, 2019**

|   |  |  |        |
|---|--|--|--------|
| <b>Date of Incorporation:</b>             | February 2, 1901                           | <b>City of Fort Pierce Population:</b> |        |
| <b>Adoption of City Charter:</b>          | 1957                                       | 1940                                   | 8,040  |
| <b>Form of Govt:</b>                      | Commission/City Manager                    | 1950                                   | 13,502 |
| <b>Fiscal Year:</b>                       | October 1, 2018 through September 30, 2019 | 1960                                   | 25,113 |
| <b>Area:</b>                              | 35.07 square miles as of 9/30/2019         | 1970                                   | 29,721 |
|   |  | 1980                                   | 33,802 |
| <b>Number of Employees:</b>               | 667.0                                      | 1990                                   | 36,830 |
| City                                      | 384.0                                      | 2000                                   | 38,401 |
| Utilities Authority                       | 283.0                                      | 2010                                   | 41,590 |
| <br>                                      |  |  |        |
| <b>Police Protection:</b>                 |  | <b>Recreation:</b>                     |        |
| Number of Stations                        | 2  | Acres of Public Parks                  | 294.3  |
| Number of Arresting Personnel             | 119  | Miles of Public Beach                  | 2.3    |
|   |  | Baseball Practice Fields               | 23     |
| <b>Fire Protection:</b>                   |  | Basketball Courts                      | 11     |
| (County wide)                             |  | Boat Ramps                             | 10     |
| Number of Stations                        | 17   | Football Fields                        | 1      |
| Number of Firemen & Officers              | 386  | Playgrounds                            | 12     |
|   |  | Municipal Pools                        | 2      |
| <b>Infrastructure:</b>                    |  | Racquetball/Handball Courts            | 2      |
| City Buildings                            | 23   | Shuffleboard Courts                    | 1      |
| Cemeteries (not City owned)               | 5  | Tennis Courts                          | 18     |
| City Bridges                              | 15   |  |        |
| *Vehicle                                  | 6  | <b>Utilities Customers:</b>            |        |
| *Pedestrian                               | 9  | Electric                               | 28,300 |
| Traffic Lights                            | 211  | Water                                  | 20,400 |
| *Flashing Lights                          | 32   | Wastewater                             | 15,200 |
| *Traffic & Caution Lights                 | 179  | Natural Gas                            | 4,100  |
| Street Lights                             | 5,313                                      |  |        |
| Miles of:                                 |  | <b>County Schools Enrollment: *</b>    |        |
| *Paved Streets                            | 182.4                                      | ESE (all grades)                       | 5,863  |
| *Unpaved Streets                          | 3.0  | Elementary , Non ESE                   | 15,482 |
| Total Streets                             | 185.4                                      | Middle , Non ESE                       | 8,130  |
| Canals                                    | 10.1                                       | High School , Non ESE                  | 10,685 |
| Curbs and Gutters                         | 121.6                                      | Total Enrollment                       | 40,160 |
| Seawalls                                  | 1.1  |  |        |
| Sidewalks                                 | 113.4                                      | <b>Solid Waste Customers:</b>          |        |
| Storm Sewers                              | 74.9                                       | Commercial                             | 1,814  |
| <b>Building Permits New Construction:</b> | 135  | Residential                            | 12,273 |
| Construction Valuation                    | \$ 50,971,905                              | Public                                 | 23     |

Sources: City of Fort Pierce financial records, St. Lucie County Fire District records, Ft. Pierce Utilities Authority, St. Lucie County School records and Bureau of Business and Economic Research.

\*St. Lucie County School Board figures are the most recent printed at time of publication.

**City of Fort Pierce, Florida**  
**Net Position by Component**  
**Last Ten Fiscal Years**

|  | Fiscal Year           |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2019                  | 2018                  | 2017                  | 2016                  |
| <b>Governmental activities</b>                     |                       |                       |                       |                       |
| Net invested in capital assets                     | \$ 43,122,969         | \$ 41,656,393         | \$ 41,206,642         | \$ 39,077,396         |
| Restricted   | 3,428,020             | 2,347,896             | 2,906,878             | 5,300,896             |
| Unrestricted                                       | 5,110,643             | 6,103,498             | 2,817,495             | 4,960,007             |
| Adjustment to record net pension liability         | *                     |                       |                       |                       |
| Adjustment to record net OPEB liability            | **                    |                       | (1,017,916)           |                       |
| <b>Total governmental activities net Position</b>  | <b>\$ 51,661,632</b>  | <b>\$ 50,107,787</b>  | <b>\$ 45,913,099</b>  | <b>\$ 49,338,299</b>  |
| <b>Business type activities</b>                    |                       |                       |                       |                       |
| Net invested in capital assets                     | \$ 68,807,409         | \$ 68,117,114         | \$ 68,530,285         | \$ 69,349,261         |
| Restricted   | 2,387,689             | -                     | -                     | -                     |
| Unrestricted                                       | (1,781,464)           | 685,832               | 180,432               | 1,271,085             |
| Adjustment to record net pension liability         | *                     |                       |                       |                       |
| Adjustment to record net OPEB liability            | **                    |                       | (216,887)             |                       |
| <b>Total business-type activities net Position</b> | <b>\$ 69,413,634</b>  | <b>\$ 68,802,946</b>  | <b>\$ 68,493,830</b>  | <b>\$ 70,620,346</b>  |
| <b>Primary Government</b>                          |                       |                       |                       |                       |
| Net invested in capital assets                     | \$ 111,930,378        | \$ 109,773,507        | \$ 109,736,927        | \$ 108,426,657        |
| Restricted   | 5,815,709             | 2,347,896             | 2,906,878             | 5,300,896             |
| Unrestricted                                       | 3,329,179             | 6,789,330             | 2,997,927             | 6,231,092             |
| Adjustment to record net pension liability         | *                     | *                     | *                     |                       |
| Adjustment to record net OPEB liability            | **                    |                       | (1,234,803)           |                       |
| <b>Total primary government net Position</b>       | <b>\$ 121,075,266</b> | <b>\$ 118,910,733</b> | <b>\$ 114,406,929</b> | <b>\$ 119,958,645</b> |

Source: Statement of Net Position

\* Implementation of GASB 68

\*\* Implementation of GASB 75

| <b>Fiscal Year</b>       |                       |                          |                          |                          |                          |
|--------------------------|-----------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>2015</b>              | <b>2014</b>           | <b>2013</b>              | <b>2012</b>              | <b>2011</b>              | <b>2010</b>              |
| \$ \$ 37,055,350         | \$ 34,114,524         | \$ \$ 32,136,904         | \$ \$ 30,700,782         | \$ \$ 31,066,247         | \$ \$ 28,668,343         |
| 6,911,826                | 7,644,201             | 3,612,651                | 4,469,991                | 7,448,269                | 7,448,269                |
| 5,825,232                | 9,166,286             | 12,820,034               | 14,694,145               | 13,854,615               | 18,329,988               |
|                          | (1,761,220)           |                          |                          |                          |                          |
| <u>\$ \$ 49,792,408</u>  | <u>\$ 49,163,791</u>  | <u>\$ \$ 48,569,589</u>  | <u>\$ \$ 49,864,918</u>  | <u>\$ \$ 52,369,131</u>  | <u>\$ \$ 54,446,600</u>  |
| \$ \$ 72,258,131         | \$ 66,234,195         | \$ \$ 65,104,588         | \$ \$ 53,122,423         | \$ \$ 44,669,243         | \$ \$ 45,408,923         |
| -                        | -                     | -                        | -                        | -                        | -                        |
| 4,277,533                | 13,349,535            | 12,551,494               | 13,672,962               | 13,960,371               | 10,201,851               |
|                          | (270,999)             |                          |                          |                          |                          |
| <u>\$ \$ 76,535,664</u>  | <u>\$ 79,312,731</u>  | <u>\$ \$ 77,656,082</u>  | <u>\$ \$ 66,795,385</u>  | <u>\$ \$ 58,629,614</u>  | <u>\$ \$ 55,610,774</u>  |
| \$ \$ 109,313,481        | \$ 100,348,719        | \$ \$ 97,241,492         | \$ \$ 83,823,205         | \$ \$ 75,735,490         | \$ 74,077,266            |
| 6,911,826                | 7,644,201             | 3,612,651                | 4,469,991                | 7,448,269                | 7,448,269                |
| 10,102,765               | 22,515,821            | 25,371,528               | 28,367,107               | 27,814,986               | 28,531,839               |
|                          | (2,032,219)           |                          |                          |                          |                          |
| <u>\$ \$ 126,328,072</u> | <u>\$ 128,476,522</u> | <u>\$ \$ 126,225,671</u> | <u>\$ \$ 116,660,303</u> | <u>\$ \$ 110,998,745</u> | <u>\$ \$ 110,057,374</u> |

**City of Fort Pierce, Florida**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

|  | Fiscal Year                   |                               |                               |                               |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|  | 2019                          | 2018                          | 2017                          | 2016                          |
| <b>Expenses</b>                                |                               |                               |                               |                               |
| Government activities:                         |                               |                               |                               |                               |
| General government                             | \$ 12,478,803                 | \$ 12,453,169                 | \$ 12,679,532                 | \$ 10,188,059                 |
| Public Safety                                  | 18,718,692                    | 16,341,557                    | 16,426,201                    | 15,293,734                    |
| Transportation                                 | 6,743,878                     | 6,382,606                     | 6,224,923                     | 5,868,560                     |
| Economic Environment                           | 1,779,196                     | 1,526,508                     | 1,104,259                     | 1,262,385                     |
| Culture and recreation                         | 3,013,258                     | 2,773,173                     | 2,529,937                     | 2,153,169                     |
| Interest of long-term debt                     | 3,163,194                     | 2,891,268                     | 3,567,822                     | 4,624,442                     |
| Total government activities expenses           | <u>\$ 45,897,021</u>          | <u>\$ 42,368,281</u>          | <u>\$ 42,532,674</u>          | <u>\$ 39,390,349</u>          |
| Business-type activities                       |                               |                               |                               |                               |
| Solid Waste                                    | \$ 6,778,735                  | \$ 6,745,265                  | \$ 6,235,640                  | \$ 5,689,842                  |
| Marina   | 4,375,846                     | 4,180,073                     | 4,078,834                     | 3,512,275                     |
| Storm Water                                    | 3,321,553                     | 3,275,415                     | 5,202,294                     | 7,939,853                     |
| Golf Course                                    | 1,628,188                     | 1,432,238                     | 1,553,141                     | 1,510,721                     |
| Sunrise Theater                                | 3,666,296                     | 3,832,927                     | 4,376,238                     | 4,595,335                     |
| Building Fund                                  | 1,857,393                     | 1,632,847                     | 1,304,815                     | 1,194,096                     |
| Total business-type activities                 | <u>\$ 21,628,011</u>          | <u>\$ 21,098,765</u>          | <u>\$ 22,750,962</u>          | <u>\$ 24,442,122</u>          |
| Total primary government expenses              | <u><u>\$ 67,525,032</u></u>   | <u><u>\$ 63,467,046</u></u>   | <u><u>\$ 65,283,636</u></u>   | <u><u>\$ 63,832,471</u></u>   |
| <b>Program Revenues</b>                        |                               |                               |                               |                               |
| Governmental activities:                       |                               |                               |                               |                               |
| Charges for services:                          |                               |                               |                               |                               |
| General government                             | \$ 1,496,288                  | \$ 1,581,796                  | \$ 2,127,748                  | \$ 1,180,822                  |
| Public Safety                                  | 624,537                       | 915,607                       | 402,673                       | 559,349                       |
| Transportation                                 | 750,443                       | 580,770                       | 299,620                       | 246,932                       |
| Economic Environment                           | 7,883,792                     | 6,452,713                     | 6,883,000                     | 7,296,531                     |
| Culture and recreation                         | 700,526                       | 425,848                       | 254,567                       | 166,683                       |
| Operating grants and contributions             | 832,985                       | 3,922,855                     | 1,422,785                     | 385,082                       |
| Capital grants and contributions               | -                             | -                             | -                             | -                             |
| Total governmental activities program revenue: | <u>\$ 12,288,571</u>          | <u>\$ 13,879,589</u>          | <u>\$ 11,390,393</u>          | <u>\$ 9,835,399</u>           |
| Business-type activities                       |                               |                               |                               |                               |
| Charges for services:                          |                               |                               |                               |                               |
| Solid Waste                                    | \$ 7,648,557                  | \$ 7,806,315                  | \$ 6,676,775                  | \$ 6,544,120                  |
| Marina   | 3,470,692                     | 3,635,137                     | 3,729,402                     | 2,856,262                     |
| Storm Water                                    | 2,845,271                     | 2,691,049                     | 2,724,106                     | 2,708,419                     |
| Golf Course                                    | 1,151,369                     | 1,127,258                     | 979,461                       | 1,235,869                     |
| Sunrise Theater                                | 2,466,477                     | 2,415,352                     | 2,765,443                     | 3,342,281                     |
| Building Fund                                  | 2,336,544                     | 2,158,592                     | 1,369,165                     | 1,360,416                     |
| Operating grants and contributions             | -                             | 1,433,973                     | 712,500                       | -                             |
| Capital grants and contributions               | 2,890,929                     | 351,428                       | -                             | 407,561                       |
| Total business-type activities                 | <u>\$ 22,809,839</u>          | <u>\$ 21,619,104</u>          | <u>\$ 18,956,852</u>          | <u>\$ 18,454,928</u>          |
| Total primary government revenues              | <u><u>\$ 35,098,410</u></u>   | <u><u>\$ 35,498,693</u></u>   | <u><u>\$ 30,347,245</u></u>   | <u><u>\$ 28,290,327</u></u>   |
| <b>Net (Expense) Revenue</b>                   |                               |                               |                               |                               |
| Governmental activities                        | (33,608,450)                  | (28,488,692)                  | (31,142,281)                  | (29,554,950)                  |
| Business-type activities                       | <u>\$ 1,181,828</u>           | <u>\$ 520,339</u>             | <u>\$ (3,794,110)</u>         | <u>\$ (5,987,194)</u>         |
| Total primary government net expenses          | <u><u>\$ (32,426,622)</u></u> | <u><u>\$ (27,968,353)</u></u> | <u><u>\$ (34,936,391)</u></u> | <u><u>\$ (35,542,144)</u></u> |

| Fiscal Year            |                        |                        |                        |                        |                        |  |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|--|
| 2015                   | 2014                   | 2013                   | 2012                   | 2011                   | 2010                   |  |
| \$ 9,615,174           | \$ 9,098,006           | \$ 9,073,474           | \$ 9,368,691           | \$ 9,578,646           | \$ 11,039,863          |  |
| 15,130,557             | 14,753,228             | 14,305,679             | 13,758,635             | 13,353,710             | 14,614,487             |  |
| 5,729,773              | 6,071,542              | 6,263,011              | 6,277,776              | 6,347,717              | 7,375,759              |  |
| 1,513,335              | 1,110,448              | 1,774,472              | 3,361,379              | 2,040,019              | 6,075,167              |  |
| 2,206,744              | 2,522,271              | 2,231,912              | 2,268,586              | 2,321,424              | 2,548,710              |  |
| 3,778,626              | 3,754,510              | 3,727,940              | 3,821,411              | 3,841,700              | 3,680,658              |  |
| <u>\$ 37,974,209</u>   | <u>\$ 37,310,005</u>   | <u>\$ 37,376,488</u>   | <u>\$ 38,856,478</u>   | <u>\$ 37,483,216</u>   | <u>\$ 45,334,644</u>   |  |
| \$ 5,708,431           | \$ 5,264,288           | \$ 4,974,739           | \$ 5,440,958           | \$ 5,486,548           | \$ 5,245,043           |  |
| 3,344,558              | 2,610,077              | 2,605,281              | 2,155,455              | 2,353,376              | 2,300,594              |  |
| 5,658,447              | 6,130,795              | 3,368,903              | 3,241,933              | 3,182,318              | 2,648,312              |  |
| 1,574,074              | 1,587,070              | 1,658,894              | 1,610,301              | 1,600,742              | 1,908,161              |  |
| 4,440,222              | 4,080,883              | 4,223,143              | 4,173,135              | 3,816,102              | 3,845,893              |  |
| 1,175,458              | 1,014,511              | 1,004,080              | 951,656                | 997,636                | 915,411                |  |
| <u>\$ 21,901,190</u>   | <u>\$ 20,687,624</u>   | <u>\$ 17,835,040</u>   | <u>\$ 17,573,438</u>   | <u>\$ 17,436,722</u>   | <u>\$ 16,863,414</u>   |  |
| <u>\$ 59,875,399</u>   | <u>\$ 57,997,629</u>   | <u>\$ 55,211,528</u>   | <u>\$ 56,429,916</u>   | <u>\$ 54,919,938</u>   | <u>\$ 62,198,058</u>   |  |
| \$ 1,107,288           | \$ 489,335             | \$ 1,578,442           | \$ 451,139             | \$ 695,767             | \$ 1,320,108           |  |
| 478,889                | 391,592                | 434,898                | 335,806                | 338,144                | 480,040                |  |
| 116,573                | 87,391                 | 28,068                 | 18,850                 | 102,831                | 124,853                |  |
| 6,047,847              | 3,904,780              | 4,876,129              | 5,021,998              | 5,565,047              | 9,151,126              |  |
| 177,797                | 200,402                | 126,687                | 133,913                | 132,696                | 721,037                |  |
| 1,823,584              | 4,169,400              | 1,013,850              | 2,968,721              | 1,977,408              | 3,228,715              |  |
| 527,089                | 3,599,755              | 1,635,302              | 1,311,204              | 659,333                | 510,645                |  |
| <u>\$ 10,279,067</u>   | <u>\$ 12,842,655</u>   | <u>\$ 9,693,376</u>    | <u>\$ 10,241,631</u>   | <u>\$ 9,471,226</u>    | <u>\$ 15,536,524</u>   |  |
| \$ 6,376,443           | \$ 6,264,167           | \$ 6,348,420           | \$ 6,139,701           | \$ 6,078,244           | \$ 6,177,815           |  |
| 2,196,705              | 1,737,088              | 1,800,958              | 1,920,455              | 1,626,788              | 1,531,036              |  |
| 3,259,131              | 2,707,758              | 2,598,840              | 2,679,764              | 2,720,486              | 2,608,393              |  |
| 1,373,744              | 1,417,093              | 1,418,505              | 1,439,569              | 1,350,526              | 1,373,150              |  |
| 3,539,762              | 2,959,181              | 2,887,153              | 3,066,474              | 2,625,109              | 2,156,753              |  |
| 1,231,122              | 1,276,557              | 1,053,183              | 845,845                | 976,606                | 1,044,916              |  |
| -                      | -                      | -                      | -                      | -                      | 4,727,554              |  |
| 1,959,954              | 7,142,646              | 13,354,340             | 10,145,196             | 4,046,662              | -                      |  |
| <u>\$ 19,936,861</u>   | <u>\$ 23,504,490</u>   | <u>\$ 29,461,399</u>   | <u>\$ 26,237,004</u>   | <u>\$ 19,424,421</u>   | <u>\$ 19,619,617</u>   |  |
| <u>\$ 30,215,928</u>   | <u>\$ 36,347,145</u>   | <u>\$ 39,154,775</u>   | <u>\$ 36,478,635</u>   | <u>\$ 28,895,647</u>   | <u>\$ 35,156,141</u>   |  |
| (27,695,142)           | (24,467,350)           | (27,683,112)           | (28,614,847)           | (28,011,990)           | (29,798,120)           |  |
| <u>\$ (1,964,329)</u>  | <u>\$ 2,816,866</u>    | <u>\$ 11,626,359</u>   | <u>\$ 8,663,566</u>    | <u>\$ 1,987,699</u>    | <u>\$ 2,756,203</u>    |  |
| <u>\$ (29,659,471)</u> | <u>\$ (21,650,484)</u> | <u>\$ (16,056,753)</u> | <u>\$ (19,951,281)</u> | <u>\$ (26,024,291)</u> | <u>\$ (27,041,917)</u> |  |

**General Revenues and Other Changes in Net Position**

|                                       | <b>Fiscal Year</b>   |                      |                       |                       |
|---------------------------------------|----------------------|----------------------|-----------------------|-----------------------|
|                                       | <b>2019</b>          | <b>2018</b>          | <b>2017</b>           | <b>2016</b>           |
| <b>Governmental Activities:</b>       |                      |                      |                       |                       |
| Taxes                                 |                      |                      |                       |                       |
| Ad valorem tax                        | \$ 15,823,291        | \$ 15,118,042        | \$ 13,973,397         | \$ 13,171,397         |
| General Sales and use tax             | 2,220,408            | 2,129,418            | 2,059,076             | 2,082,894             |
| Utility service and franchise         | 4,358,981            | 4,332,987            | 4,314,862             | 4,261,492             |
| State Revenue Sharing                 | 1,525,975            | 1,445,623            | 1,392,722             | 1,323,800             |
| Additional one-cent sales tax         | 3,034,894            | 1,898,973            | 1,776,224             | 1,666,089             |
| Unrestricted grants and contributions | 402,063              | 367,113              | 329,933               | 302,837               |
| Component unit transfer               | 6,125,454            | 6,138,645            | 5,968,785             | 5,809,302             |
| Miscellaneous                         | 423,093              | 412,663              | 417,715               | 201,096               |
| Unrestricted investment earnings      | 590,597              | 530,441              | 312,404               | 305,599               |
| Extraordinary Item                    | -                    | -                    | -                     | -                     |
| Transfers                             | 657,539              | 309,475              | (1,810,121)           | (23,665)              |
| <b>Total government activities</b>    | <b>\$ 35,162,295</b> | <b>\$ 32,683,380</b> | <b>\$ 28,734,997</b>  | <b>\$ 29,100,841</b>  |
| <b>Business-type activities</b>       |                      |                      |                       |                       |
| Investment earnings                   | \$ 86,399            | \$ 98,252            | \$ 74,360             | \$ 48,211             |
| Insurance proceeds-unrestricted       |                      |                      |                       |                       |
| Miscellaneous                         |                      |                      |                       |                       |
| Transfers                             | (657,539)            | (309,475)            | 1,810,121             | 23,665                |
| <b>Total business-type activities</b> | <b>\$ (571,140)</b>  | <b>\$ (211,223)</b>  | <b>\$ 1,884,481</b>   | <b>\$ 71,876</b>      |
| <b>Total primary government</b>       | <b>\$ 34,591,155</b> | <b>\$ 32,472,157</b> | <b>\$ 30,619,478</b>  | <b>\$ 29,172,717</b>  |
| <br>                                  |                      |                      |                       |                       |
| <b>Change in Net Position</b>         |                      |                      |                       |                       |
| Governmental Activities               | \$ 1,553,845         | \$ 4,194,688         | \$ (2,407,284)        | \$ (454,109)          |
| Business-type activities              | 610,688              | 309,116              | (1,909,629)           | (5,915,318)           |
| <b>Total primary government</b>       | <b>\$ 2,164,533</b>  | <b>\$ 4,503,804</b>  | <b>\$ (4,316,913)</b> | <b>\$ (6,369,427)</b> |

Source: Statement of Activities

| Fiscal Year           |                      |                      |                      |                      |                      |  |
|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--|
| 2015                  | 2014                 | 2013                 | 2012                 | 2011                 | 2010                 |  |
| \$ 11,882,126         | \$ 11,958,161        | \$ 10,082,823        | \$ 10,009,972        | \$ 11,144,640        | \$ 11,867,277        |  |
| 2,072,741             | 2,084,479            | 2,183,003            | 2,268,673            | 2,326,799            | 2,334,521            |  |
| 4,209,187             | 4,213,534            | 4,456,865            | 4,708,357            | 4,656,869            | 4,771,753            |  |
| 1,282,595             | 1,211,575            | 1,166,983            | 1,153,572            | 1,149,797            | 1,146,272            |  |
| 1,603,223             | 1,495,885            | 1,378,666            | 1,330,114            | 1,387,116            | 1,333,339            |  |
| 265,449               | 248,113              | 249,148              | 241,799              | 241,312              | 262,634              |  |
| 5,735,240             | 5,605,157            | 5,365,879            | 4,767,268            | 4,925,280            | 4,853,329            |  |
| 259,054               | 91,884               | 346,124              | 196,028              | 202,640              | 286,804              |  |
| 166,607               | 193,528              | 243,884              | 191,827              | 194,349              | 249,136              |  |
| -                     | -                    | -                    | -                    | -                    | -                    |  |
| 847,537               | 815,331              | 914,408              | 1,243,024            | (294,281)            | 783,310              |  |
| <u>\$ 28,323,759</u>  | <u>\$ 27,917,647</u> | <u>\$ 26,387,783</u> | <u>\$ 26,110,634</u> | <u>\$ 25,934,521</u> | <u>\$ 27,888,375</u> |  |
| \$ 34,799             | \$ 44,148            | \$ 64,567            | \$ 79,883            | \$ 87,750            | \$ 122,060           |  |
|                       |                      | 84,179               | 665,346              | -                    | -                    |  |
| (847,537)             | (815,331)            | (914,408)            | (1,243,024)          | 654,803              | 606,377              |  |
| <u>\$ (812,738)</u>   | <u>\$ (771,183)</u>  | <u>\$ (765,662)</u>  | <u>\$ (497,795)</u>  | <u>\$ 1,036,834</u>  | <u>\$ (54,873)</u>   |  |
| <u>\$ 27,511,021</u>  | <u>\$ 27,146,464</u> | <u>\$ 25,622,121</u> | <u>\$ 25,612,839</u> | <u>\$ 26,971,355</u> | <u>\$ 27,833,502</u> |  |
| \$ 628,617            | \$ 3,450,297         | \$ (1,295,329)       | \$ (2,504,213)       | \$ (2,077,469)       | \$ (1,909,745)       |  |
| (2,777,067)           | 2,045,683            | 10,860,697           | 8,165,771            | 3,024,533            | 2,701,330            |  |
| <u>\$ (2,148,450)</u> | <u>\$ 5,495,980</u>  | <u>\$ 9,565,368</u>  | <u>\$ 5,661,558</u>  | <u>\$ 947,064</u>    | <u>\$ 791,585</u>    |  |

**City of Fort Pierce, Florida**  
**Fund Balances, Government Funds**  
**Last Ten Fiscal Years**

|   | <b>Fiscal Year</b>   |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | <b>2019</b>          | <b>**2018</b>        | <b>2017</b>          | <b>2016</b>          |
| <b>General Fund</b>                         |                      |                      |                      |                      |
| Nonspendable                                | \$ 52,692            | \$ 403,855           | \$ 347,570           | \$ 316,714           |
| Restricted                                  | -                    | -                    | -                    | -                    |
| Committed                                   | 462,950              | 836,909              | 710,407              | 550,000              |
| Assigned                                    | 4,242,997            | 3,890,961            | 3,688,620            | 3,582,326            |
| Unassigned                                  | 3,981,710            | 4,518,827            | 1,423,048            | 403,281              |
| Unreserved                                  | -                    | -                    | -                    | -                    |
| <b>Total General Fund</b>                   | <b>\$ 8,740,349</b>  | <b>\$ 9,650,552</b>  | <b>\$ 6,169,645</b>  | <b>\$ 4,852,321</b>  |
| <b>All Other Government Funds</b>           |                      |                      |                      |                      |
| <b>Special Revenue:</b>                     |                      |                      |                      |                      |
| Restricted                                  | \$ 9,410,349         | \$ 7,262,071         | \$ 6,068,627         | \$ 4,445,596         |
| Nonspendable                                | 14,196               | 14,261               | 12,067               | 16,573               |
| Assigned                                    | 4,583                | 4,583                | 4,584                | 184,984              |
| Committed                                   | -                    | -                    | -                    | -                    |
| <b>Debt Service:</b>                        |                      |                      |                      |                      |
| Restricted                                  | 2,145,172            | 757,718              | 1,019,095            | 2,974,093            |
| Assigned                                    | 1,282,848            | 1,590,178            | 1,887,820            |                      |
| <b>Capital projects:</b>                    |                      |                      |                      |                      |
| Restricted                                  | -                    | -                    | -                    | 2,326,803            |
| <b>Total all other governmental funds</b>   | <b>\$ 12,857,148</b> | <b>\$ 9,628,811</b>  | <b>\$ 8,992,193</b>  | <b>\$ 9,948,049</b>  |
| <b>Total governmental and general funds</b> | <b>\$ 21,597,497</b> | <b>\$ 19,279,363</b> | <b>\$ 15,161,838</b> | <b>\$ 14,800,370</b> |

\* Implementation of GASB 54 in 2011

\*\* Implementation of GASB 74 in 2018

Source: Balance Sheet Governmental Funds

| Fiscal Year          |                      |                      |                      |                      |                      |           |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------|
| 2015                 | 2014                 | 2013                 | 2012                 | * 2011               | 2010                 |           |
| \$ 74,213            | \$ 295,821           | \$ 78,134            | \$ 260,206           | \$ 415,980           | \$ -                 | -         |
| -                    | -                    | -                    | -                    | -                    | -                    | -         |
| 550,000              | 723,134              | 1,219,933            | 1,219,933            | 894,680              | -                    | -         |
| 3,582,326            | 3,404,652            | 3,232,604            | 3,232,604            | 3,222,160            | -                    | -         |
| 255,096              | (126,374)            | (286,355)            | 95,628               | 565,717              | -                    | -         |
| -                    | -                    | -                    | -                    | -                    | -                    | 4,149,368 |
| <u>\$ 4,461,635</u>  | <u>\$ 4,297,233</u>  | <u>\$ 4,244,316</u>  | <u>\$ 4,808,371</u>  | <u>\$ 5,098,537</u>  | <u>\$ 4,149,368</u>  |           |
| <br>                 |                      |                      |                      |                      |                      |           |
| \$ 2,493,441         | \$ 2,339,723         | \$ 1,184,459         | \$ 1,434,093         | \$ 1,867,420         | \$ 2,196,502         |           |
| -                    | 18,429               | 1,084                | 16,437               | 16,591               | -                    | -         |
| 184,984              | 184,984              | 190,062              | 190,062              | 190,062              | -                    | -         |
| 290,254              | 130,783              | 946,613              | 544,490              | 567,140              | -                    | -         |
| <br>                 |                      |                      |                      |                      |                      |           |
| 3,750,413            | 3,722,988            | 991,103              | 1,561,513            | 2,168,777            | 3,416,600            |           |
| <br>                 |                      |                      |                      |                      |                      |           |
| 3,161,413            | 3,921,213            | 2,621,548            | 2,908,478            | 3,077,881            | 4,031,669            |           |
| <u>\$ 9,880,505</u>  | <u>\$ 10,318,120</u> | <u>\$ 5,934,869</u>  | <u>\$ 6,655,073</u>  | <u>\$ 7,887,871</u>  | <u>\$ 9,644,771</u>  |           |
| <u>\$ 14,342,140</u> | <u>\$ 14,615,353</u> | <u>\$ 10,179,185</u> | <u>\$ 11,463,444</u> | <u>\$ 12,986,408</u> | <u>\$ 13,794,139</u> |           |

**City of Fort Pierce, Florida**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

|  | Fiscal Year   |               |                |               |
|--|---------------|---------------|----------------|---------------|
|  | 2019          | 2018          | 2017           | 2016          |
| <b>Revenues</b>  |               |               |                |               |
| Taxes  | \$ 22,402,679 | \$ 21,580,447 | \$ 20,347,337  | \$ 19,515,783 |
| Licenses, fees and permits                               | 804,478       | 907,438       | 390,963        | 374,499       |
| Intergovernmental  | 12,875,765    | 13,198,242    | 10,448,502     | 9,899,947     |
| Charges for services                                     | 431,027       | 382,717       | 285,520        | 288,911       |
| Fines and penalties                                      | 363,464       | 552,145       | 189,139        | 301,765       |
| Contributions from component units                       | 6,125,454     | 6,138,645     | 5,968,785      | 5,809,302     |
| Investment earnings                                      | 590,594       | 530,441       | 312,404        | 305,599       |
| Other revenues   | 4,633,692     | 3,730,516     | 5,476,101      | 5,088,808     |
| Total revenues   | \$ 48,227,153 | \$ 47,020,591 | \$ 43,418,751  | \$ 41,584,614 |
| <b>Expenditures</b>                                      |               |               |                |               |
| General government                                       | 12,897,475    | 12,259,917    | 12,538,429     | 10,409,135    |
| Public safety  | 16,885,445    | 15,608,843    | 15,253,746     | 13,870,188    |
| Transportation   | 3,145,704     | 3,074,578     | 3,068,423      | 2,747,800     |
| Economic environment                                     | 1,679,942     | 1,435,852     | 1,021,717      | 1,182,662     |
| Culture and recreation                                   | 2,530,491     | 2,444,590     | 2,217,612      | 1,902,214     |
| Capital outlay   | 2,034,264     | 3,032,948     | 3,263,816      | 3,253,508     |
| Debt service:  |               |               |                |               |
| Principal  | 5,185,396     | 4,742,039     | 4,289,252      | 3,788,108     |
| Interest   | 2,676,241     | 2,476,039     | 3,107,687      | 3,935,165     |
| Other  | 67,673        | 113,527       | 71,193         | 552,254       |
| Total expenditures                                       | \$ 47,102,631 | \$ 45,188,333 | \$ 44,831,875  | \$ 41,641,034 |
| <b>Excess of Revenues over and (under) expenditures</b>  | \$ 1,124,522  | \$ 1,832,258  | \$ (1,413,124) | \$ (56,420)   |
| <b>Other Financing sources (Uses)</b>                    |               |               |                |               |
| Transfers in   | \$ 16,494,082 | \$ 10,966,769 | \$ 15,746,154  | \$ 10,826,011 |
| Transfers out  | (15,836,543)  | (10,657,294)  | (17,560,935)   | (10,982,301)  |
| Issuance of debt/Capital Lease                           | 28,232,772    | 6,869,010     | 3,589,373      | -             |
| Discount on issuance of debt                             |               |               | -              | -             |
| Proceeds from refunding                                  |               |               |                | 59,370,000    |
| Total other financing                                    |               |               | -              | -             |
| Payment on Current Refunding                             |               |               |                | (17,400,000)  |
| Payment on Advance Refunding                             | (27,696,699)  | (4,893,218)   |                | (41,299,060)  |
| Total sources (uses)                                     | \$ 1,193,612  | \$ 2,285,267  | \$ 1,774,592   | \$ 514,650    |
| Special Item-Sale of Land                                |               |               |                |               |
| Net change in fund balances                              | \$ 2,318,134  | \$ 4,117,525  | \$ 361,468     | \$ 458,230    |
| Debt service as a percentage of non capital expenditures | 17.4%         | 17.1%         | 17.8%          | 20.1%         |

| Fiscal Year          |                      |                       |                       |                      |                       |  |
|----------------------|----------------------|-----------------------|-----------------------|----------------------|-----------------------|--|
| 2015                 | 2014                 | 2013                  | 2012                  | 2011                 | 2010                  |  |
| \$ 18,164,053        | \$ 18,256,174        | \$ 16,722,691         | \$ 16,987,002         | \$ 18,128,308        | \$ 18,973,552         |  |
| 435,346              | 333,806              | 327,558               | 353,390               | 465,984              | 393,408               |  |
| 10,661,557           | 15,104,540           | 11,384,520            | 11,338,211            | 9,157,273            | 12,180,543            |  |
| 261,508              | 226,708              | 215,829               | 195,748               | 180,180              | 74,964                |  |
| 245,930              | 202,277              | 222,445               | 193,114               | 207,067              | 350,920               |  |
| 5,735,240            | 5,605,157            | 5,365,879             | 4,767,268             | 4,925,280            | 4,853,329             |  |
| 166,607              | 193,528              | 243,884               | 196,028               | 202,640              | 286,804               |  |
| 3,656,005            | 4,734,719            | 2,977,234             | 2,799,953             | 3,490,107            | 2,970,580             |  |
| <u>\$ 39,326,246</u> | <u>\$ 44,656,909</u> | <u>\$ 37,460,040</u>  | <u>\$ 36,830,714</u>  | <u>\$ 36,756,839</u> | <u>\$ 40,084,100</u>  |  |
| 10,013,455           | 10,151,988           | 9,764,941             | 10,351,426            | 10,158,774           | 12,178,323            |  |
| 13,873,313           | 14,032,891           | 13,453,506            | 12,972,368            | 12,555,394           | 13,918,785            |  |
| 2,684,573            | 3,122,509            | 3,089,871             | 3,058,459             | 2,981,763            | 3,130,854             |  |
| 1,434,987            | 1,033,042            | 1,735,007             | 3,277,492             | 1,944,850            | 6,042,952             |  |
| 1,948,803            | 2,150,857            | 1,968,202             | 1,943,145             | 1,988,264            | 2,144,593             |  |
| 3,575,611            | 10,185,718           | 3,765,513             | 2,383,608             | 2,118,083            | 3,642,606             |  |
| 3,151,895            | 2,718,000            | 2,168,000             | 1,820,000             | 1,695,000            | 1,645,484             |  |
| 3,760,086            | 3,647,762            | 3,709,460             | 3,761,440             | 3,813,474            | 3,644,993             |  |
| 4,273                | 72,534               | 4,207                 | 28,763                | 14,687               | 419,481               |  |
| <u>\$ 40,446,996</u> | <u>\$ 47,115,301</u> | <u>\$ 39,658,707</u>  | <u>\$ 39,596,701</u>  | <u>\$ 37,270,289</u> | <u>\$ 46,768,071</u>  |  |
| \$ (1,120,750)       | \$ (2,458,392)       | \$ (2,198,667)        | \$ (2,765,987)        | \$ (513,450)         | \$ (6,683,971)        |  |
| \$ 13,675,604        | \$ 14,954,554        | \$ 11,239,805         | \$ 10,639,613         | \$ 6,319,305         | \$ 13,083,132         |  |
| (12,828,067)         | (14,139,223)         | (10,325,397)          | (9,396,589)           | (6,613,586)          | (12,313,489)          |  |
| -                    | -                    | -                     | -                     | -                    | 459,099               |  |
| -                    | -                    | -                     | -                     | -                    | -                     |  |
| -                    | 6,079,229            | -                     | -                     | -                    | 11,308,143            |  |
| -                    | -                    | -                     | -                     | -                    | -                     |  |
| -                    | -                    | -                     | -                     | -                    | (7,963,557)           |  |
| -                    | -                    | -                     | -                     | -                    | -                     |  |
| <u>\$ 847,537</u>    | <u>\$ 6,894,560</u>  | <u>\$ 914,408</u>     | <u>\$ 1,243,024</u>   | <u>\$ (294,281)</u>  | <u>\$ 4,573,328</u>   |  |
| <u>\$ (273,213)</u>  | <u>\$ 4,436,168</u>  | <u>\$ (1,284,259)</u> | <u>\$ (1,522,963)</u> | <u>\$ (807,731)</u>  | <u>\$ (2,110,643)</u> |  |

18.7%

17.2%

16.4%

15.0%

15.7%

12.3%

**City of Ft. Pierce, Florida**  
**Changes In Net Position, Fiduciary Funds**  
**Last Ten Fiscal Years**

|  | <b>Fiscal Year</b>    |                      |                      |                      |
|--|-----------------------|----------------------|----------------------|----------------------|
|  | <b>2019</b>           | <b>2018</b>          | <b>2017</b>          | <b>2016</b>          |
| <b>Additions</b>                               |                       |                      |                      |                      |
| Employer                                       | \$ 5,240,707          | \$ 4,909,654         | \$ 4,565,884         | \$ 4,211,312         |
| Employees                                      | 2,388,106             | 2,192,861            | 2,156,251            | 2,005,283            |
| State  | 402,063               | 367,113              | 329,933              | 302,837              |
| Other  |                       |                      |                      | -                    |
| Investment income (net of expenses)            | \$ 6,004,246          | \$ 20,351,634        | \$ 20,081,849        | \$ 17,392,106        |
| <b>Total additions to plan net position</b>    | <b>\$ 14,035,122</b>  | <b>\$ 27,821,262</b> | <b>\$ 27,133,917</b> | <b>\$ 23,911,538</b> |
| <b>Deductions</b>                              |                       |                      |                      |                      |
| Benefit payments                               | \$ 14,874,016         | \$ 14,170,078        | \$ 13,736,690        | \$ 13,389,859        |
| Refunds  | 467,789               | 344,428              | 298,276              | 786,340              |
| Administrative expenses                        | 325,176               | 215,247              | 206,760              | 204,174              |
| Other expenses                                 | 20,651                | 19,406               | 19,406               | 19,406               |
| <b>Total deductions from plan net position</b> | <b>\$ 15,687,632</b>  | <b>\$ 14,749,159</b> | <b>\$ 14,261,132</b> | <b>\$ 14,399,779</b> |
| <b>Change in net position</b>                  | <b>\$ (1,652,510)</b> | <b>\$ 13,072,103</b> | <b>\$ 12,872,785</b> | <b>\$ 9,511,759</b>  |

Source: Combining Statement of Changes in Fiduciary Funds Net Position

| <b>Fiscal Year</b> |               |               |               |                |               |  |
|--------------------|---------------|---------------|---------------|----------------|---------------|--|
| <b>2015</b>        | <b>2014</b>   | <b>2013</b>   | <b>2012</b>   | <b>2011</b>    | <b>2010</b>   |  |
| \$ 4,093,268       | \$ 4,356,127  | \$ 4,266,803  | \$ 3,566,751  | \$ 3,181,446   | \$ 3,377,350  |  |
| 1,925,831          | 1,943,411     | 1,920,330     | 1,874,591     | 1,738,084      | 1,929,755     |  |
| 265,449            | 248,113       | 249,148       | 241,799       | 241,312        | 262,634       |  |
| -                  | -             | -             | -             | -              | -             |  |
| \$ 2,511,123       | \$ 17,721,192 | \$ 21,583,070 | \$ 26,881,779 | \$ 1,482,590   | \$ 14,806,065 |  |
| <hr/>              |               |               |               |                |               |  |
| \$ 8,795,671       | \$ 24,268,843 | \$ 28,019,351 | \$ 32,564,920 | \$ 6,643,432   | \$ 20,375,804 |  |
| <hr/>              |               |               |               |                |               |  |
| \$ 12,959,826      | \$ 12,606,823 | \$ 11,993,098 | \$ 10,874,268 | \$ 10,413,658  | \$ 9,727,760  |  |
| 408,937            | 440,758       | 585,930       | 346,839       | 274,419        | 496,099       |  |
| 153,522            | 176,528       | 134,550       | 129,911       | 141,620        | 198,932       |  |
| 21,601             | 20,829        | 19,416        | 18,992        | 19,122         | 18,218        |  |
| <hr/>              |               |               |               |                |               |  |
| \$ 13,543,886      | \$ 13,244,938 | \$ 12,732,994 | \$ 11,370,010 | \$ 10,848,819  | \$ 10,441,009 |  |
| <hr/>              |               |               |               |                |               |  |
| \$ (4,748,215)     | \$ 11,023,905 | \$ 15,286,357 | \$ 21,194,910 | \$ (4,205,387) | \$ 9,934,795  |  |
| <hr/>              |               |               |               |                |               |  |

**City of Fort Pierce, Florida**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Years**

| <b>Fiscal Year Ended<br/>September 30,</b> | <b>Real Property</b> | <b>Personal<br/>Property</b> | <b>Centrally<br/>Assessed<br/>Property</b> |
|--|----------------------|------------------------------|--|
| 2019                                       | \$ 2,973,396,245     | \$ 206,673,280               | \$ 11,674,621                              |
| 2018                                       | 2,807,904,420        | 200,953,767                  | 11,459,927                                 |
| 2017                                       | 2,656,205,901        | 199,752,821                  | 10,889,970                                 |
| 2016                                       | 2,519,792,781        | 201,769,117                  | 9,950,405                                  |
| 2015                                       | 2,420,424,296        | 178,560,253                  | 8,259,241                                  |
| 2014                                       | 2,369,027,251        | 196,294,919                  | 7,180,208                                  |
| 2013                                       | 2,375,689,997        | 192,499,439                  | 7,381,630                                  |
| 2012                                       | 2,463,908,875        | 209,865,288                  | 7,135,634                                  |
| 2011                                       | 2,582,341,713        | 241,596,029                  | 6,734,681                                  |
| 2010                                       | 2,539,072,299        | 183,522,400                  | 11,900,267                                 |

| <b>Less: Exemption</b> | <b>Total Taxable Assessed Value</b> | <b>Total Direct Tax Rate</b> |
|------------------------|-------------------------------------|------------------------------|
| \$ 813,001,897         | \$ 2,378,742,249                    | 6.9000                       |
| 777,186,255            | 2,243,131,859                       | 6.9000                       |
| 759,747,984            | 2,107,100,708                       | 6.9000                       |
| 744,102,164            | 1,987,410,139                       | 6.9000                       |
| 718,951,717            | 1,888,292,073                       | 6.5786                       |
| 707,506,816            | 1,864,995,562                       | 6.6050                       |
| 707,571,187            | 1,867,999,879                       | 5.7131                       |
| 707,684,181            | 1,973,225,616                       | 5.4674                       |
| 696,878,963            | 2,133,793,460                       | 5.4674                       |
| 441,744,364            | 2,292,750,602                       | 5.4674                       |

**City of Fort Pierce, Florida  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>County Parks MSTU</b> | <b>Co Public Transit MSTU</b> | <b>Erosion District E</b> | <b>Law Enf. Jail, Judicial Sys</b> | <b>Co General Revenue Fund</b> | <b>St. Lucie County Port Bond</b> | <b>Childrens Services Council</b> | <b>St Lucie Co Fire District</b> |
|--------------------|--------------------------|-------------------------------|---------------------------|------------------------------------|--------------------------------|-----------------------------------|-----------------------------------|----------------------------------|
| 2019               | 0.2313                   | 0.1269                        | 0.0925                    | 3.4538                             | 4.1077                         | -                                 | 0.4765                            | 3.0000                           |
| 2018               | 0.2313                   | 0.1269                        | 0.0925                    | 3.4538                             | 4.1077                         | -                                 | 0.4765                            | 3.0000                           |
| 2017               | 0.2313                   | 0.1269                        | 0.0925                    | 3.2838                             | 4.1077                         | -                                 | 0.4765                            | 3.0000                           |
| 2016               | 0.2313                   | 0.1269                        | 0.0925                    | 3.2699                             | 4.1273                         | 0.0154                            | 0.4765                            | 3.0000                           |
| 2015               | 0.2313                   | 0.1269                        | 0.0925                    | 3.2699                             | 3.7764                         | 0.0154                            | 0.4765                            | 3.0000                           |
| 2014               | 0.2313                   | 0.1269                        | 0.0925                    | 3.9699                             | 2.9221                         | 0.0154                            | 0.4872                            | 3.0000                           |
| 2013               | 0.2313                   | 0.1269                        | 0.0925                    | 3.9699                             | 2.9221                         | 0.0154                            | 0.4872                            | 2.6500                           |
| 2012               | 0.2313                   | 0.1269                        | 0.0925                    | 3.9699                             | 2.9221                         | 0.0154                            | 0.4872                            | 2.6500                           |
| 2011               | 0.2313                   | 0.1269                        | 0.0925                    | 3.9699                             | 2.8707                         | 0.0154                            | 0.4872                            | 2.4839                           |
| 2010               | 0.2313                   | 0.0833                        | 0.0925                    | 3.3957                             | 2.7694                         | 0.0154                            | 0.4872                            | 2.2000                           |

**Source:** St. Lucie County Property Appraisers Office

| <b>FL Inland<br/>Navigation<br/>Dist</b> | <b>City of Fort<br/>Pierce</b> | <b>County<br/>School<br/>District</b> | <b>Mosquito<br/>Control</b> | <b>S FL Water<br/>Mgmt<br/>District</b> | <b>Beach<br/>Bond</b> | <b>Environ<br/>Signif Land<br/>Bond</b> | <b>Everglades<br/>Construction<br/>Project</b> | <b>Total</b> |
|--|--------------------------------|---------------------------------------|-----------------------------|---|-----------------------|---|--|--------------|
| 0.0320                                   | 6.9000                         | 6.3350                                | 0.2164                      | 0.2936                                  | -                     | -                                       | -  | 25.2657      |
| 0.0320                                   | 6.9000                         | 6.5740                                | 0.2164                      | 0.3100                                  | -                     | -                                       | -  | 25.5211      |
| 0.0320                                   | 6.9000                         | 6.9270                                | 0.2164                      | 0.3307                                  | -                     | -                                       | -  | 25.7248      |
| 0.0320                                   | 6.9000                         | 7.2830                                | 0.2413                      | 0.3551                                  | -                     | -                                       | -  | 26.1512      |
| 0.0345                                   | 6.5786                         | 7.2410                                | 0.2522                      | 0.3842                                  | -                     | -                                       | -  | 25.4794      |
| 0.0345                                   | 6.6050                         | 7.2570                                | 0.4065                      | 0.4110                                  | -                     | -                                       | -  | 25.5593      |
| 0.0345                                   | 5.7131                         | 7.7710                                | 0.2036                      | 0.4289                                  | -                     | -                                       | -  | 24.6464      |
| 0.0345                                   | 5.4674                         | 7.8780                                | 0.2036                      | 0.4363                                  | -                     | -                                       | -  | 24.5151      |
| 0.0345                                   | 5.4674                         | 8.1770                                | 0.2036                      | 0.5346                                  | -                     | 0.0459                                  | 0.0894   | 24.8302      |
| 0.0345                                   | 5.4674                         | 7.6760                                | 0.2036                      | 0.5346                                  | -                     | 0.0459                                  | 0.0894   | 23.3262      |

**City of Fort Pierce, Florida  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

**Collected within the Fiscal Year of the Levy**

| <b>Fiscal Year Ended<br/>September 30,</b> | <b>Taxes Levied for<br/>the Fiscal Year</b> | <b>Amount</b> | <b>Percentage of<br/>Levy</b> |
|--|---|---------------|-------------------------------|
| 2019                                       | \$ 16,485,272                               | \$ 15,811,194 | 95.91%                        |
| 2018                                       | 16,142,879                                  | 15,686,319    | 97.17%                        |
| 2017                                       | 14,596,858                                  | 13,990,878    | 95.85%                        |
| 2016                                       | 13,439,692                                  | 13,134,433    | 97.73%                        |
| 2015                                       | 12,437,017                                  | 11,869,802    | 95.44%                        |
| 2014                                       | 12,386,111                                  | 11,676,648    | 94.27%                        |
| 2013                                       | 10,736,076                                  | 10,021,382    | 93.34%                        |
| 2012                                       | 10,846,887                                  | 10,009,972    | 92.28%                        |
| 2011                                       | 11,436,942                                  | 10,792,465    | 94.36%                        |
| 2010                                       | 12,535,385                                  | 11,702,832    | 93.36%                        |

**Sources:** City of Fort Pierce Finance Records,  
St. Lucie County Tax records DR420

**Total Collections to Date**

---

| <b>Collections in<br/>Subsequent Years</b> | <b>Amount</b> | <b>Percentage of<br/>Levy</b> |
|--|---------------|-------------------------------|
| \$ 12,097                                  | \$ 15,823,291 | 95.98%                        |
| 178,690                                    | 15,865,010    | 98.28%                        |
| (17,481)                                   | 13,973,397    | 95.73%                        |
| 36,964                                     | 13,171,397    | 98.00%                        |
| 12,303                                     | 11,882,105    | 95.54%                        |
| 279,204                                    | 11,955,852    | 96.53%                        |
| 61,442                                     | 10,082,823    | 93.92%                        |
| 46,554                                     | 10,056,526    | 92.71%                        |
| 165,634                                    | 10,958,099    | 95.81%                        |
| 164,012                                    | 11,866,843    | 94.67%                        |

**City of Fort Pierce, Florida**  
**Principal Revenue Payers - Property Tax**  
**Current Year and Nine Years Ago**

| Taxpayer                          | 2019                   |      |   |
|-----------------------------------|------------------------|------|---|
|                                   | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Wal-Mart Stores East              | 64,090,605             | 1    | 2.69431%  |
| Bellsouth Telecommunication % J&J | 34,001,631             | 2    | 1.42940%  |
| HCA Attn: Tax Dept                | 26,219,974             | 3    | 1.10226%  |
| Ehden NV C/O Fraga Properties     | 23,594,240             | 4    | 0.99188%  |
| Lawnwood Medical Center % DuCl    | 22,949,770             | 5    | 0.96479%  |
| Destin Beach Inc % Carmela Bell   | 20,038,471             | 6    | 0.84240%  |
| Treasure Cay Properties LLC       | 13,786,715             | 7    | 0.57958%  |
| Woods Family Limited Ptrn II      | 13,119,921             | 8    | 0.55155%  |
| Landings Fort Pierce LLC          | 12,572,064             | 9    | 0.52852%  |
| FEC RR                            | 12,220,006             | 10   | 0.51372%  |
| AT&T                              |                        |      |   |
| Prime Homes at Portofino Land     |                        |      |   |
| Riverfront Development LC         |                        |      |   |
| Cornerstone Fort Pierce Dev       |                        |      |   |
| Boca Ven Land of Ft Pierce Inc    |                        |      |   |
| Orange Blossom Investment LLC     |                        |      |   |
| Total                             | <u>\$ 242,593,397</u>  |      | <u>10.1984%</u>                                 |

\* Total assessed valuation is \$ 2,378,742,249

| <b>2010</b>                       |             |  |
|-----------------------------------|-------------|--|
| <b>Taxable Assessed<br/>Value</b> | <b>Rank</b> | <b>Percentage of Total<br/>City Taxable<br/>Assessed Value</b> |
| 15,164,785                        | 9           | 0.6614%  |
| 38,312,752                        | 2           | 1.6710%  |
| 21,278,811                        | 5           | 0.9281%  |
| 29,850,167                        | 4           | 1.3019%  |
| 40,128,638                        | 1           | 1.7502%  |
| 37,563,928                        | 3           | 1.6384%  |
| 19,718,680                        | 6           | 0.8600%  |
| 18,959,839                        | 8           | 0.8269%  |
| 19,504,619                        | 7           | 0.8507%  |
| 14,576,197                        | 10          | 0.6358%  |
| <u>\$ 255,058,416</u>             |             | <u>11.1246%</u>  |
| <br>\$ 2,292,750,602              |             |  |

**THIS PAGE INTENTIONALLY LEFT BLANK**



**City of Fort Pierce, Florida**  
**State Revenue Sharing Funds**  
**Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>State Revenue Sharing</b> | <b>1/2 Cent Sales Tax</b> | <b>Mobile Home License</b> | <b>Beverage License</b> | <b>Fuel Tax Refund</b> | <b>Total Receipts</b> |
|--------------------|------------------------------|---------------------------|----------------------------|-------------------------|------------------------|-----------------------|
| 2019               | \$ 1,525,976                 | \$ 1,996,320              | \$ 47,214                  | \$ 51,267               | \$ 47,095              | \$ 3,667,871          |
| 2018               | 1,445,623                    | 1,898,973                 | 45,579                     | 45,403                  | 56,434                 | 3,492,012             |
| 2017               | 1,392,722                    | 1,776,224                 | 37,548                     | 47,214                  | 53,834                 | 3,307,542             |
| 2016               | 1,323,800                    | 1,666,089                 | 38,013                     | 36,752                  | 53,354                 | 3,118,008             |
| 2015               | 1,282,595                    | 1,603,223                 | 39,544                     | 41,793                  | 62,255                 | 3,029,410             |
| 2014               | 1,211,575                    | 1,495,885                 | 36,372                     | 39,118                  | 54,071                 | 2,837,021             |
| 2013               | 1,166,983                    | 1,378,666                 | 36,427                     | 50,183                  | 59,449                 | 2,691,708             |
| 2012               | 1,153,572                    | 1,330,114                 | 37,212                     | 32,681                  | 57,159                 | 2,610,738             |
| 2011               | 1,149,797                    | 1,387,116                 | 32,695                     | 30,989                  | 52,131                 | 2,652,727             |
| 2010               | 1,146,272                    | 1,333,339                 | 30,890                     | 32,418                  | 57,563                 | 2,600,482             |

**Source:** City of Fort Pierce Finance Records

**City of Fort Pierce, Florida**  
**Fort Pierce Redevelopment Agency**  
**Taxable Value Of Eeac District**  
**Last Ten Fiscal Years**

| AGENCY                     | Fiscal Year        |                    |                    |                    |                    |
|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                            | 2019               | 2018               | 2017               | 2016               | 2015               |
| <b>City of Fort Pierce</b> |                    |                    |                    |                    |                    |
| CRA 1 (Res 82-25) *        | 54,796,766         | 53,285,719         | 50,541,442         | 47,636,647         | 48,076,622         |
| CRA 2 (Res 95-89)          | 3,304,951          | 3,196,843          | 3,150,181          | 2,742,460          | 2,742,460          |
| CRA 3 (Res 96-15)          | 4,186,715          | 4,085,487          | 3,942,324          | 3,853,477          | 3,853,477          |
| CRA 4 (Res 01-98) *        | 710,835,016        | 673,134,776        | 632,670,747        | 589,287,949        | 592,159,262        |
| <b>CFP Total</b>           | <b>773,123,448</b> | <b>733,702,825</b> | <b>690,304,694</b> | <b>643,520,533</b> | <b>646,831,821</b> |
| <b>St. Lucie County</b>    |                    |                    |                    |                    |                    |
| CRA 1 (Res 82-25) **       | 54,721,766         | 53,500,126         | 50,720,476         | 47,840,681         | 49,841,776         |
| CRA 2 (Res 95-89)          | 3,304,951          | 3,196,843          | 3,150,181          | 2,742,460          | 2,742,460          |
| CRA 3 (Res 96-15)          | 4,186,715          | 4,085,487          | 3,942,324          | 3,853,477          | 3,853,477          |
| CRA 4 (Res 01-98) **       | 707,204,424        | 669,506,626        | 629,469,959        | 586,114,655        | 571,482,215        |
| <b>SLC Total</b>           | <b>769,417,856</b> | <b>730,289,082</b> | <b>687,282,940</b> | <b>640,551,273</b> | <b>627,919,928</b> |

\* City with historic but no senior exemption

\*\* County with senior but no historic exemption

| <b>Fiscal Year</b> |                    |                    |                    |                    |                    |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>2014</b>        | <b>2013</b>        | <b>2012</b>        | <b>2011</b>        | <b>2010</b>        | <b>2009</b>        |
| 49,234,611         | 51,157,598         | 54,952,729         | 56,168,470         | 70,131,326         | 62,234,031         |
| 2,591,500          | 2,477,100          | 2,590,239          | 2,820,864          | 3,011,140          | 3,468,650          |
| 3,173,700          | 3,467,600          | 3,832,104          | 3,822,122          | 3,985,240          | 4,547,200          |
| 561,639,632        | 561,948,017        | 577,410,385        | 609,706,475        | 705,029,914        | 869,644,929        |
| <b>616,639,443</b> | <b>619,050,315</b> | <b>638,785,457</b> | <b>672,517,931</b> | <b>782,157,620</b> | <b>939,894,810</b> |
| 49,765,511         | 52,074,098         | 55,982,929         | 57,710,070         | 71,885,126         | 64,496,546         |
| 2,591,500          | 2,477,100          | 2,590,239          | 2,820,864          | 3,011,140          | 3,468,650          |
| 3,173,700          | 3,467,600          | 3,832,104          | 3,822,122          | 3,985,240          | 4,547,200          |
| 558,849,211        | 559,212,624        | 574,247,439        | 606,278,371        | 701,361,001        | 866,035,908        |
| <b>614,379,922</b> | <b>617,231,422</b> | <b>636,652,711</b> | <b>670,631,427</b> | <b>780,242,507</b> | <b>938,548,304</b> |

**City of Fort Pierce, Florida**  
**Legal Debt Margin Information**  
**September 30, 2019**

|   | Fiscal Year   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
|   | 2019          | 2018          | 2017          | 2016          | 2015          |
| Debit Limit   | \$ 67,000,000 | \$ 67,000,000 | \$ 67,000,000 | \$ 67,000,000 | \$ 67,000,000 |
| Total Net Debt Applicable to Limit * (1)                                | 55,338,710    | 58,465,244    | 60,365,683    | 60,736,702    | 59,086,556    |
| Debit Margin  | \$ 11,661,290 | \$ 8,534,756  | \$ 6,634,317  | \$ 6,263,298  | \$ 7,913,444  |
| Total net debt applicable to the<br>limit as a percentage of debt limit | 82.595%       | 87.262%       | 90.098%       | 90.652%       | 88.189%       |

\* Includes all net long-term debt except debt obligations of the Community Redevelopment Agency  
(1) debt includes unamortized items

NOTE: The City Charter does not set a limit of bond indebtedness as a percentage of assessed valuation.  
The Charter does allow the City to borrow an aggregate of \$67,000,000.

---

**City of Fort Pierce**  
**Direct and Overlapping Governmental Activities Debt**  
**September 30, 2019**

| Jurisdiction                                | Governmental<br>Bonded Debt<br>Outstanding | Percent<br>Applicable to<br>City* | Total<br>Applicable to<br>City |
|---|--|-----------------------------------|--------------------------------|
| <b>Overlapping Debt:</b>                    |  |                                   |                                |
| St. Lucie County                            | 149,561,868                                | 13.26%                            | 19,837,009                     |
| St. Lucie County<br>District School Board** | <u>211,141,412</u>                         | 12.59%                            | <u>26,574,145</u>              |
| Overlapping Debt Totals                     | 360,703,280                                |                                   | 46,411,153                     |
| <b>Direct Debt:</b>                         |  |                                   |                                |
| City of Fort Pierce (1)                     | 64,412,639                                 | 100.00%                           | 64,412,639                     |
| Capital Leases                              | 1,674,225                                  | 100.00%                           | 1,674,225                      |
| Total Direct Debt                           | <u>66,086,864</u>                          |                                   | <u>66,086,864</u>              |
| <b>Total direct and overlapping debt</b>    | <u><u>426,790,144</u></u>                  |                                   | <u><u>112,498,017</u></u>      |

Sources: St. Lucie County

\* The percent applicable to the City is calculated using property taxable value ratios

\*\* School Board: Exemptions for Economic Development and  
Additional Homestead are not included.

(1) City direct debt includes unamortized items

Sources: St. Lucie County School Board  
St. Lucie County Clerk of Court  
St. Lucie County Property Appraiser  
City of Fort Pierce Finance Department

| <b>Fiscal Year</b> |               |               |               |               |
|--------------------|---------------|---------------|---------------|---------------|
| <b>2014</b>        | <b>2013</b>   | <b>2012</b>   | <b>2011</b>   | <b>2010</b>   |
| \$ 67,000,000      | \$ 67,000,000 | \$ 67,000,000 | \$ 67,000,000 | \$ 67,000,000 |
| 61,940,246         | 53,835,180    | 59,250,000    | 60,480,000    | 61,655,000    |
| \$ 5,059,754       | \$ 13,164,820 | \$ 7,750,000  | \$ 6,520,000  | \$ 5,345,000  |
| 92.448%            | 80.351%       | 88.433%       | 90.269%       | 92.022%       |

**City of Fort Pierce, Florida**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

**Governmental Activities**

| <b>Fiscal Year</b> | <b>Redevelopment Bonds</b> | <b>Sales Tax Increment Bonds</b> | <b>Non-ad Valorum</b> | <b>Capital Leases</b> |
|--------------------|----------------------------|----------------------------------|-----------------------|-----------------------|
| 2019               | \$ 24,770,000              | \$ -                             | \$ 39,642,639         | \$ 1,674,225          |
| 2018               | 26,435,000                 | -                                | 43,231,987            | 1,656,683             |
| 2017               | 28,045,000                 | -                                | 45,720,773            | 52,886                |
| 2016               | 32,000,000                 | -                                | 42,296,369            | -                     |
| 2015               | 30,330,000                 | -                                | 43,419,477            | -                     |
| 2014               | 31,670,000                 | -                                | 40,192,143            | -                     |
| 2013               | 32,875,000                 | -                                | 40,665,143            | -                     |
| 2012               | 34,080,000                 | 490,000                          | 41,138,143            | -                     |
| 2011               | 35,240,000                 | 965,000                          | 41,323,143            | -                     |
| 2010               | 36,305,000                 | 1,420,000                        | 41,498,143            | -                     |

**Source:** City of Fort Pierce Financial Statements

\*\* Debt includes unamortized items

**Business-Type Activities**

|    | <b>Marina</b> | <b>Storm water</b> | <b>Solid Waste</b> | <b>Capital Leases</b> | <b>Total Primary Government</b> | <b>Percentage of Personal Income</b> | <b>Per Capita</b> |
|----|---------------|--------------------|--------------------|-----------------------|---------------------------------|--------------------------------------|-------------------|
| \$ | 8,070,875     | \$ 10,214,676      | \$ -               | \$ 851,820            | \$ 85,224,235                   | 6.08%                                | 1,850             |
|    | 5,230,204     | 11,942,374         | -                  | \$ 1,203,685          | 89,699,933                      | 7.02%                                | 1,968             |
|    | 5,361,342     | 11,970,000         | -                  | \$ 1,471,677          | 92,621,679                      | 7.72%                                | 2,045             |
|    | 5,598,333     | 13,745,000         | -                  | -                     | 93,639,702                      | 8.21%                                | 2,105             |
|    | 5,827,371     | 13,935,000         | -                  | -                     | 93,511,848                      | 8.20%                                | 2,102             |
|    | 1,846,857     | 14,570,000         | -                  | -                     | 88,279,000                      | 7.67%                                | 2,025             |
|    | 1,846,857     | 15,185,000         | -                  | -                     | 90,572,000                      | 7.59%                                | 2,178             |
|    | 1,846,857     | 15,775,000         | -                  | -                     | 93,330,000                      | 6.93%                                | 2,226             |
|    | 1,846,857     | 16,345,000         | -                  | -                     | 95,720,000                      | 7.38%                                | 2,270             |
|    | 1,846,857     | 16,890,000         | -                  | -                     | 97,960,000                      | 6.27%                                | 2,355             |

City of Fort Pierce, Florida  
Pledged Revenue Coverage  
Last Ten Fiscal Years

Governmental Activities

Non-ad Valorum Bonds

| Fiscal Year | Revenue <sup>1</sup> | Less: Operating Expenses <sup>2</sup> | Net Available Revenue | Debt Service |              | Coverage |
|-------------|----------------------|---------------------------------------|-----------------------|--------------|--------------|----------|
|             |                      |                                       |                       | Principal    | Interest     |          |
| 2019        | \$ 36,289,980        | \$ 21,725,083                         | \$ 14,564,897         | \$ 1,493,396 | \$ 1,322,522 | 5.17     |
| 2018        | 29,828,824           | 19,680,890                            | 10,147,934            | 1,244,692    | 1,347,312    | 3.92     |
| 2017        | 32,811,589           | 20,322,433                            | 12,489,156            | 967,987      | 1,325,055    | 5.45     |
| 2016        | 30,423,143           | 16,406,115                            | 14,017,028            | 530,000      | 1,119,194    | 8.50     |
| 2015        | 29,088,947           | 16,279,220                            | 12,809,727            | 1,255,000    | 2,038,348    | 3.89     |
| 2014        | 30,042,740           | 15,262,366                            | 14,780,374            | 1,185,000    | 2,105,055    | 4.49     |
| 2013        | 27,430,244           | 14,139,760                            | 13,290,484            | 190,000      | 2,112,561    | 5.77     |
| 2012        | 25,997,176           | 14,636,799                            | 11,360,377            | 185,000      | 2,119,967    | 4.93     |
| 2011        | 28,044,024           | 15,161,178                            | 12,882,846            | 175,000      | 2,140,511    | 5.56     |
| 2010        | 28,489,194           | 16,775,024                            | 11,714,170            | 4,948,143    | 519,172      | 2.14     |

Redevelopment Bonds <sup>3</sup>

| Fiscal Year | Revenue      | Less: Operating Expenses | Net Available Revenue | Debt Service |              | Coverage |
|-------------|--------------|--------------------------|-----------------------|--------------|--------------|----------|
|             |              |                          |                       | Principal    | Interest     |          |
| 2019        | \$ 7,081,572 | \$ 3,497,785             | \$ 3,583,787          | \$ 3,409,000 | \$ 1,022,002 | 0.81     |
| 2018        | 6,033,664    | 3,179,060                | 2,854,604             | 2,884,000    | 1,124,766    | 0.71     |
| 2017        | 7,349,601    | 4,228,262                | 3,121,339             | 2,848,500    | 1,117,279    | 0.79     |
| 2016        | 8,192,527    | 2,511,834                | 5,680,693             | 2,685,000    | 1,542,822    | 1.34     |
| 2015        | 7,461,479    | 4,225,896                | 3,235,583             | 1,295,000    | 1,432,781    | 1.19     |
| 2014        | 8,321,415    | 5,173,422                | 3,147,993             | 1,205,000    | 1,479,406    | 1.17     |
| 2013        | 5,453,289    | 2,523,697                | 2,929,592             | 1,205,000    | 1,524,331    | 1.07     |
| 2012        | 5,294,961    | 2,683,020                | 2,611,941             | 1,160,000    | 1,567,581    | 0.96     |
| 2011        | 5,771,580    | 2,501,344                | 3,270,236             | 1,065,000    | 1,610,181    | 1.22     |
| 2010        | 6,641,872    | 3,904,610                | 2,737,262             | 955,000      | 1,644,400    | 1.05     |

Sales Tax Increment Bonds

| Fiscal Year | Revenue      | Less: Operating Expenses | Net Available Revenue | Debt Service |          | Coverage |
|-------------|--------------|--------------------------|-----------------------|--------------|----------|----------|
|             |              |                          |                       | Principal    | Interest |          |
| 2019        | \$ 1,996,320 | \$ -                     | \$ 1,996,320          | \$ -         | \$ -     | -        |
| 2018        | 1,898,973    | -                        | 1,898,973             | -            | -        | -        |
| 2017        | 1,776,224    | -                        | 1,776,224             | -            | -        | -        |
| 2016        | 1,666,089    | -                        | 1,666,089             | -            | -        | -        |
| 2015        | 1,603,223    | -                        | 1,603,223             | -            | -        | -        |
| 2014        | 1,495,886    | -                        | 1,495,886             | -            | -        | -        |
| 2013        | 1,378,666    | -                        | 1,378,666             | 490,000      | 9,800    | 2.76     |
| 2012        | 1,330,144    | -                        | 1,330,144             | 475,000      | 28,506   | 2.64     |
| 2011        | 1,387,116    | -                        | 1,387,116             | 455,000      | 45,375   | 2.77     |
| 2010        | 1,333,339    | -                        | 1,333,339             | 445,000      | 60,569   | 2.64     |

\*\*\* No bonds outstanding

<sup>1</sup> Revenues: Less Grants, Capital leases, Transfers. Also, Restricted Revenues, Local Option Gas Tax and Impact Fees

<sup>2</sup> Expenses: Governmental Expenditures and Public Safety Debt Financed from the Sources, and Ad Valorum Credit which started in 2004

<sup>3</sup> Funded by (TIF) Tax Increment Funds

<sup>4</sup> Statement of Revenues, Expenses and Changes in Fund Net Position-Proprietary Funds

Total Operating Revenues + Total non-operating revenues (expenses) less

Total operating expenses (less depr)

Note: Non Ad Valorum Debt: 2001 & 2002 the City of Fort Pierce paid before maturity 2.5 million in Long-Term Debt

Business Activities <sup>4</sup>

## Marina Bonds

| Fiscal Year | Revenue |           | Less: Operating Expenses |           | Net Available Revenue |         | Debt Service |          | Coverage |         |      |
|-------------|---------|-----------|--------------------------|-----------|-----------------------|---------|--------------|----------|----------|---------|------|
|             |         |           |                          |           |                       |         | Principal    | Interest |          |         |      |
| 2019        | \$      | 3,458,992 | \$                       | 2,841,350 | \$                    | 617,642 | \$           | 267,620  | \$       | 181,293 | 1.38 |
| 2018        |         | 3,646,597 |                          | 2,849,827 |                       | 796,770 |              | 267,369  |          | 174,335 | 1.80 |
| 2017        |         | 3,086,148 |                          | 2,474,008 |                       | 612,140 |              | 244,619  |          | 208,933 | 1.35 |
| 2016        |         | 2,569,916 |                          | 1,846,488 |                       | 723,428 |              | 236,990  |          | 245,716 | 1.50 |
| 2015        |         | 2,203,948 |                          | 2,183,515 |                       | 20,433  |              | 229,038  |          | 223,573 | 0.05 |
| 2014        |         | 1,749,369 |                          | 1,666,599 |                       | 82,770  |              | -        |          | 92,343  | 0.90 |
| 2013        |         | 1,812,467 |                          | 1,754,527 |                       | 57,940  |              | -        |          | 92,343  | 0.63 |
| 2012        |         | 1,938,537 |                          | 1,737,132 |                       | 201,405 |              | -        |          | 92,343  | 2.18 |
| 2011        |         | 2,038,173 |                          | 1,751,506 |                       | 286,667 |              | -        |          | 95,421  | 3.00 |
| 2010        |         | 1,900,066 |                          | 1,798,215 |                       | 101,851 |              | -        |          | 42,903  | 2.37 |

## Storm Water Bonds

| Fiscal Year | Revenue |           | Less: Operating Expenses |           | Net Available Revenue |             | Debt Service |           | Coverage |         |        |
|-------------|---------|-----------|--------------------------|-----------|-----------------------|-------------|--------------|-----------|----------|---------|--------|
|             |         |           |                          |           |                       |             | Principal    | Interest  |          |         |        |
| 2019        | \$      | 2,699,775 | \$                       | 1,660,427 | \$                    | 1,039,348   | \$           | 1,730,000 | \$       | 322,335 | 0.51   |
| 2018        |         | 2,750,689 |                          | 1,612,191 |                       | 1,138,498   |              | -         |          | 351,332 | 3.24   |
| 2017        |         | 2,765,987 |                          | 3,550,865 |                       | (784,878)   |              | 855,000   |          | 371,055 | (0.64) |
| 2016        |         | 2,747,322 |                          | 4,856,140 |                       | (2,108,818) |              | 950,000   |          | 542,329 | (1.41) |
| 2015        |         | 2,693,352 |                          | 1,521,214 |                       | 1,172,138   |              | 635,000   |          | 628,375 | 0.93   |
| 2014        |         | 2,718,550 |                          | 2,538,854 |                       | 179,696     |              | 635,000   |          | 657,605 | 0.14   |
| 2013        |         | 2,598,840 |                          | 1,249,161 |                       | 1,349,679   |              | 615,000   |          | 679,336 | 1.04   |
| 2012        |         | 2,736,435 |                          | 1,153,251 |                       | 1,583,184   |              | 590,000   |          | 703,935 | 1.22   |
| 2011        |         | 2,768,553 |                          | 1,010,332 |                       | 1,758,221   |              | 570,000   |          | 724,835 | 1.36   |
| 2010        |         | 2,702,779 |                          | 899,894   |                       | 1,802,885   |              | 545,000   |          | 747,510 | 1.39   |

## Solid Waste Bonds

| Fiscal Year | Revenue |           | Less: Operating Expenses |           | Net Available Revenue |           | Debt Service |          | Coverage |       |
|-------------|---------|-----------|--------------------------|-----------|-----------------------|-----------|--------------|----------|----------|-------|
|             |         |           |                          |           |                       |           | Principal    | Interest |          |       |
| 2019        | \$      | 7,658,726 | \$                       | 6,178,441 | \$                    | 1,480,285 | \$           | ***      | ***      | ***   |
| 2018        |         | 7,816,276 |                          | 6,220,620 |                       | 1,595,656 |              | ***      | ***      | ***   |
| 2017        |         | 6,680,064 |                          | 5,926,721 |                       | 753,343   |              | ***      | 30,446   | ***   |
| 2016        |         | 6,544,121 |                          | 5,478,947 |                       | 1,065,174 |              | ***      | ***      | ***   |
| 2015        |         | 6,378,368 |                          | 5,411,167 |                       | 967,201   |              | ***      | ***      | ***   |
| 2014        |         | 6,266,635 |                          | 4,928,031 |                       | 1,338,604 |              | ***      | ***      | ***   |
| 2013        |         | 6,369,346 |                          | 4,579,691 |                       | 1,789,655 |              | ***      | ***      | ***   |
| 2012        |         | 6,798,039 |                          | 5,017,166 |                       | 1,780,873 |              | ***      | ***      | ***   |
| 2011        |         | 6,085,349 |                          | 4,792,160 |                       | 1,293,189 |              | ***      | ***      | ***   |
| 2010        |         | 6,187,890 |                          | 4,765,265 |                       | 1,422,625 |              | 26,894   | 740      | 51.48 |

**City of Fort Pierce, Florida**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Year**

| <b>Calendar Year</b> | <b>City of Ft. Pierce<br/>Population</b> | <b>Personal Income</b> | <b>Median<br/>Household<br/>Income *</b> | <b>School<br/>Enrollment**, ***</b> | <b>Unemployment<br/>Rate</b> |
|----------------------|--|------------------------|--|-------------------------------------|------------------------------|
| 2019                 | 46,071                                   | 1,402,631,595          | 30,445                                   | 40,160                              | 5.7%                         |
| 2018                 | 45,581                                   | 1,277,407,525          | 28,025                                   | 40,160                              | 5.9%                         |
| 2017                 | 45,295                                   | 1,200,453,385          | 26,503                                   | 41,458                              | 6.5%                         |
| 2016                 | 44,484                                   | 1,140,347,340          | 25,635                                   | 41,589                              | 8.4%                         |
| 2015                 | 43,601                                   | 1,151,676,814          | 26,414                                   | 40,764                              | 10.4%                        |
| 2014                 | 43,074                                   | 1,193,968,206          | 27,719                                   | 40,951                              | 13.7%                        |
| 2013                 | 42,645                                   | 1,347,496,710          | 31,598                                   | 45,781                              | 10.1%                        |
| 2012                 | 41,993                                   | 1,296,281,917          | 30,869                                   | 46,453                              | 10.9%                        |
| 2011                 | 42,169                                   | 1,561,500,000          | 37,030                                   | 44,294                              | 13.0%                        |
| 2010                 | 41,590                                   | 1,566,650,000          | 37,669                                   | 45,188                              | 14.1%                        |

\* U. S. Department of Commerce, Bureau of Economic Analysis (FRED)

\*\* St. Lucie County School Board (Countywide)

\*\*\* St. Lucie County School Board figures are the most recent printed at time of publication.

**City of Fort Pierce, Florida  
Principal Employers  
Current Year and Nine Years Ago**

| Employer*                                       | 2019           |      |  | 2010           |      |  |
|---|----------------|------|--|----------------|------|--|
|   | Employees<br>* | Rank | Percentage of<br>Total County<br>Employment<br>Within the City<br>Limits | Employees<br>* | Rank | Percentage of<br>Total County<br>Employment<br>Within the City<br>Limits |
| School Board of St Lucie County                 | 5,564          | 1    | 7.20%  | 4,000          | 1    | 7.68%  |
| Indian River State College*                     | 2,338          | 2    | 3.03%  | 1,113          | 4    | 2.14%  |
| Lawnwood Regional Medical Ctr & Heart Institute | 1,615          | 3    | 2.09%  | 1,140          | 3    | 2.19%  |
| Wal-Mart Distribution Center                    | 890            | 4    | 1.15%  | 1,000          | 5    | 1.92%  |
| St. Lucie County                                | 797            | 5    | 1.03%  |                |      | 0.00%  |
| Convey Health Solutions                         | 450            | 6    | 0.58%  |                |      | 0.00%  |
| St. Lucie County Fire District                  | 434            | 7    | 0.56%  |                |      | 0.00%  |
| MAXIMUS   | 354            | 8    | 0.46%  |                |      | 0.00%  |
| City of Fort Pierce                             | 337            | 9    | 0.44%  | 385            | 6    | 0.74%  |
| Fort Pierce Utilities Authority                 | 275            | 10   | 0.36%  | 286            | 9    | 0.55%  |
| Publix Supermarkets                             |                |      |  | 200            | 10   | 0.38%  |
| St. Lucie County BOCC                           |                |      |  | 1,950          | 2    | 3.75%  |
| Bernard Egan and Company                        |                |      |  | 400            | 7    | 0.77%  |
| New Horizons                                    |                |      |  | 335            | 8    | 0.64%  |
| <b>Total</b>                                    | <b>13,054</b>  |      | <b>16.90%</b>  | <b>10,809</b>  |      | <b>20.77%</b>  |
| Total industry jobs in St. Lucie County         | 77,254         |      |  | 52,051         |      |  |

Sources: Economic Development Council (EDC) of St. Lucie County  
Florida Department of Economic Opportunity

\* Total industry job information is for St. Lucie County; specific City only data is not available.  
The information uses the most recent EDC data, 2019 is not available at this time.

**City of Fort Pierce, Florida**  
**Full-time Equivalent City Government Employees by Function/ Program**  
**Last Ten Fiscal Years**

| Function / Program              | Fiscal Year |       |       |       |
|---------------------------------|-------------|-------|-------|-------|
|                                 | 2018        | 2017  | 2016  | 2015  |
| <b>Primary government:</b>      |             |       |       |       |
| <b>Government activities:</b>   |             |       |       |       |
| General government              | 69.5        | 69.5  | 65.5  | 68.0  |
| Public safety                   | 174.0       | 170.5 | 166.5 | 167.0 |
| Transportation                  | 26.0        | 25.0  | 25.0  | 26.0  |
| Economic environment            | 3.0         | 2.0   | 2.0   | 2.0   |
| Culture and recreation          | 26.0        | 26.0  | 26.0  | 26.0  |
| Total governmental activities   | 298.5       | 293.0 | 285.0 | 289.0 |
| <b>Business type activities</b> |             |       |       |       |
| Buidling Inspections            | 18.0        | 13.0  | 11.0  | 11.0  |
| Marina                          | 6.5         | 6.5   | 5.0   | 5.0   |
| Solid Waste                     | 33.0        | 33.0  | 33.0  | 33.0  |
| Golf Course                     | 2.0         | 12.5  | 12.5  | 13.0  |
| Sunrise Theatre                 | 7.0         | 7.0   | 7.0   | 7.0   |
| Total Business type activities  | 66.5        | 72.0  | 68.5  | 69.0  |
| Total all activities            | 365.0       | 365.0 | 353.5 | 358.0 |

**Source:** City of Fort Pierce Budget Document

\* 2010 First year of collecting data

| <b>Fiscal Year</b> |             |             |             |             |             |
|--------------------|-------------|-------------|-------------|-------------|-------------|
| <b>2014</b>        | <b>2013</b> | <b>2012</b> | <b>2011</b> | <b>2010</b> | <b>2009</b> |
| 69.0               | 69.0        | 71.0        | 70.0        | 73.0        | 94.0        |
| 164.0              | 164.0       | 155.0       | 165.0       | 168.0       | 203.0       |
| 26.0               | 26.0        | 26.0        | 26.0        | 30.0        | 39.0        |
| 2.0                | 6.0         | 8.0         | 6.0         | 8.0         | 8.0         |
| 26.0               | 26.0        | 26.0        | 26.0        | 27.0        | 29.0        |
| 287.0              | 291.0       | 286.0       | 293.0       | 306.0       | 373.0       |
| 12.0               | 12.0        | 12.0        | 12.0        | 13.0        | *           |
| 5.0                | 6.0         | 6.0         | 5.0         | 5.0         | 7.0         |
| 33.0               | 34.0        | 34.0        | 34.0        | 31.0        | 32.0        |
| 13.0               | 16.0        | 16.0        | 16.0        | 21.0        | 20.0        |
| 6.0                | 8.0         | 8.0         | 7.0         | 7.0         | 9.0         |
| 69.0               | 76.0        | 76.0        | 74.0        | 77.0        | 68.0        |
| 356.0              | 367.0       | 362.0       | 367.0       | 383.0       | 441.0       |

**City of Fort Pierce, Florida**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

|                                  | <b>Fiscal Year</b> |             |             |             |
|----------------------------------|--------------------|-------------|-------------|-------------|
|                                  | <b>2019</b>        | <b>2018</b> | <b>2017</b> | <b>2016</b> |
| <b><u>Function/Program</u></b>   |                    |             |             |             |
| Police/Code Enforcement          |                    |             |             |             |
| Physical arrests                 | 2,863              | 2,690       | 2,520       | 2,626       |
| Parking Violations               | 633                | 593         | 316         | 433         |
| Traffic Violations               | 2,727              | 2,895       | 3,310       | 6,496       |
| Fire (County wide)               |                    |             |             |             |
| Emergency responses              | 48,995             | 39,736      | 47,000      | 45,796      |
| Fires calls                      | 4,965              | 3,754       | 6,301       | 4,928       |
| Refuse collections               |                    |             |             |             |
| Refuse collected (tons per day)  | 133                | 137         | 134         | 124         |
| Other public works               |                    |             |             |             |
| Street resurfacing (miles)       | 3                  | 2           | 2           | 2           |
| Potholes repaired *              | 322                | 222         | 222         | 412         |
| Parks and recreation             |                    |             |             |             |
| Athletic fields permits issued   | 274                | 450         | 287         | 269         |
| River Walk Center permits issued | 106                | 101         | 91          | 97          |
| Garden Club permits issued       | 56                 | 59          | 65          | 57          |
| Maravilla permits issued         | 93                 | 90          | 82          | 86          |
| Special Events                   | 145                | 154         | 143         | 168         |
| Old City Hall                    | 36                 | 39          | 38          | 34          |

**Sources:** Various City of Fort Pierce departments

**Notes:** \* Work orders issued

\*\*\* Data not available

\*\*\*\* 2011 First year of collecting data

| <b>Fiscal Year</b> |             |             |             |             |             |
|--------------------|-------------|-------------|-------------|-------------|-------------|
| <b>2015</b>        | <b>2014</b> | <b>2013</b> | <b>2012</b> | <b>2011</b> | <b>2010</b> |
| 2,975              | 3,189       | 3,064       | 2,899       | 2,510       | 3,794       |
| 341                | 298         | 230         | 211         | 336         | 959         |
| 9,984              | 8,791       | 5,619       | 4,782       | 171         | 720         |
| 43,045             | 40,033      | 39,189      | 34,161      | 38,989      | 33,906      |
| 4,659              | 4,483       | 4,229       | 3,629       | 4,626       | 4,430       |
| 133                | 131         | 129         | 201         | 123         | 126         |
| 1                  | 1           | 1           | -           | 2           | -           |
| 440                | 428         | 478         | 215         | 200         | 600         |
| 280                | 278         | 218         | 358         | 397         | 415         |
| 85                 | 64          | 66          | 69          | 73          | 139         |
| 48                 | 33          | 20          | 19          | 10          | 34          |
| 92                 | 66          | 56          | 47          | 10          | ****        |
| 163                | 186         | 151         | 150         | 141         | ****        |
| 26                 | ***         | ***         | ***         | ***         | ***         |

**City of Fort Pierce, Florida**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

| <u>Function/Program</u>                    | <u>Fiscal Year</u> |             |             |             |
|--|--------------------|-------------|-------------|-------------|
|  | <u>2019</u>        | <u>2018</u> | <u>2017</u> | <u>2016</u> |
| Police                                     |                    |             |             |             |
| Stations                                   | 2                  | 2           | 2           | 3           |
| Sworn Officers                             | 119                | 119         | 121         | 115         |
| Fire                                       |                    |             |             |             |
| Stations                                   | 17                 | 17          | 17          | 17          |
| Firefighters                               | 386                | 389         | 380         | 389         |
| Refuse collections                         |                    |             |             |             |
| Commercial                                 | 1,814              | 1,792       | 1,786       | 1,751       |
| Residential                                | 12,273             | 12,073      | 11,993      | 12,173      |
| Public                                     | 23                 | 32          | 30          | 30          |
| Other public works                         |                    |             |             |             |
| Streets (miles)                            | 185                | 152         | 141         | 141         |
| Streetlights                               | 5,313              | 5,313       | 5,327       | 5,313       |
| Traffic signals                            | 211                | 211         | 211         | 211         |
| Parks and recreations                      |                    |             |             |             |
| Acreage                                    | 294.3              | 294.3       | 294.3       | 294.3       |
| Playgrounds                                | 12                 | 12          | 12          | 12          |
| Baseball/football fields/basketball courts | 35                 | 35          | 35          | 35          |
| Tennis/handball/racquetball/shuffleboard   | 21                 | 21          | 21          | 21          |
| Community Centers                          | 2                  | 2           | 2           | 2           |
| Miles of public beach                      | 2.3                | 2.3         | 2.3         | 2.3         |
| Pools                                      | 2                  | 2           | 2           | 2           |
| Utility Customers                          |                    |             |             |             |
| Electric                                   | 28,300             | 28,300      | 28,300      | 28,100      |
| Water                                      | 20,400             | 20,220      | 20,100      | 19,750      |
| Wastewater                                 | 15,200             | 15,100      | 15,100      | 15,000      |
| Natural Gas                                | 4,100              | 4,130       | 4,150       | 4,225       |

**Sources:** Various City of Fort Pierce departments and Fort Pierce Utilities Authority

\* Parks Transferred to the City from St. Lucie County

| Fiscal Year |        |        |        |        |        |
|-------------|--------|--------|--------|--------|--------|
| 2015        | 2014   | 2013   | 2012   | 2011   | 2010   |
| 3           | 3      | 3      | 3      | 3      | 3      |
| 115         | 118    | 115    | 107    | 110    | 107    |
| 17          | 17     | 18     | 18     | 18     | 18     |
| 386         | 370    | 370    | 364    | 370    | 376    |
| 1,730       | 1,685  | 1,695  | 1,675  | 1,678  | 1,963  |
| 11,871      | 11,611 | 11,550 | 11,427 | 12,843 | 12,840 |
| 30          | 30     | 32     | 35     | 36     | 36     |
| 185         | 179    | 152    | 152    | 152    | 152    |
| 5,313       | 5,313  | 5,313  | 5,106  | 5,028  | 5,028  |
| 211         | 177    | 177    | 177    | 177    | 177    |
| 294.3       | 294.3  | 294.3  | 294.3  | 294.3  | 294.3  |
| 12          | 11     | 12     | 12     | 12     | 12     |
| 35          | 24     | 23     | 23     | 23     | 22     |
| 21          | 21     | 21     | 21     | 21     | 5      |
| 2           | 2      | 2      | 2      | 2      | 2      |
| 2.3         | 2.3    | 2.3    | 2.3    | 2.3    | 2.3    |
| 2           | 2      | 2      | 2      | 2      | 2      |
| 28,096      | 27,630 | 27,770 | 28,413 | 27,697 | 27,859 |
| 19,756      | 19,250 | 19,280 | 19,394 | 19,180 | 19,048 |
| 14,987      | 14,640 | 14,450 | 14,842 | 14,377 | 14,460 |
| 4,223       | 4,180  | 4,190  | 4,039  | 3,892  | 3,982  |

**THIS PAGE INTENTIONALLY LEFT BLANK**



## AUDITORS' REPORTS



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the City Commission  
City of Fort Pierce, Florida

March 18, 2020

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Pierce, Florida (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 18, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Fort Pierce, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Fort Pierce, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Fort Pierce, Florida's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Fort Pierce, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*A. Bartolomeo, M. Bee, Hartley & Barnes*

Certified Public Accountants  
Fort Pierce, Florida

City of Fort Pierce, Florida  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE**  
For the year ended September 30, 2019

| Description   | CFDA/<br>CSFA<br>Number | Contract<br>Grant<br>Number                   | Expenditures | Pass-Through<br>to Sub-<br>Recipients |
|---|-------------------------|---|--------------|---------------------------------------|
| <b><u>FEDERAL PROGRAMS:</u></b>   |                         |   |              |                                       |
| <b><u>U.S. Department of Housing and Urban Development</u></b>                      |                         |   |              |                                       |
| <i>Direct Program:</i>  |                         |   |              |                                       |
| Community Development Block Grant Entitlement                                       | 14.218                  | B16-MC-12-0031                                | 29,309       | -                                     |
| Community Development Block Grant Entitlement                                       | 14.218                  | B17-MC-12-0031                                | 119,448      | -                                     |
| Community Development Block Grant Entitlement                                       | 14.218                  | B18-MC-12-0031                                | 306,752      | -                                     |
|   |                         |   | 455,509      | -                                     |
| <b><u>U.S. Department of Justice</u></b>  |                         |   |              |                                       |
| <i>Direct Program:</i>  |                         |   |              |                                       |
| Youth Gang Prevention   | 16.544                  | 2016-VJV-FX-0002                              | 142,960      | -                                     |
| Bullet Proof Vests  | 16.607                  |   | 1,502        | -                                     |
| <i>Indirect Program:</i>  |                         |   |              |                                       |
| <i>Passed through Florida Attorney General:</i>                                     |                         |   |              |                                       |
| Victims of Crime Act  | 16.575                  | VOCA-2017-FPPD-00553                          | 8,723        | -                                     |
| <i>Passed through Florida Department of Law Enforcement:</i>                        |                         |   |              |                                       |
| Gang Abatement and Reduction XVI  | 16.738                  | 2017-MU-BX-0187 /<br>/2019-JAGC-STLU-3-N2-157 | 32,967       | -                                     |
| Edward Byrne Memorial Competitive Grant Prog.                                       | 16.738                  | 2017-JAGC-STLU-1-F9-179                       | 1,793        | -                                     |
| <i>Passed through St. Lucie County, Florida:</i>                                    |                         |   |              |                                       |
| Edward Byrne Memorial Justice asst. grant prog                                      | 16.738                  | 2018-DJ-BX-0844                               | 22,957       | -                                     |
| Edward Byrne Memorial Justice asst. grant prog                                      | 16.738                  | 2018-JAGC                                     | 25,716       | -                                     |
|   |                         |   | 236,618      | -                                     |
| <b><u>U.S. Department of Agriculture Natural Resources Conservation Service</u></b> |                         |   |              |                                       |
| Emergency Watershed Protection Program  | 10.923                  | NR184209XXXXC002                              | 2,480,693    | -                                     |
| Emergency Watershed Protection Program  | 10.923                  | NR194209XXXXC001                              | 410,237      | -                                     |
|   |                         |   | 2,890,930    | -                                     |
| <b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>   |                         |   | \$ 3,583,057 | \$ -                                  |
| <b><u>STATE PROJECTS:</u></b>   |                         |   |              |                                       |
| <b><u>Florida Department of Transportation</u></b>                                  |                         |   |              |                                       |
| Florida Highway Beautification  | 55.039                  | G1422   | \$ 16,000    | -                                     |
| <b><u>Florida Housing Finance Agency:</u></b>                                       |                         |   |              |                                       |
| State Housing Initiatives Partnership Program                                       | 40.901                  |   | 73,063       | -                                     |
| <b><u>Florida Fish and Wildlife Conservation Commission</u></b>                     |                         |   |              |                                       |
| Florida Boating Improvement Program   | 77.006                  | 18069   | 72,500       | -                                     |
| <b>TOTAL STATE FINANCIAL ASSISTANCE</b>   |                         |   | \$ 161,563   | \$ -                                  |

City of Fort Pierce, Florida  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE**  
For the year ended September 30, 2019

---

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance Projects was prepared to include the activity of all federal and state awards of the City of Fort Pierce, Florida and is presented on the accrual method of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**NOTE B-INDIRECT COST RATE**

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Independent Auditor's Report on Compliance For Each Major Federal Awards Program and State Project, and on Internal Control Over Compliance Required by Uniform Guidance

To the City Council  
City of Fort Pierce, Florida

March 18, 2020

**Report on Compliance for Each Major Federal Program and State Project**

We have audited the compliance of the City of Fort Pierce, Florida with the types of compliance requirements described in the *OMB Compliance Supplement*, that could have a direct and material effect on each of its major federal awards programs for the year ended September 30, 2019. The City of Fort Pierce, Florida's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its Federal programs applicable to its Federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Fort Pierce, Florida's major Federal programs projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards, and the Uniform Guidance, requires that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Fort Pierce, Florida's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the City of Fort Pierce, Florida's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the City of Fort Pierce, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

### **Report on Internal Control Over Compliance**

The management of the City of Fort Pierce, Florida is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Fort Pierce, Florida's internal control over compliance with requirements that could have a direct and material effect on a major federal program or State project in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Fort Pierce, Florida's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or as combination of deficiencies, in internal control over compliance with the type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*A. Bartolomeo, M. Bee, Hartley & Barred*

Certified Public Accountants  
Fort Pierce, Florida

**I. Summary of Auditor Findings**

1. The independent certified public accountant's report expresses an unmodified opinion on the combined financial statements of the City of Fort Pierce, Florida.
2. No material weaknesses or significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of non-compliance material to the financial statements were disclosed during the audit.
4. No material weaknesses were disclosed during the audit of the major federal awards programs.
5. The independent certified public accountant's report on compliance for the major federal awards programs expresses an unmodified opinion.
6. There were no audit findings relative to the major federal awards programs.
7. The programs tested as major programs were as follows:

Federal Programs:

CFDA Number: 10.923 Emergency Watershed Protection Program

The threshold for distinguishing between Type A and Type B programs was \$750,000 for major federal programs

8. The City of Fort Pierce, Florida was determined to be a low risk auditee for federal program testing pursuant to Uniform Guidance.

**II. Financial Statement Findings**

There were no financial statement findings required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

**III. Federal Program Findings and Questioned Costs**

There were no audit findings that are required to be reported in accordance with CFR 200.516(a)

**IV. Summary Schedule of Prior Audit Findings**

There were no prior audit findings.

Independent Accountant's Report on Compliance With Section 218.415, Florida Statutes

To the City Commission  
Fort Pierce, Florida

March 18, 2020

We have examined the City's compliance with the requirements of Section 218.415, Florida Statutes with regards to the City's investments during the year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*DiBartolomeo, McBee, Hartley & Barnes*

DiBartolomeo, McBee Hartley & Barnes, P.A.  
Fort Pierce, Florida

## Management Letter

To the City Commission  
City of Fort Pierce, Florida

March 18, 2020

### **Report on the Financial Statements**

We have audited the financial statements of the City of Fort Pierce, Florida, as of and for the year ended September 30, 2019, and have issued our report thereon dated March 18, 2020, which was unqualified.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General.

### **Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 18, 2020, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit. There were no findings or recommendations noted in the preceding annual financial audit.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements.

The City was created, established, and incorporated under the City Charter, as adopted by Laws of Florida Chapter 65-1351 and is further governed by state and local laws and regulations. The City also has two component units, the Fort Pierce Utility Authority (discretely presented) and the Community Redevelopment Agency (blended). The voters of the City of Fort Pierce, Florida authorized the organization of the Fort Pierce Utilities Authority at a special election held May 30, 1972. City Ordinance No. F-399 (as amended by City Ordinances G-295, 296, and 297) defines the powers, duties and responsibilities of the Authority. City Ordinance No. H-239 created the Community Redevelopment Agency and delegated powers to the Agency in accordance with Florida Law and State Statutes Chapter 163.

### **Financial Condition**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the City of Fort Pierce, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the City of Fort Pierce, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City of Fort Pierce, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

### **Other Matters**

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)3, Rules of the Auditor General, requires us to communicate noncompliance with of provisions of contracts and grant agreements or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Certified Public Accountants  
Fort Pierce, Florida

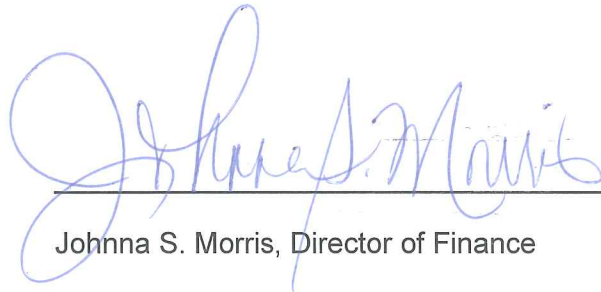


**AFFIDAVIT**

BEFORE ME, the undersigned authority, personally appeared Johnna S. Morris, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the City of Fort Pierce which is a local government entity of the State of Florida;
2. City of Fort Pierce adopted Ordinance No. L-61 implementing an impact fee; and
3. City of Fort Pierce has complied and, as of the date of this affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FUTHER AFFIANT SAYETH NAUGHT.

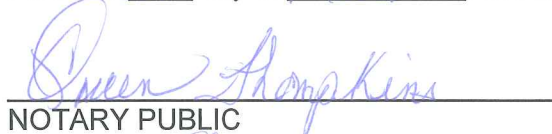


---

Johnna S. Morris, Director of Finance

STATE OF FLORIDA  
COUNTY OF SAINT LUCIE

SWORN TO AND SUBSCRIBED before me this 24<sup>th</sup> day of March, 2020.



---

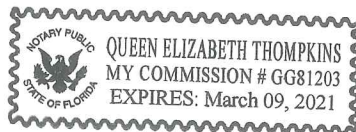
NOTARY PUBLIC

Print Name Queen Thompkins

Personally known  or produced identification \_\_\_\_\_

Type of identification produced \_\_\_\_\_

My Commission Expires:





FINANCIAL ANALYSIS  
SEPTEMBER 30, 2019





## BALANCE SHEETS

|   | 2019                  | 2018                  | Increase<br>(Decrease) | Percent<br>Change |
|---|-----------------------|-----------------------|------------------------|-------------------|
| <b>ASSETS</b>                                     |                       |                       |                        |                   |
| Cash and investments                              | 20,531,179            | 19,137,266            | \$ 1,393,913           | 7%                |
| Cash and investments—restricted                   | 2,572,215             | 177,335               | 2,394,880              | 1350%             |
| Receivables                                       | 8,523,719             | 9,444,366             | (920,647)              | -10%              |
| Inventories & Prepays                             | 199,990               | 692,213               | (492,223)              | -71%              |
| Fixed assets                                      | 191,548,397           | 192,920,332           | (1,371,935)            | -1%               |
| Other assets                                      | 2,859,216             | 3,984,545             | (1,125,329)            | -28%              |
| Deferred outflows-Pension and OPEB                | 4,691,134             | 5,803,486             | (1,112,352)            | -19%              |
|   | <u>230,925,850</u>    | <u>232,159,543</u>    | <u>(1,233,693)</u>     | <u>-1%</u>        |
| <b>LIABILITIES</b>                                |                       |                       |                        |                   |
| Current liabilities                               | 10,878,940            | 10,791,078            | 87,862                 | 1%                |
| Liabilities payable from restricted assets        | 314,985               | 234,323               | 80,662                 | 34%               |
| Long-term liabilities                             | 81,797,345            | 86,616,006            | (4,818,661)            | -6%               |
| Pension/OPEB Liability & Deferred Inflow          | 16,859,314            | 15,607,403            | 1,251,911              | 8%                |
|   | <u>109,850,584</u>    | <u>113,248,810</u>    | <u>(3,398,226)</u>     | <u>-3%</u>        |
| <b>FUND EQUITY</b>                                |                       |                       |                        |                   |
| Net position                                      | 9,144,888             | 9,137,226             | 7,662                  | 0%                |
| Investment in Capital Assets, net of related debt | 111,930,378           | 109,773,507           | 2,156,871              | 2%                |
|   | <u>121,075,266</u>    | <u>118,910,733</u>    | <u>2,164,533</u>       | <u>2%</u>         |
|   | <u>\$ 230,925,850</u> | <u>\$ 232,159,543</u> | <u>\$ (1,233,693)</u>  | <u>-1%</u>        |

Remaining bond proceeds held in the Marina Fund

Fixed assets decreased due to depreciation

Debt has been decreasing each year, approximately 20 million over the past 5 years





# Governmental Fund Expenditures

|                              | 2019          | 2018          | 2017          | 2016          | 2015          |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| Operating:                   |               |               |               |               |               |
| General government           | \$ 12,897,475 | \$ 12,259,917 | \$ 12,538,429 | \$ 10,409,135 | \$ 10,013,455 |
| Public safety                | 16,885,445    | 15,608,843    | 15,253,746    | 13,870,188    | 13,873,313    |
| Transportation               | 3,145,704     | 3,074,578     | 3,068,423     | 2,747,800     | 2,684,573     |
| Economic environment         | 1,679,942     | 1,435,852     | 1,021,717     | 1,182,662     | 1,434,987     |
| Culture and recreation       | 2,530,491     | 2,444,590     | 2,217,612     | 1,902,214     | 1,948,803     |
| Total operating expenditures | 37,139,057    | 34,823,780    | 34,099,927    | 30,111,999    | 29,955,131    |
| Capital outlay               | 2,034,264     | 3,032,948     | 3,263,816     | 3,253,508     | 3,575,611     |
| Debt service                 | 7,929,310     | 7,331,605     | 7,468,132     | 8,275,527     | 6,916,254     |
|                              | \$ 47,102,631 | \$ 45,188,333 | \$ 44,831,875 | \$ 41,641,034 | \$ 40,446,996 |
| <b>Population</b>            | <b>46,071</b> | <b>45,581</b> | <b>45,295</b> | <b>44,484</b> | <b>43,601</b> |
|                              | 2019          | 2018          | 2017          | 2016          | 2015          |
| Operating:                   |               |               |               |               |               |
| General government           | \$ 280        | \$ 266        | \$ 275        | \$ 230        | \$ 225        |
| Public safety                | 367           | 339           | 335           | 306           | 312           |
| Transportation               | 68            | 67            | 67            | 61            | 60            |
| Economic environment         | 36            | 31            | 22            | 26            | 32            |
| Culture and recreation       | 55            | 53            | 49            | 42            | 44            |
| Total operating expenditures | 806           | 756           | 748           | 665           | 673           |
| Capital outlay               | 44            | 66            | 72            | 72            | 80            |
| Debt service                 | 172           | 159           | 164           | 183           | 155           |
|                              | \$ 1,022      | \$ 981        | \$ 984        | \$ 919        | \$ 909        |

- Police raises
- 1.4 million due to purchase of radios
- 1.4 million due to raises, hurricane related overhead, additional officers
- Paid back TCRPC loan



# Community Redevelopment

|                                    | 2019                | 2018                | 2017                | 2016                  | 2015                  |
|------------------------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|
| <b>Revenue:</b>                    |                     |                     |                     |                       |                       |
| Taxes                              | \$ 6,321,663        | \$ 5,809,829        | \$ 5,141,458        | \$ 4,492,393          | \$ 4,179,392          |
| Other Revenue                      | 759,908             | 223,835             | 681,243             | 2,242,783             | 1,230,460             |
|                                    | <u>\$ 7,081,571</u> | <u>\$ 6,033,664</u> | <u>\$ 5,822,701</u> | <u>\$ 6,735,176</u>   | <u>\$ 5,409,852</u>   |
| <b>Expenditures:</b>               |                     |                     |                     |                       |                       |
| Operating                          | 556,372             | 329,019             | 319,426             | 412,790               | 338,753               |
| Capital                            | 81,091              | 87,469              | 83,909              | 1,082,579             | 1,052,073             |
| Debt Service                       | 261,779             | 654                 | 441,886             | 1,004,529             | -                     |
|                                    | <u>\$ 899,242</u>   | <u>\$ 417,142</u>   | <u>\$ 845,221</u>   | <u>\$ 2,499,898</u>   | <u>\$ 1,390,826</u>   |
| <b>Transfer In:</b>                |                     |                     |                     |                       |                       |
| Capital Project Fund-Redevelopment | \$ -                | \$ -                | \$ -                | \$ -                  | \$ -                  |
| Debt Service fund                  | -                   | -                   | -                   | 5,929                 | -                     |
| General Fund                       | -                   | 274,994             | 1,526,901           | 1,451,422             | 2,051,629             |
|                                    | <u>-</u>            | <u>274,994</u>      | <u>1,526,901</u>    | <u>1,457,351</u>      | <u>2,051,629</u>      |
| <b>Transfer Out:</b>               |                     |                     |                     |                       |                       |
| General Fund                       | (2,734,449)         | (2,783,939)         | (2,694,762)         | (2,637,095)           | (2,835,071)           |
| Ft. Pierce Redevelopment Bonds     | (2,510,920)         | (2,568,562)         | (2,647,146)         | (2,412,879)           | (2,697,156)           |
| Hurricane Housing                  | -                   | -                   | -                   | -                     | -                     |
| Sunrise Theatre                    | (450,000)           | (450,000)           | (450,000)           | (450,000)             | (450,000)             |
|                                    | <u>(5,695,369)</u>  | <u>(5,802,501)</u>  | <u>(5,791,908)</u>  | <u>(5,499,974)</u>    | <u>(5,982,227)</u>    |
|                                    | <u>\$ 486,960</u>   | <u>\$ 89,015</u>    | <u>\$ (814,428)</u> | <u>\$ (1,264,696)</u> | <u>\$ (1,963,201)</u> |

Increase due to reimbursements from the Utility Authority and State related to th HD King Power Plant Site  
 Increase relates to work at HD King Power Plant Site  
 Paid back TCRPC loan



## Solid Waste Fund

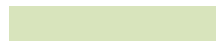
|                                | 2019         | 2018         | 2017         | 2019/ 2018             |                   |
|--------------------------------|--------------|--------------|--------------|------------------------|-------------------|
|                                |              |              |              | Increase<br>(Decrease) | Percent<br>Change |
| Operating revenues             | \$ 7,648,557 | \$ 7,806,315 | \$ 6,676,775 | \$ (157,758)           | -2%               |
| Operating expenses             | 6,742,410    | 6,708,251    | 6,205,194    | 34,159                 | 1%                |
| Operating income (loss)        | 906,147      | 1,098,064    | 471,581      | (191,917)              | -17%              |
| Net nonoperating revenues      | (26,155)     | (27,053)     | (31,817)     | 898                    | -3%               |
| Net income                     | \$ 879,992   | \$ 1,071,011 | \$ 439,764   | \$ (191,019)           | -18%              |
| Operating Income(loss)         | \$ 906,147   | \$ 1,098,064 | \$ 471,581   | \$ (191,917)           | -41%              |
| Depreciation                   | 508,933      | 487,631      | 283,133      | 21,302                 | 8%                |
| Interest-Capital Leases        | (36,325)     | (37,014)     | (30,443)     | 689                    | 0%                |
| Principal-Capital Leases       | (351,865)    | (267,992)    | (52,738)     | (83,873)               | 0%                |
| Net Cash Flows from operations | \$ 1,026,890 | \$ 1,280,689 | \$ 671,533   | \$ (253,799)           | -38%              |
| Transfer to Other funds        | \$ 882,491   | \$ 860,925   | \$ 1,204,000 |                        |                   |



Residential revenue increase by 436k, Commercial revenue increase by 423k



Landfill contract increased by 416k



Payroll expenses increased by 325k due to the initial OPEB Adjustment.



## Stormwater Fund

|   | 2019         | 2018         | 2017           | 2019/ 2018             |                   |
|---|--------------|--------------|----------------|------------------------|-------------------|
|   |              |              |                | Increase<br>(Decrease) | Percent<br>Change |
| Operating revenues                      | \$ 2,845,271 | \$ 2,691,049 | \$ 2,724,106   | \$ 154,222             | 6%                |
| Operating expenses                      | 2,995,016    | 2,924,083    | 4,826,737      | 70,933                 | 2%                |
| Operating income (loss)                 | (149,745)    | (233,034)    | (2,102,631)    | 83,289                 | -36%              |
| Net nonoperating revenues<br>(expenses) | 2,585,376    | 1,142,281    | 396,695        | 1,443,095              | 126%              |
| Net income                              | \$ 2,435,631 | \$ 909,247   | \$ (1,705,936) | \$ 1,526,384           | 168%              |
| Operating Income(loss)                  | (149,745)    | (233,034)    | (2,102,631)    | 83,289                 | -4%               |
| Depreciation                            | 1,334,558    | 1,117,618    | 1,275,872      | 216,940                | 17%               |
| Interest                                | (326,537)    | (177,767)    | (574,860)      | (148,770)              | 26%               |
| Principal<br>transfers                  | -            | -            | (1,775,000)    | -                      | 0%                |
| Net Cash Flows from operations          | \$ 858,276   | \$ 706,817   | \$ (3,176,619) | \$ 151,459             | 139%              |

- In 2018 \$2,025,000 of contract work was capitalized
- Contract fees increased because of stormwater improvements
- Emergency watershed grant



## Golf Course Fund

|   | 2019                | 2018                | 2017                | 2019/ 2018             |                   |
|---|---------------------|---------------------|---------------------|------------------------|-------------------|
|   |                     |                     |                     | Increase<br>(Decrease) | Percent<br>Change |
| Operating revenues                      | \$ 1,151,369        | \$ 1,127,258        | \$ 979,461          | \$ 24,111              | 2%                |
| Operating expenses                      | 1,628,188           | 1,432,238           | 1,553,141           | 195,950                | 14%               |
| Operating income (loss)                 | (476,819)           | (304,980)           | (573,680)           | (171,839)              | -56%              |
| Net nonoperating revenues<br>(expenses) | 2,428               | 132                 | 244                 | 2,296                  | -1739%            |
| Net income (loss)                       | <u>\$ (474,391)</u> | <u>\$ (304,848)</u> | <u>\$ (573,436)</u> | <u>\$ (169,543)</u>    | <u>-56%</u>       |
| Operating Income(loss)                  | \$ (476,819)        | \$ (304,980)        | \$ (573,680)        | \$ (171,839)           | 30%               |
| Depreciation                            | 140,492             | 135,347             | 134,701             | 5,145                  | 4%                |
| Interest                                | (114,392) **        | (118,555) **        | (122,450)           | 4,163                  | -3%               |
| Principal                               | (95,000) **         | (90,000) **         | (85,000)            | (5,000)                | 6%                |
| Net Cash Flows from operations          | (545,719)           | (378,188)           | (646,429)           | (167,531)              | 26%               |
| Transfers                               | 351,000             | 351,000             | 163,000             | -                      | 0%                |
| Net Cash Flows after transfers          | <u>\$ (194,719)</u> | <u>\$ (27,188)</u>  | <u>\$ (483,429)</u> | <u>\$ (167,531)</u>    | <u>36%</u>        |

hurricanes and a general decrease in the number of rounds played  
 Increase due to increases in payroll and benefit costs  
 \*\* Estimated Debt Service paid by the General Fund





## Sunrise Theatre

|   | 2019                  | 2018                      | 2017                  | 2019/ 2018             |                   |
|---|-----------------------|---------------------------|-----------------------|------------------------|-------------------|
|   |                       |                           |                       | Increase<br>(Decrease) | Percent<br>Change |
| Operating revenues                      | \$ 2,466,477          | \$ 2,415,352              | \$ 2,765,443          | \$ 51,125              | 2%                |
| Operating expenses                      | 3,666,296             | 3,832,927                 | 4,376,238             | (166,631)              | -4%               |
| Operating income (loss)                 | (1,199,819)           | (1,417,575)               | (1,610,795)           | 217,756                | -15%              |
| Net nonoperating revenues<br>(expenses) | 2,841                 | 780                       | 428                   | 2,061                  | 264%              |
| Net income (loss)                       | <u>\$ (1,196,978)</u> | <u>\$ (1,416,795)</u>     | <u>\$ (1,610,367)</u> | <u>\$ 219,817</u>      | <u>-16%</u>       |
| Operating Income(loss)                  | \$ (1,199,819)        | \$ (1,417,575)            | \$ (1,610,795)        | \$ 217,756             | 15%               |
| Depreciation                            | 546,487               | 546,199                   | 538,917               | 288                    | 0%                |
| Net Cash Flows from operations          | <u>\$ (653,332)</u>   | <u>\$ (871,376)</u>       | <u>\$ (1,071,878)</u> | <u>\$ 218,044</u>      | <u>20%</u>        |
| Transfer from FPRA                      | \$ 450,000            | \$ 450,000                | \$ 445,749            |                        |                   |
| Transfer from General Fund              | -                     | 156,000                   | 94,701                |                        |                   |
| Transfer from Restricted Revenue Fund   | 30,338                | 96,825                    | -                     |                        |                   |
|   |                       | attendance down at events |                       |                        |                   |



## Building Department

|   | 2019         | 2018         | 2017         | 2019/ 2018             |                   |
|---|--------------|--------------|--------------|------------------------|-------------------|
|   |              |              |              | Increase<br>(Decrease) | Percent<br>Change |
| Operating revenues                      | \$ 2,336,544 | \$ 2,158,592 | \$ 1,369,165 | \$ 177,952             | 8%                |
| Operating expenses                      | 1,857,393    | 1,632,847    | 1,304,815    | 224,546                | 14%               |
| Operating income (loss)                 | 479,151      | 525,745      | 64,350       | (46,594)               | -9%               |
| Net nonoperating revenues<br>(expenses) | 39,101       | 16,279       | 6,060        | 22,822                 | 140%              |
| Net income (loss)                       | \$ 518,252   | \$ 542,024   | \$ 70,410    | \$ (23,772)            | -4%               |
| Operating Income(loss)                  | \$ 479,151   | \$ 525,745   | \$ 64,350    | \$ (46,594)            | -9%               |
| Depreciation                            | 68,786       | 62,001       | 973          | 6,785                  | 11%               |
| Interest                                | -            | -            | -            | -                      | 0%                |
| Principal                               | -            | -            | -            | -                      | 0%                |
| Net Cash Flows from operations          | \$ 547,937   | \$ 587,746   | \$ 65,323    | \$ (39,809)            | 0%                |



Increase in permits issued



Increase in payroll related to increase in permits issued

**City Commission Regular Meeting**

**11. a.**

**Meeting Date:** 04/20/2020

**Re:** FMIT Nomination

---

**SUBJECT:**

Approve nomination of Mayor Linda Hudson to the Board of Trustees of the Florida Municipal Insurance Trust (FMIT).

**SUMMARY:**

Mayor Linda Hudson is seeking appointment to the FMIT Board. Both the City of Fort Pierce and the Fort Pierce Utilities Authority are members of the Trust.

**RECOMMENDATION:**

Approve the nomination letter and form for Mayor Linda Hudson to be considered as a board member for FMIT.

**ALTERNATIVES:**

Do not approve.

**RESPONSIBLE STAFF:**

Linda W. Cox, City Clerk

**COORDINATED WITH:**

Linda Hudson, Mayor

---

**Fiscal Impact**

**OTHER INFORMATION:**

No fiscal impact.

---

**Attachments**

Nomination Form  
Overview  
Hudson Resume  
Letter Approving Nomination

---

**Form Review**

| <b>Inbox</b>                    | <b>Reviewed By</b> | <b>Date</b>                     |
|---------------------------------|--------------------|---------------------------------|
| City Manager                    | Nick Mimms         | 04/07/2020 03:48 PM             |
| Form Started By: Linda Cox      |                    | Started On: 04/07/2020 02:52 PM |
| Final Approval Date: 04/07/2020 |                    |                                 |



DATE: April 1, 2020

TO: Members  
Florida Municipal Insurance Trust

FROM: The Administrator

RE: Trustee Nominations

The Florida Municipal Insurance Trust (FMIT) is a pooled self-insurance program, whose membership consists of local government entities. The FMIT's Board of Trustees oversees the FMIT's operations. The purpose of this letter is to solicit nominations for election to the Board.

The FMIT's governing documents provide the Board, at least annually, shall solicit nominations for Trustee candidates from governmental entities that are members that participate in the Trust and such nominees shall constitute the basis for election to the Board. There are six (6) vacancies on the FMIT board that need to be filled. Following the solicitation of nominations, Trustee vacancies are filled by the Board, by a majority vote, from the nominees offered by the members.

The FMIT's governing documents further provide that the Board of Trustees shall be composed of no more than fifteen (15) Trustees, all of whom shall be elected municipal officials of municipalities that participate as members of the Trust. No Trustee may be selected or continue to serve as a Trustee after becoming an owner, officer, employee or agent of a business entity having a contractual relationship or otherwise doing business with the Trust. A Trustee shall relinquish his/her office or may be removed when he/she no longer serves as an elected or appointed official of the member from which he/she was selected, or when the governmental entity from which he/she was selected ceases to participate as a member of the Trust.

***As nominations must come from members of the Trust, your letter of nomination should reflect that your governmental entity's governing body has endorsed the nominee. In addition, please include a resume or a biographical sketch reflecting the nominee's background and qualifications to serve.***

Should you wish to submit a nomination to the Board, please complete the enclosed nomination form, and return it, along with a letter of nomination by your governing body and a resume, to Melissa Solis, Trust Services Supervisor, no later than **Thursday, April 30, 2020**. Thank you.

Resume

Mayor Linda Hudson

City of Fort Pierce

April 20, 2020

My name is Linda Hudson, Mayor of the City of Fort Pierce. I would be interested in serving on the Florida Municipal Insurance Trust (FMIT) board. The City of Fort Pierce is a member, as is the Fort Pierce Utilities Authority (FPUA). As the elected Mayor of Fort Pierce, I also sit on the FPUA Board. I was first elected in 2012, reelected in 2016, and am running for reelection in 2020.

I have been on the Board of the Treasure Coast Regional League of Cities since 2013. I have served in various capacities for the League, including two years as President. I have earned the Home Rule hero designation in 2014, 2015, 2017, 2018 and 2019. I was nominated by the Treasure Coast League to serve on the Florida League of Cities Board of Trustees in 2018, and serve on the Board today.

I am a Fort Pierce native, but I spent 25 years in Chicago working for the American Medical Association (AMA), and the Illinois State Medical Society (ISMS). While working at ISMS, I was responsible for the marketing efforts of the Illinois State Medical Insurance Exchange (ISMIE), a physician-owned medical malpractice company. I was also responsible for ISMIE's risk management education programs to reduce the number and severity of malpractice claims.

I would very much appreciate your favorable consideration of my application to serve on the FMIT Board.

Thank you.

Linda Hudson

Email: [lhudson@cityoffortpierce.com](mailto:lhudson@cityoffortpierce.com)

City: 772-467-3065

City Cell: 772-834-4920



April 21, 2020

Ms. Melissa Solis  
Trust Services Supervisor  
Florida League of Cities, Inc.  
P. O. Box 538135  
Orlando, FL 32853-8135

Email: [msolis@flcities.com](mailto:msolis@flcities.com)

Dear Ms. Solis:

At its meeting on April 20, 2020 the City Commission of the City of Fort Pierce, Florida approved the nomination of Mayor Linda Hudson to the Board of Trustees of the Florida Municipal Insurance Trust (FMIT). The nomination form and her resume are enclosed as required.

The City of Fort Pierce and the Fort Pierce Utilities Authority are members of the Trust.

We very much appreciate the excellent services provided by the Trust to our city.

If you have any questions, please feel free to contact me at 772.467.3052.

Very truly yours,

Linda W. Cox  
City Clerk

cc: Linda Hudson, Mayor  
Nick Mimms, City Manager  
Johnna Morris, Finance Director

**City Commission Regular Meeting**

**11. b.**

**Meeting Date:** 04/20/2020

**Re:** Lincoln Park Main Street

---

**SUBJECT:**

Approve letter of support for Lincoln Park Main Street in its application for funding to the Division of Historical Resources for its programming, which includes historic preservation, cultural enrichment, educational and economic vitality activities.

**SUMMARY:**

Lincoln Park Main Street is seeking the city's support for its grant application.

**RECOMMENDATION:**

Approve letter.

**ALTERNATIVES:**

Do not approve or approve with amendments.

**RESPONSIBLE STAFF:**

Linda W. Cox, City Clerk

**COORDINATED WITH:**

Caleta Scott, Grants Administration

---

**Fiscal Impact**

**OTHER INFORMATION:**

No fiscal impact.

---

**Attachments**

Letter

---

**Form Review**

**Inbox**

City Manager

Form Started By: Linda Cox

Final Approval Date: 04/07/2020

**Reviewed By**

Nick Mimms

**Date**

04/07/2020 08:44 AM

Started On: 04/07/2020 08:37 AM



April 21, 2020

Dr. Timothy Parsons  
Division of Historical Resources  
R. A. Gray Building, 4th Floor  
500 South Borough Street  
Tallahassee, Florida 32399

Dear Dr. Parsons:

The City of Fort Pierce is pleased to support the efforts of Lincoln Park Main Street, Inc. (LPMS) in its application for funding to the Division of Historical Resources for its programming, which includes historic preservation, cultural enrichment, educational and economic vitality activities.

The City of Fort Pierce is committed to continuing the revitalization and restoration efforts in the Historic Lincoln Park District which began more than 20 years ago. Our 2015 Outstanding Public Involvement Award from the Secretary of State for Historic Lincoln Park and the Avenue D corridor is evident of our commitment to support programming efforts of Lincoln Park Main Street. Investments included infrastructure improvements as follows: Highwaymen Obelisk 15th Street and Avenue D; R. Duke Nelson Human Resource Center; Indian River State College North Campus; Percy S. Peek Gym Boys & Girls Club; Moore's Creek Linear Park; facade improvements; inter-modal transit transfer facility; Avenue D streetscape project US Highway 1 – 25th Street: curb and gutter, water mains, sewer lines, sidewalks and drainage, road resurfacing, and street lights. Rehabilitation projects included: Willie B. Ellis Police Substation, Jackie L. Caynon, Sr. Building, and Granny's Kitchen. The City also embarked the Oaks at Moore's Creek development which included 12 finished homes.

The City is excited about the conceptual plans its revitalization and preservation partner LPMS has in the continuation and expansion of its programming in support of historic preservation. These programs include a Center for African American Studies, a Highwaymen Museum, an expansion of a Lincoln Park Black Archives; the Zora Neale Hurston Exhibit; the enrichment of cultural activities through Jazz on Moore's Creek, a free outdoor concert; Emancipation Proclamation Celebration; Lincoln Park Historic Guided Tours; The Lincoln Park Showcase Newsletter, a monthly publication highlighting community events and showcasing the local history of this community.

The programming LPMS has proposed for the upcoming year and beyond will undoubtedly educate, inform and enrich the community of Fort Pierce and the Treasure Coast.

Sincerely,

Linda Hudson, Mayor

**City Commission Regular Meeting**

**11. c.**

**Meeting Date:** 04/20/2020

**Re:** Approve submission of BJA-2020 (Bureau of Justice Assistance - U.S. Department of Justice)

**Submitted For:** Robert Ridle, Deputy Chief, Dist. 2, Police Department

---

**SUBJECT:**

Approve submission of grant application and approve acceptance upon award of Coronavirus Emergency Supplemental Funding Program grant.

**SUMMARY:**

The Federal Justice Department, Office of Justice Programs, (BJA-2020) Coronavirus Emergency Supplemental Funding Program grant is a formula grant to assist eligible local governments with supplemental funding in preventing, preparing for and responding to the coronavirus. The City of Fort Pierce has been allocated \$80,404. Awarded funds will be utilized to provide law enforcement technology to assist in responding to the coronavirus. No match funding or in-kind match are required for this program.

**RECOMMENDATION:**

Staff recommends approval to secure grant funds.

**ALTERNATIVES:**

Deny approval resulting in a loss of access to funds.

**RESPONSIBLE STAFF:**

Robert Ridle, Deputy Chief

**COORDINATED WITH:**

Anita Cocoves, Grant Coordinator

---

**Fiscal Impact**

**Budgeted Y/N:** N  
**Fiscal Year:** 2020  
**Account:** 101-0000-334-20-00  
**Amount:** 80,404.00

**OTHER INFORMATION:**

\$80,404.00 has been allocated for the City of Fort Pierce Police Department to respond to the coronavirus emergency. Funds will be utilized for law enforcement technology to assist in responding to the coronavirus.

---

## Attachments

FL allocations

---

### Form Review

| Inbox                           | Reviewed By   | Date                            |
|---------------------------------|---------------|---------------------------------|
| City Manager                    | Linda Cox     | 04/15/2020 11:28 AM             |
| Finance Department              | Johnna Morris | 04/15/2020 11:30 AM             |
| City Manager                    | Nick Mimms    | 04/15/2020 11:31 AM             |
| Form Started By: Anita Cocoves  |               | Started On: 03/31/2020 06:22 PM |
| Final Approval Date: 04/15/2020 |               |                                 |

BJA FY 2020 Coronavirus Emergency Supplemental Funding

| State | Jurisdiction Name      | Government Type | Eligible Allocation |
|-------|------------------------|-----------------|---------------------|
| FL    | ALACHUA COUNTY         | County          | \$130,054           |
| FL    | ALTAMONTE SPRINGS CITY | Municipal       | \$34,237            |
| FL    | APOPKA CITY            | Municipal       | \$48,645            |
| FL    | BAY COUNTY             | County          | \$82,882            |
| FL    | BELLE GLADE CITY       | Municipal       | \$62,277            |
| FL    | BOCA RATON CITY        | Municipal       | \$51,509            |
| FL    | BOYNTON BEACH CITY     | Municipal       | \$111,931           |
| FL    | BRADENTON CITY         | Municipal       | \$74,363            |
| FL    | BREVARD COUNTY         | County          | \$177,462           |
| FL    | BROWARD COUNTY         | County          | \$74,827            |
| FL    | CAPE CORAL CITY        | Municipal       | \$51,277            |
| FL    | CASSELBERRY CITY       | Municipal       | \$34,314            |
| FL    | CHARLOTTE COUNTY       | County          | \$82,418            |
| FL    | CITRUS COUNTY          | County          | \$89,545            |
| FL    | CLAY COUNTY            | County          | \$113,091           |
| FL    | CLEARWATER CITY        | Municipal       | \$146,631           |
| FL    | COCOA CITY             | Municipal       | \$71,418            |
| FL    | COLLIER COUNTY         | County          | \$223,627           |
| FL    | COLUMBIA COUNTY        | County          | \$51,277            |
| FL    | CORAL SPRINGS CITY     | Municipal       | \$52,905            |
| FL    | DANIA BEACH CITY       | Municipal       | \$45,700            |
| FL    | DAVIE TOWN             | Municipal       | \$54,918            |
| FL    | DAYTONA BEACH CITY     | Municipal       | \$197,522           |
| FL    | DE LAND CITY           | Municipal       | \$40,590            |
| FL    | DEERFIELD BEACH CITY   | Municipal       | \$72,504            |
| FL    | DELRAY BEACH CITY      | Municipal       | \$94,658            |
| FL    | ESCAMBIA COUNTY        | County          | \$370,107           |
| FL    | FLAGLER COUNTY         | County          | \$51,899            |
| FL    | FLORIDA CITY           | Municipal       | \$78,158            |
| FL    | FORT LAUDERDALE CITY   | Municipal       | \$265,921           |
| FL    | FORT MYERS CITY        | Municipal       | \$189,235           |
| FL    | FORT PIERCE CITY       | Municipal       | \$80,404            |
| FL    | GAINESVILLE CITY       | Municipal       | \$213,171           |
| FL    | GREENACRES CITY        | Municipal       | \$43,764            |
| FL    | HALLANDALE BEACH CITY  | Municipal       | \$52,054            |
| FL    | HENDRY COUNTY          | County          | \$37,723            |
| FL    | HERNANDO COUNTY        | County          | \$103,873           |
| FL    | HIALEAH CITY           | Municipal       | \$140,977           |
| FL    | HIGHLANDS COUNTY       | County          | \$60,650            |
| FL    | HILLSBOROUGH COUNTY    | County          | \$464,297           |
| FL    | HOLLYWOOD CITY         | Municipal       | \$129,126           |
| FL    | HOMESTEAD CITY         | Municipal       | \$183,194           |
| FL    | INDIAN RIVER COUNTY    | County          | \$63,595            |

BJA FY 2020 Coronavirus Emergency Supplemental Funding

| <b>State</b> | <b>Jurisdiction Name</b> | <b>Government Type</b> | <b>Eligible Allocation</b> |
|--------------|--------------------------|------------------------|----------------------------|
| FL           | JACKSONVILLE CITY        | Municipal              | \$1,299,317                |
| FL           | KISSIMMEE CITY           | Municipal              | \$101,318                  |

BJA FY 2020 Coronavirus Emergency Supplemental Funding

| State | Jurisdiction Name      | Government Type | Eligible Allocation |
|-------|------------------------|-----------------|---------------------|
| FL    | LAKE CITY              | Municipal       | \$43,455            |
| FL    | LAKE COUNTY            | County          | \$109,063           |
| FL    | LAKE WORTH CITY        | Municipal       | \$115,881           |
| FL    | LAKELAND CITY          | Municipal       | \$80,481            |
| FL    | LARGO CITY             | Municipal       | \$90,318            |
| FL    | LAUDERDALE LAKES CITY  | Municipal       | \$64,214            |
| FL    | LAUDERHILL CITY        | Municipal       | \$146,786           |
| FL    | LEE COUNTY             | County          | \$325,489           |
| FL    | LEESBURG CITY          | Municipal       | \$47,327            |
| FL    | LEON COUNTY            | County          | \$90,627            |
| FL    | LEVY COUNTY            | County          | \$93,959            |
| FL    | MADISON COUNTY         | County          | \$33,154            |
| FL    | MANATEE COUNTY         | County          | \$350,894           |
| FL    | MARION COUNTY          | County          | \$186,291           |
| FL    | MARTIN COUNTY          | County          | \$73,818            |
| FL    | MELBOURNE CITY         | Municipal       | \$159,181           |
| FL    | MIAMI BEACH CITY       | Municipal       | \$218,594           |
| FL    | MIAMI CITY             | Municipal       | \$914,031           |
| FL    | MIAMI GARDENS CITY     | Municipal       | \$181,722           |
| FL    | MIAMI-DADE COUNTY      | County          | \$1,426,352         |
| FL    | MIRAMAR CITY           | Municipal       | \$101,163           |
| FL    | MONROE COUNTY          | County          | \$44,463            |
| FL    | NEW PORT RICHEY CITY   | Municipal       | \$36,173            |
| FL    | NORTH LAUDERDALE CITY  | Municipal       | \$52,982            |
| FL    | NORTH MIAMI BEACH CITY | Municipal       | \$69,327            |
| FL    | NORTH MIAMI CITY       | Municipal       | \$110,072           |
| FL    | OAKLAND PARK CITY      | Municipal       | \$57,009            |
| FL    | OCALA CITY             | Municipal       | \$101,395           |
| FL    | OKALOOSA COUNTY        | County          | \$127,963           |
| FL    | OPA-LOCKA CITY         | Municipal       | \$84,741            |
| FL    | ORANGE COUNTY          | County          | \$1,157,721         |
| FL    | ORLANDO CITY           | Municipal       | \$539,588           |
| FL    | ORMOND BEACH CITY      | Municipal       | \$49,731            |
| FL    | OSCEOLA COUNTY         | County          | \$189,854           |
| FL    | PALM BAY CITY          | Municipal       | \$122,776           |
| FL    | PALM BEACH COUNTY      | County          | \$456,007           |
| FL    | PANAMA CITY            | Municipal       | \$73,818            |
| FL    | PASCO COUNTY           | County          | \$323,240           |
| FL    | PEMBROKE PINES CITY    | Municipal       | \$80,017            |
| FL    | PENSACOLA CITY         | Municipal       | \$81,255            |
| FL    | PINELLAS COUNTY        | County          | \$175,217           |
| FL    | PINELLAS PARK CITY     | Municipal       | \$54,764            |
| FL    | PLANT CITY             | Municipal       | \$42,217            |

BJA FY 2020 Coronavirus Emergency Supplemental Funding

| State | Jurisdiction Name    | Government Type | Eligible Allocation |
|-------|----------------------|-----------------|---------------------|
| FL    | PLANTATION CITY      | Municipal       | \$55,927            |
| FL    | POLK COUNTY          | County          | \$299,848           |
| FL    | POMPANO BEACH CITY   | Municipal       | \$219,058           |
| FL    | PORT ST LUCIE CITY   | Municipal       | \$55,463            |
| FL    | PUTNAM COUNTY        | County          | \$59,413            |
| FL    | RIVIERA BEACH CITY   | Municipal       | \$109,917           |
| FL    | SANFORD CITY         | Municipal       | \$111,386           |
| FL    | SANTA ROSA COUNTY    | County          | \$52,441            |
| FL    | SARASOTA CITY        | Municipal       | \$75,213            |
| FL    | SARASOTA COUNTY      | County          | \$119,831           |
| FL    | SEMINOLE COUNTY      | County          | \$137,645           |
| FL    | ST JOHNS COUNTY      | County          | \$75,523            |
| FL    | ST LUCIE COUNTY      | County          | \$52,131            |
| FL    | ST PETERSBURG CITY   | Municipal       | \$423,475           |
| FL    | SUMTER COUNTY        | County          | \$54,918            |
| FL    | SUNRISE CITY         | Municipal       | \$55,150            |
| FL    | TALLAHASSEE CITY     | Municipal       | \$403,412           |
| FL    | TAMARAC CITY         | Municipal       | \$36,795            |
| FL    | TAMPA CITY           | Municipal       | \$463,911           |
| FL    | TAYLOR COUNTY        | County          | \$41,132            |
| FL    | TITUSVILLE CITY      | Municipal       | \$81,255            |
| FL    | VOLUSIA COUNTY       | County          | \$148,336           |
| FL    | WALTON COUNTY        | County          | \$38,577            |
| FL    | WEST PALM BEACH CITY | Municipal       | \$215,649           |
| FL    | WINTER GARDEN CITY   | Municipal       | \$35,709            |
| FL    | WINTER HAVEN CITY    | Municipal       | \$47,714            |
|       | <b>Local total</b>   |                 | <b>\$18,552,326</b> |

**City Commission Regular Meeting**

**11. d.**

**Meeting Date:** 04/20/2020

**Re:** FY 19 JAG-C Edward Byrne Memorial grant application,

**Submitted For:** Robert Ridle, Deputy Chief, Dist. 2, Police Department

---

**SUBJECT:**

Approve letter of support and approve the submission and acceptance for the FY 19 JAG-C Edward Byrne Memorial grant, also known as the Justice Assistance Grant (JAG-C).

**SUMMARY:**

The Edward Byrne Memorial Grant, also known as the Justice Assistance (JAG-C) grant consists of federal funding. JAG countywide funds are awarded to the Florida Department of Law Enforcement (FDLE) for management and distribution to local government. The JAG-C grant is a formula grant, annual awarded funding is determined by population versus drug related arrests. Historically, funds awarded to St. Lucie County are equally divided between the three law enforcement agencies in the county. FY 2020 funds available to the Fort Pierce Police Department are \$30,718 and are proposed for expenditure on targeted law enforcement technology. No matching funds or in-kind match are required.

**RECOMMENDATION:**

Staff recommends approval of the letter of support for proposed expenditure for FY 2020 JAG-C funds.

**ALTERNATIVES:**

Do not approve letter of support, subsequently, funds will not be awarded.

**RESPONSIBLE STAFF:**

Robert Ridle, Deputy Chief

**COORDINATED WITH:**

Anita Cocoves, Grant Coordinator and Jason Braun, Acting Lieutenant

---

**Fiscal Impact**

**Budgeted Y/N:** N  
**Fiscal Year:** 2020  
**Account:** 101-0000-334-20-00  
**Amount:** 30,718.00

**OTHER INFORMATION:**

The Fort Pierce Police Department's share of countywide JAG-C funding is \$30,718. The Department will utilize funds for law enforcement technology. No cash match or in-kind match is required.

---

## Attachments

---

### Form Review

**Inbox**

City Manager

Form Started By: Anita Cocoves

Final Approval Date: 04/07/2020

**Reviewed By**

Nick Mimms

**Date**

04/07/2020 03:48 PM

Started On: 03/30/2020 03:31 PM



THE SUNRISE CITY  
**FORT PIERCE**  
 POLICE DEPARTMENT  
 "In Honor We Serve"  
*Florida*

March 16, 2020

Ms. Rona Kay Cradit  
 Bureau Chief Office of Criminal Justice Grants  
 Florida Department of Law Enforcement  
 P.O. Box 1489  
 Tallahassee, FL  
 32302-1489

Dear Ms. Cradit,

In compliance with State of Florida *Rule 11D-9, F.A.C.*, the City of Fort Pierce approves the distribution of \$92,153.00 of Federal Fiscal Year 2019 Edward Byrne Memorial Grant (JAG) Program - Countywide funds for the following projects in Elm County:

| Sub-grantee/Implementing Agency            | Purpose or Project         | Award Amount       |
|--|----------------------------|--------------------|
| St. Lucie County - Sheriff's Office        | Law Enforcement Technology | \$30,718.00        |
| City of Fort Pierce - Police Department    | Law Enforcement Technology | \$30,718.00        |
| City of Port St. Lucie - Police Department | Law Enforcement Technology | \$30,717.00        |
|  |                            |                    |
|  | <b>Program Total:</b>      | <b>\$92,153.00</b> |

Sincerely,

Linda Hudson  
 Mayor



THE SUNRISE CITY  
**FORT PIERCE**  
POLICE DEPARTMENT  
"In Honor We Serve"

*Florida*





**City Commission Regular Meeting**

**12. a.**

**Meeting Date:** 04/20/2020

**Re:** Ordinance No. 20-010, Amending the FY 2018/19 General Fund Budget

**Submitted For:** Johnna Morris, Finance Director, Finance Department

---

**SUBJECT:**

Ordinance No. 20-010 - Final Budget Amendment of the General Fund 2018-2019 Budget.  
SECOND READING

**SUMMARY:**

The General Fund budget is being amended to adjust budgeted revenues and expenditures to the final actual figures.

**RECOMMENDATION:**

City Commission approve the budget amendment ordinance.

**ALTERNATIVES:**

Proceed as directed by the City Commission

**RESPONSIBLE STAFF:**

Finance Director

**COORDINATED WITH:**

City Clerk for Advertising

---

**Fiscal Impact**

**Budgeted Y/N:** N

**Fiscal Year:** 2019

**OTHER INFORMATION:**

See attached schedules

**Budgeted Y/N:** Y

**Fiscal Year:** 2019

**OTHER INFORMATION:**

See attached schedules for fiscal impact.

---

**Attachments**

20-010

FY'19 General Fund Final Budget Amendment

FY'19 Explanations for General Fund Final Budget Amendment

---

## Form Review

**Inbox**

Finance Department

Finance Department

City Manager

Form Started By: Queen Thompkins

Final Approval Date: 04/08/2020

**Reviewed By**

Johnna Morris

Johnna Morris

Nick Mimms

**Date**

03/25/2020 09:24 AM

03/25/2020 09:45 AM

03/31/2020 08:59 AM

Started On: 03/25/2020 09:13 AM

**ORDINANCE NO. 20-010**

AN ORDINANCE **AMENDING THE 2018-19 BUDGET** OF THE CITY OF FORT PIERCE, FLORIDA BY INSERTING THEREIN A SCHEDULE ATTACHED HERETO AND DESIGNED AS THE 2018-19 FINAL BUDGET AMENDMENT. THE SAID SCHEDULE PROVIDES FOR THE INCREASES AND/OR DECREASES IN REVENUES AND APPROPRIATIONS IN THE GENERAL FUND; AND PROVIDING FOR AN EFFECTIVE DATE.

**BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA:**

**SECTION 1.** The Budget of the City of Fort Pierce, Florida for the year 2018-19 be amended by increasing or decreasing various items as set out in the schedule, hereto attached and made a part hereof and designed as the 2018-19 final budget amendment and that the City Manager and Director of Finance are hereby instructed and directed to transfer said funds to said accounts and increase and decrease in conformity with said schedule.

**SECTION 2.** This ordinance shall become effective upon passage.

**APPROVED AS TO FORM  
AND CORRECTNESS:**

---

Peter Sweeney, Esq.  
City Attorney

STATE OF FLORIDA)  
ST. LUCIE COUNTY)<sup>SS</sup>

**WE, THE UNDERSIGNED**, Mayor Commissioner and the City Clerk of the City of Fort Pierce, Florida, do hereby certify that the foregoing and above Ordinance No. 20- was duly advertised by title only in the St. Lucie News Tribune on ; copy of said ordinance was made available at the office of the City Clerk to the public upon request; said ordinance was duly introduced, read by title only, and passed on first reading by the City Commission of the City of Fort Pierce, Florida, on April 6, 2020; and was duly introduced, read by title only, and passed on second and final reading on April 20, 2020, by the City Commission of the City of Fort Pierce, Florida.

**IN WITNESS HEREWITH**, we hereunto set our hands and affix the Official Seal of the City of Fort Pierce, Florida, this the 20th day of April 2020.

---

Linda Hudson,  
Mayor Commissioner

---

Linda W. Cox,  
City Clerk

(CITY SEAL)



# CITY OF FORT PIERCE

## Final Budget Amendment

Fiscal Year 2018-2019

| <i>General Fund Revenues</i>      | <i>Approved<br/>Budget</i> | <i>Increase</i>  | <i>Decrease</i> | <i>Amended<br/>Budget</i> | <i>Percentage<br/>Over<br/>Under<br/>Budget</i> |
|-----------------------------------|----------------------------|------------------|-----------------|---------------------------|---|
| <i>Taxes</i>                      | 21,761,008                 | 641,672          |                 | 22,402,680                | 2.95%   |
| <i>Licenses and Permits</i>       | 383,000                    | 97,104           |                 | 480,104                   | 25.35%  |
| <i>Inter-Government Revenue</i>   | 3,599,000                  | 1,906,038        |                 | 5,505,038                 | 52.96%  |
| <i>Charges for Services</i>       | 330,800                    | 100,227          |                 | 431,027                   | 30.30%  |
| <i>Fines and Forfeitures</i>      | 246,000                    | 113,458          |                 | 359,458                   | 46.12%  |
| <i>Miscellaneous Revenues</i>     | 2,231,434                  | 314,413          |                 | 2,545,847                 | 14.09%  |
| <i>Interfund Transfers</i>        | 2,960,947                  | 376,943          |                 | 3,337,890                 | 12.73%  |
| <i>Enterprise Contributions</i>   | 7,160,515                  | 102,817          |                 | 7,263,332                 | 1.44%   |
| <i>Other Financing Sources</i>    | 0                          | 467,928          |                 | 467,928                   | 0.00%   |
| <i>Fund Balance Appropriation</i> | 836,909                    | 673,295          |                 | 1,510,204                 | 80.45%  |
| <i>Restricted Revenue</i>         | <b>(600,000)</b>           |                  |                 | <b>(600,000)</b>          | 0.00%   |
|                                   |                            |                  |                 |                           |   |
| <b>Totals</b>                     | <b>38,909,613</b>          | <b>4,793,893</b> | <b>0</b>        | <b>43,703,506</b>         | <b>12.32%</b>                                   |

# CITY OF FORT PIERCE

## Final Budget Amendment

Fiscal Year 2018-2019

| <b>General Fund Expenditures</b>         | <b>Approved<br/>Budget</b> | <b>Increase</b>  | <b>Decrease</b> | <b>Amended<br/>Budget</b> | <b>Percentage<br/>Over<br/>Under<br/>Budget</b> |
|--|----------------------------|------------------|-----------------|---------------------------|---|
| <i>City Commission</i>                   | 246,606                    | 4,480            |                 | 251,086                   | 1.82%   |
| <i>City Manager</i>                      | 767,900                    | 1,062            |                 | 768,962                   | 0.14%   |
| <i>City Attorney</i>                     | 667,864                    |                  | 35,309          | 632,555                   | 5.29%   |
| <i>City Clerk</i>                        | 323,768                    |                  | 17,407          | 306,361                   | 5.38%   |
| <i>Human Resources</i>                   | 435,732                    |                  | 4,727           | 431,005                   | 1.08%   |
| <i>Finance</i>                           | 885,902                    |                  | 4,617           | 881,285                   | 0.52%   |
| <i>MIS</i>                               | 1,190,540                  |                  | 91,853          | 1,098,687                 | 7.72%   |
| <i>Purchasing</i>                        | 322,738                    |                  | 49,258          | 273,480                   | 15.26%  |
| <i>Planning</i>                          | 566,959                    |                  | 33,114          | 533,845                   | 5.84%   |
| <i>Building &amp; Community Response</i> | 1,057,212                  | 149,284          |                 | 1,206,496                 | 14.12%  |
| <i>Police</i>                            | 14,275,653                 | 1,107,599        |                 | 15,383,252                | 7.76%   |
| <i>PW/Director's Office</i>              | 98,252                     | 36,594           |                 | 134,846                   | 37.25%  |
| <i>PW/Fleet Maintenance</i>              | 585,387                    | 163,199          |                 | 748,586                   | 27.88%  |
| <i>PW/Facilities Maintenance</i>         | 1,021,353                  | 86,998           |                 | 1,108,351                 | 8.52%   |
| <i>PW/Parks &amp; Grounds</i>            | 2,143,014                  | 88,682           |                 | 2,231,696                 | 4.14%   |
| <i>PW/Streets &amp; Drainage</i>         | 1,784,669                  | 149,663          |                 | 1,934,332                 | 8.39%   |
| <i>Engineering</i>                       | 1,293,711                  |                  | 71,064          | 1,222,647                 | 5.49%   |
| <i>Riverwalk Center</i>                  | 330,036                    | 23,259           |                 | 353,295                   | 7.05%   |
| <i>Administrative</i>                    | 10,912,317                 | 3,290,422        |                 | 14,202,739                | 30.15%  |
|  |                            |                  |                 |                           |   |
| <b>Totals</b>                            | <b>38,909,613</b>          | <b>5,101,242</b> | <b>307,349</b>  | <b>43,703,506</b>         | <b>12.32%</b>                                   |

**City of Fort Pierce**  
**Final Budget Amendment**  
**Fiscal Year 2018-2019**  
**Revenues and Expenditures**

Below are the major revenue categories that are responsible for the increase and decrease in revenues during the City of Fort Pierce Budget year 2018-2019.

**(1) Taxes Increase: \$641,672 or 2.95%**

Ad valorem taxes budget to actual collection rate was 101% or an increase of \$127,283; Local Option Taxes - \$195,408, Utility Taxes - \$318,248 and Other Taxes – \$732 were more than anticipated.

**(2) Licenses and Permits Increase: \$97,104 or 25.35%**

Occupational licenses collections increase was \$24,030; planning and zoning fees increased \$58,878; other permits collectively increased \$14,196.

**(3) Intergovernmental Revenues Increase: \$1,906,038 or 52.96%**

The major increases are: Reimbursement from FEMA \$263,497, State revenue sharing \$175,976, Half cent sales tax \$246,320, Half Cent Infrastructure Sales Tax \$1,038,574, Casualty Insurance Premium Tax \$102,063, Housing Authority \$56,491 and all other intergovernmental revenue \$31,023; with reduction in Fuel Tax Refund \$7,906.

**(4) Charges for Services Increase: \$100,227 or 30.30%**

Record search, investigative and application fees, and liens provided \$25,341; parking fines \$15,061, traffic fines \$13,457; community center \$46,368.

**(5) Fines and Forfeitures Increase: \$113,458 or 46.12%**

Alarm Permit Violations increased \$94,153, violation of local ordinances increased \$61,888 and decreases in Judgements and Fines \$42,583.

**(6) Miscellaneous Revenues Increase: \$314,413 or 14.09%**

The increases were interest earnings \$194,828, special assessments \$33,282, contributions \$45,508, state reimbursements \$101,464, and other revenue collectively \$101,197; decreases in Stormwater reimbursements \$152,037, and \$9,827 in other line items.

**(7) Inter-fund Transfer Increase: \$376,943 or 12.73%**

The increases resulted from the transfer of \$300,000 from the restricted fund for road improvements, \$73,502 from FPRA for debt service payments and \$3,441 from Debt Service Fund for payments.

**(8) Enterprise Contributions Increase: \$102,817 or 1.44%**

The transfer from FPUA increased \$42,939, Solid Waste \$82,491 and Building \$5,387; Golf Course \$28,000 less due to unavailable funding.

**(9) Other Financing Sources Increase: \$467,928 or 0%**

Funds transferred for capital leases.

**(10) Fund Balance Appropriation Increase: \$673,295 or 80.45%**

Fund balance appropriation was \$836,909 to balance the budget, \$400,000 was restricted for FY 2020 Capital Improvements and \$200,000 restricted for Interfund loan repayment. An additional appropriation of \$673,295 was needed to fund fiscal 2019; the \$600,000 remains restricted.

Below are the departments and an explanation for the notable **increases** and **decreases** in their expenditure budgets during the City of Fort Pierce 2018-2019 budget year.

**(1) City Attorney Decrease: \$35,309 or 5.29%**

Personnel costs decreased \$134,813 due to staffing changes; Operating expenditures increased \$97,902 as a result of increased outside and contractual legal fees \$108,187 and decreases in other line items collectively \$10,285; Capital purchases increased \$1,600.

**(2) City Clerk Decrease: \$17,407 or 5.38%**

Decrease due to personnel changes, \$25,823; and various increases and decreases in operating expenditures, \$8,416.

**(3) Information Technology Decrease: \$91,853 or 7.72%**

Personnel costs decreased \$127,659 due to staffing changes; Operating expenditures increased \$28,537; Capital purchases increased \$7,269.

**(4) Purchasing Decrease: \$49,258 or 15.26%**

Decrease due to personnel changes, \$48,870; and various increases and decreases in operating expenditures, \$388.

**(5) Planning Decrease: \$33,114 or 5.84%**

Decrease due to personnel changes, \$10,282; and decreased operating expenditures \$22,822.

**(6) Code Enforcement Increase: \$149,284 or 14.12%**

Decrease due to personnel changes, \$21,441; and increased operating expenditures \$167,479; notable, increases in spay and neuter \$18,090, administrative fees \$48,220, and clean and safe initiative fees \$89,030.

**(7) Police Department Increase: \$1,107,599 or 7.76%**

Increase of \$1,032,519 in Police Department Personnel costs consisted of \$9,611 in Salaries and Benefits, \$207,613 in Incentive Pay, \$580,764 in Overtime, and \$263,780 in Accrued Compensation, with decreases of \$29,249 in other line items; increases of \$74,748 in Operating expenditures.

**(8) PW/Director's Office Increase: \$36,594 or 37.25%**

Increase due to change in communication expenditures- all charges being posted to 1 division \$33,852; increase and decreases in various line items \$2,742.

**(9) PW/Fleet Maintenance Increase: \$163,199 or 27.88%**

Increases due to unforeseen projects.

**(10) PW/Facilities Maintenance Increase: \$86,998 or 8.52%**

Increases due to unforeseen projects.

**(11) PW/Parks & Grounds Increase: \$88,682 or 4.14%**

Increases due to unforeseen projects.

**(12) PW/Streets & Drainage Increase: \$149,663 or 8.39%**

Increases due to unforeseen projects.

**(13) Engineering Decrease: \$71,064 or 5.49%**

Decrease due to personnel changes, \$44,701.13; and various increases and decreases in operating expenditures, \$26,363.

**(14) Leisure Services Increase: \$23,259 or 7.05%**

Increases due to youth recreation expenditures.

**(15) Administrative Department Increase: \$3,290,422 or 30.15%**

Personnel Services line items increased \$33,609, in Retirement –Police \$102,063, health insurance cost decrease \$74,609 and various increases and decreases \$27,454; increases in various operating expenditures totaling \$350,761; \$489,393 in capital improvements costs, and non-operating and debt service payments \$2,416,658; to include \$1,038,574 for Half Cent Infrastructure Sales Tax moved to restricted fund.

**City Commission Regular Meeting**

**13. a.**

**Meeting Date:** 04/20/2020

**Re:** Resolution \_\_\_\_\_ Refunding Loan Agreement

**Submitted For:** Johnna Morris, Finance Director, Finance Department

---

**SUBJECT:**

Resolution 20-R21 accepting the proposal of J.P. Morgan Chase Bank to purchase the Capital Improvement Refunding Notes authorizing the execution and delivery of a loan agreement.

**SUMMARY:**

Resolution 20-R21 authorizing the refunding of Revenue Notes in order to save the City Revenue.

**RECOMMENDATION:**

Approve Resolution 20-R21.

**ALTERNATIVES:**

Do No Approve the Resolution

**RESPONSIBLE STAFF:**

Johnna Morris, Finance Director

**COORDINATED WITH:**

City Manager, City Attorney, City Clerk

---

**Fiscal Impact**

**Budgeted Y/N:** N

**OTHER INFORMATION:**

Savings as outlined in the memo.

---

**Attachments**

- Letter from Finance Director
  - 20-R21
  - Exhibit B
  - Exhibit C
  - Term Sheet 1
  - Term Sheet 2
- 

**Form Review**

**Inbox**  
Finance Department

**Reviewed By**  
Johnna Morris

**Date**  
04/14/2020 11:23 AM

City Manager

Finance Department

City Manager

Form Started By: Queen Thompkins

Final Approval Date: 04/14/2020

Nick Mimms

Johnna Morris

Nick Mimms

04/14/2020 11:49 AM

04/14/2020 04:12 PM

04/14/2020 04:35 PM

Started On: 04/14/2020 10:36 AM



THE SUNRISE CITY  
**FORT PIERCE**  
FINANCE DEPARTMENT  
*Florida*

Received

APR 14 2020

City of Fort Pierce  
City Manager's Office

TO : Mayor & Commissioners

FROM : Johnna Morris, Director of Finance

THRU : Nicholas Mimms, City Manager

RE : **Refunding of the City's Series 2014, 2016 & 2018 Capital Improvement Notes**

DATE : April 13, 2020

We are continuously looking for ways to save and best utilize City resources; consequently, we have been in contact with the City's bond placement agent to discuss the possibility of refinancing our debt in this low interest rate market. As a result, I am proud to report we have an opportunity to refund the City's Series 2014, 2016, and 2018 Capital Improvement Notes, which will generate significant cost savings for the City over the life of the notes, without extending the terms. This refunding will save the City approximately \$662,000 over the life of the notes. Wes Bradish of Ziegler will be calling to request phone meetings with you to discuss the savings and terms of the refunding.

As we are persistently working to protect the city's financial standing through careful planning, conservative budgeting, and regularly monitoring the economic market, the timing is right for us to have positive results with these refundings. The resolution is scheduled to be presented at the April 20, 2020 Commission meeting.

cc: Nick Mimms, City Manager  
Pete Sweeney, City Attorney

## RESOLUTION NO. 20-R21

A RESOLUTION OF THE CITY OF FORT PIERCE, FLORIDA ACCEPTING THE PROPOSAL OF JPMORGAN CHASE BANK, N.A. TO PURCHASE THE CITY'S NOT TO EXCEED **\$6,100,000 CAPITAL IMPROVEMENT REVENUE REFUNDING NOTE**, SERIES 2020A THE PROCEEDS OF WHICH WILL BE APPLIED TO CURRENTLY REFUND ALL OF THE CITY'S OUTSTANDING CAPITAL IMPROVEMENT REVENUE NOTE, SERIES 2014A AND TO THE EXTENT NOT REFUNDED WITH PROCEEDS OF THE CITY'S TAXABLE CAPITAL IMPROVEMENT REVENUE REFUNDING NOTE, SERIES 2020B ALL OF THE CITY'S OUTSTANDING CAPITAL IMPROVEMENT REVENUE NOTES, SERIES 2016B AND SERIES 2016C AND TO PAY COSTS OF ISSUANCE THEREOF AND ALL OF THE CITY'S NOT TO EXCEED \$3,000,000 TAXABLE CAPITAL IMPROVEMENT REVENUE REFUNDING NOTE, SERIES 2020B THE PROCEEDS OF WHICH WILL ADVANCE REFUND ALL OF THE CITY'S OUTSTANDING TAXABLE CAPITAL IMPROVEMENT REVENUE NOTE, SERIES 2016A AND TO THE EXTENT NOT REFUNDED WITH PROCEEDS OF THE CITY'S CAPITAL IMPROVEMENT REVENUE REFUNDING NOTE, SERIES 2020A ALL OF THE CITY'S OUTSTANDING CAPITAL IMPROVEMENT REVENUE NOTES, SERIES 2016B AND SERIES 2016C AND TO PAY COSTS OF ISSUANCE THEREOF AND THE CITY'S NOT TO EXCEED \$7,350,000 CAPITAL IMPROVEMENT REVENUE REFUNDING NOTE, SERIES 2020C, THE PROCEEDS OF WHICH WILL ADVANCE REFUND ALL OF THE CITY'S OUTSTANDING CAPITAL IMPROVEMENT REVENUE REFUNDING NOTE, SERIES 2018 AND TO PAY COSTS OF ISSUANCE THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF LOAN AGREEMENTS WITH SAID LENDER TO SECURE THE REPAYMENT OF SAID NOTES; PROVIDING FOR THE PAYMENT OF SUCH NOTES FROM THE CITY'S COVENANT TO BUDGET AND APPROPRIATE NON AD VALOREM REVENUES ALL AS PROVIDED IN THE LOAN AGREEMENTS; AUTHORIZING THE PROPER OFFICIALS OF THE CITY TO DO ANY OTHER ADDITIONAL THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE EXECUTION OF THE LOAN AGREEMENTS, THE NOTES, AND THE SECURITY THEREFOR; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH NOTES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

### **BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA AS FOLLOWS:**

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Chapter 166, Florida Statutes, and as to the 2020B Note (hereinafter defined) Chapter 159, Part VII, Florida Statutes the Florida Constitution, and other applicable provisions of law.

SECTION 2. FINDINGS. It is hereby ascertained determined and declared:

(A) The City of Fort Pierce, Florida (the "City") deems it necessary, desirable and in the best interests of the City that the City issue its (i) Capital Improvement Revenue Refunding Note, Series 2020A the proceeds of which will be applied by the City to currently refund all of the City's Outstanding Capital Improvement Revenue Note, Series 2014A, and to the extent not refunded with proceeds of the City's Taxable Capital Improvement Revenue Refunding Note, Series 2020B all of the City's Outstanding Capital Improvement Revenue Notes, Series 2016B and Series 2016C (the "2020A Note"), (ii) Taxable Capital Improvement Revenue Refunding Note, Series 2020B the proceeds of which will be applied to advance refund all of the City's Outstanding Taxable Capital Improvement Revenue Note, Series 2016A and to the extent not refunded with proceeds of the City's Capital Improvement Revenue Refunding Note, Series 2020A all of the City's Outstanding Capital Improvement

Revenue Notes, Series 2016B and Series 2016C and to pay costs of issuance thereof, (the "2020B Note") and (iii) Capital Improvement Revenue Refunding Note, Series 2020C, the proceeds of which will be applied by the City to advance refund all of the City's Outstanding Capital Improvement Revenue Refunding Note, Series 2018 (the "2018 Note") and to pay costs of issuance thereof (the "2020C Note," collectively with the 2020A Note and the 2020B Note, the "2020 Notes"), all as more particularly described herein and in the Loan Agreements (as defined herein). The interest on the 2018 Note is includable in gross income for federal income tax purposes.

(B) Pursuant to Section 2(b), Article VIII of the State Constitution and Section 166.021, Florida Statutes, municipalities have the governmental, corporate and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services, and may exercise any power for municipal purposes, except when expressly prohibited by law. The issuance of the 2020 Notes and the execution and delivery of the Loan Agreements for the purposes of set forth in Section 2(A) hereof is not prohibited by law.

(C) The City staff in consultation with B.C. Ziegler and Company has reviewed the term sheets of JPMorgan Chase Bank, N.A. (the "Lender") regarding the loans evidenced by the 2020 Notes (collectively, the "Loan").

(D) The Loan will be secured by the City's covenant to budget and appropriate non ad valorem revenues as provided in the respective Loan Agreements pursuant to which the City will issue the 2020 Notes to secure the repayment of the Loan.

(E) Prior to the issuance of the 2020 Notes the City shall have received the certificate of an Independent Auditor required by various City resolutions as a condition precedent to the issuance by the City of debt payable from amounts budgeted and appropriated from non ad valorem revenues.

(F) The City has determined that due to the present volatility of the market for municipal debt, it is in the best interest of the City to issue the 2020 Notes pursuant to the Loan Agreements by negotiated sale, allowing the City to issue the 2020 Notes at the most advantageous time, rather than a specified advertised future date, thereby allowing the City to obtain the best possible prices, interest rates and other terms for the 2020 Notes and, accordingly, the City Commission of the City hereby finds and determines that it is in the best financial interest of the City that a negotiated private placement of the 2020 Notes to the Lender be authorized.

SECTION 3. AUTHORIZATION OF ISSUANCE OF 2020 NOTES. The City hereby authorizes the issuance of the 2020A Note in a principal amount not to exceed \$6,100,000, the 2020B Note in a principal amount not to exceed \$3,000,000 and the 2020C Note in the principal amount not to exceed \$7,350,000 for the purposes set forth in Section 2(A) hereof and as more particularly described in the Loan Agreements.

SECTION 4. ACCEPTANCE OF TERM SHEETS OF LENDER. The City hereby accepts the term sheets of the Lender for the purchase of the 2020 Notes attached hereto as Exhibit A.

SECTION 5. APPROVAL OF FORM OF AND AUTHORIZATION OF LOAN AGREEMENTS AND 2020 NOTES AND EXECUTION OF LOAN AGREEMENTS AND 2020 NOTES. The repayment of the Loan as evidenced by the 2020A and 2020B Notes shall be pursuant to the terms and provisions of the Loan Agreement attached hereto as Exhibit B and the 2020A Note and 2020B Note, respectively. The repayment of the Loan evidenced by the 2020C Note shall be pursuant to the terms of the Loan Agreement attached hereto as Exhibit C and the 2020C Note. The Loan Agreement attached hereto as Exhibit B and the Loan Agreement attached hereto as Exhibit C are collectively referred to as the "Loan Agreements". The City hereby approves the Loan Agreements in substantially the forms attached hereto as **Exhibits B and C** and authorizes the Mayor or the Mayor Pro-Tem of the City (collectively, the "Mayor") and the City Clerk or any deputy or assistant City Clerk of the City (collectively, the "City Clerk") to execute and deliver on behalf of the City the Loan Agreements by and

between the City and the Lender substantially in the form attached hereto as Exhibits B and C and the 2020 Notes in substantially the form attached to the Loan Agreements, with such changes insertions and additions as they may approve, their execution thereof being evidence of such approval.

SECTION 6. PAYMENT OF DEBT SERVICE ON 2020 NOTES. Pursuant to the Loan Agreements, the 2020 Notes will be secured by the City's covenant to budget and appropriate Non Ad Valorem Revenues, all as more particularly described in the Loan Agreements.

SECTION 7. AUTHORIZATION OF OTHER DOCUMENTS TO EFFECT TRANSACTION. To the extent that other documents, including but not limited to an escrow deposit agreement, certificates or opinions, are needed to effect any of the transactions referenced in this Resolution, the Loan Agreements or the 2020 Notes, and the security therefore the Mayor, the City Clerk, the City Manager, the City's Finance Director, the City Attorney and Akerman LLP, the City's Bond Counsel are hereby authorized to execute and deliver such documents, certificates, opinions, or other items and to take such other actions as are necessary for the full, punctual, and complete performance of the covenants, agreements, provisions, and other terms as are contained herein and in the documents included herein by reference.

SECTION 8. PAYING AGENT AND REGISTRAR. The City hereby accepts the duties to serve as registrar and paying agent for the 2020 Notes.

SECTION 9. LIMITED OBLIGATION. The obligation of the City to repay amounts under the Loan Agreements and the 2020 Notes are limited and special obligations, payable solely from the sources and in the manner set forth in the Loan Agreements and the 2020 Notes and shall not be deemed a pledge of the faith and credit or taxing power of the City.

SECTION 10. EFFECT OF PARTIAL INVALIDITY. If any one or more provisions of this Resolution, the Loan Agreements, or the 2020 Notes shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution, the 2020 Notes or the Loan Agreements, but this Resolution, the Loan Agreements, and the 2020 Notes shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The 2020 Notes shall be issued and the Loan Agreements shall be executed and this Resolution is adopted with the intent that the laws of the State of Florida shall govern their construction.

SECTION 11. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

**IN WITNESS WHEREOF**, this Resolution has been duly adopted this 20<sup>th</sup> day of April, 2020.

**CITY OF FORT PIERCE, FLORIDA**

ATTEST:

By \_\_\_\_\_  
Linda W. Cox, City Clerk

By: \_\_\_\_\_  
Linda Hudson, Mayor

(CITY SEAL)

APPROVED AS TO THE FORM

\_\_\_\_\_  
Peter J. Sweeney, City Attorney

---

---

**LOAN AGREEMENT**

**Dated May 1, 2020**

**By and Between**

**CITY OF FORT PIERCE, FLORIDA**  
**(the “City”)**

**and**

**JPMORGAN CHASE BANK, N.A.**  
**(the “Lender”)**

---

---

## TABLE OF CONTENTS

(The Table of Contents for this Loan Agreement is for convenience of reference only and is not intended to define, limit or describe the scope or intent of any provisions of this Loan Agreement.)

|  | <u>Page</u> |
|--|-------------|
| ARTICLE I DEFINITION OF TERMS .....  | 1           |
| Section 1.01. Definitions .....  | 1           |
| Section 1.02. Interpretation .....   | 4           |
| Section 1.03. Titles and Headings .....  | 4           |
| ARTICLE II REPRESENTATIONS AND WARRANTIES OF THE PARTIES .....                         | 5           |
| Section 2.01. Representations and Warranties of City .....                             | 5           |
| ARTICLE III THE NOTE .....   | 6           |
| Section 3.01. Purpose and Use .....  | 6           |
| Section 3.02. Adjustments to 2020A Note Rate Upon Determination of<br>Taxability ..... | 6           |
| Section 3.03. Conditions Precedent to Issuance of 2020 Notes .....                     | 7           |
| Section 3.04. Registration of Transfer; Assignment of Rights of Lender .....           | 8           |
| Section 3.05. Ownership of the 2020 Notes .....  | 10          |
| Section 3.06. Use of Proceeds of 2020 Notes Permitted Under Applicable Law .....       | 10          |
| Section 3.07. Authentication .....   | 10          |
| ARTICLE IV COVENANTS OF THE CITY .....   | 10          |
| Section 4.01. Performance of Covenants .....   | 10          |
| Section 4.02. Payment of 2020 Notes .....  | 10          |
| Section 4.03. Covenant to Budget and Appropriate .....                                 | 11          |
| Section 4.04. Tax Covenant .....   | 12          |
| Section 4.05. Anti-Dilution .....  | 12          |
| Section 4.06. Future Debt Payable From Non-Ad Valorem Revenues .....                   | 12          |
| Section 4.07. Financial Disclosures .....  | 13          |
| Section 4.08. Continuing Disclosure Filing .....                                       | 13          |
| ARTICLE V EVENTS OF DEFAULT AND REMEDIES .....   | 14          |
| Section 5.01. Events of Default .....  | 14          |
| Section 5.02. Exercise of Remedies .....   | 15          |
| Section 5.03. Remedies Not Exclusive .....   | 15          |
| Section 5.04. Remedies Cumulative .....  | 15          |
| Section 5.05. Waivers, Etc .....   | 16          |
| ARTICLE VI MISCELLANEOUS PROVISIONS .....  | 16          |
| Section 6.01. Covenants of City, Etc.; Successors .....                                | 16          |
| Section 6.02. Term of Agreement .....  | 16          |
| Section 6.03. Amendments and Supplements .....   | 16          |
| Section 6.04. Notices .....  | 16          |

|   |     |
|---|-----|
| Section 6.05. Benefits Exclusive .....                | 17  |
| Section 6.06. Severability .....                      | 17  |
| Section 6.07. Payments Due on Non-Business Days ..... | 17  |
| Section 6.08. Counterparts .....                      | 17  |
| Section 6.09. Applicable Law .....                    | 18  |
| Section 6.10. No Personal Liability .....             | 18  |
| Section 6.11. Waiver of Jury Trial .....              | 18  |
| Section 6.12. Documentary and Intangible Taxes .....  | 18  |
| Exhibit A Form of 2020 [A/B] Note.....                | A-1 |

## LOAN AGREEMENT

**THIS LOAN AGREEMENT** (this “Agreement”), made and entered into this 1<sup>st</sup> day of May, 2020, by and between the **CITY OF FORT PIERCE, FLORIDA** (the “City”), a municipal corporation of the State of Florida, and **JPMORGAN CHASE BANK, N.A.**, a national banking association authorized to do business in the State of Florida, including making the Loan described herein (the “Lender”).

### WITNESSETH:

WHEREAS, capitalized terms used in these recitals and not otherwise defined shall have the meanings specified in Article I of this Agreement; and

WHEREAS, the City, pursuant to the provisions of the Florida Constitution, Chapter 166, *Florida Statutes*, the Municipal Charter of the City and other applicable provisions of Florida law (all of the foregoing, collectively, the “Act”), and Resolution No. \_\_\_\_\_ duly adopted by the City Commission of the City on April 20, 2020, is authorized to borrow money, and more particularly issue the 2020 Notes described below for the City’s public purpose; and

WHEREAS, in response to a request to certain financial institutions by the City, the Lender submitted two term sheets dated March 25, 2020 (collectively, the Commitment”) regarding the issuance by the City and the purchase by the Lender of the City’s (a) Capital Improvement Revenue Refunding Note, Series 2020A (the “2020A Note”) to currently refund all of the City’s Outstanding (i) Capital Improvement Revenue Note, Series 2014A (the, “2014A Note”) and (ii) Capital Improvement Revenue Notes, Series 2016B and Series 2016C (the “2016B/C Note”) and to pay costs of issuance thereof and (iii) Taxable Capital Improvement Revenue Refunding Note, Series 2020B (the “2020B Note” and, together with the 2020A Note, the “2020 Notes”) to advance refund all of the City’s Outstanding Taxable Capital Improvement Revenue Note, Series 2016A (the, “2016A Note” and, together with the 2014A Note and 2016 B/C Note, the Refunded Notes”) and to pay costs of issuance thereof; and

WHEREAS, the City has accepted the Commitment and the Lender is willing to purchase the 2020 Notes, to refund the Refunded Notes, but only upon the terms and conditions of this Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

### **ARTICLE I**

#### **DEFINITION OF TERMS**

**Section 1.01. Definitions.** Capitalized terms used in this Agreement and not otherwise defined shall have the respective meanings set forth in the recitals and as follows:

“2020A Note Rate” shall mean the rate of interest to be borne by the 2020A Note which shall be a fixed rate of 1.264% and after a Determination of Taxability shall mean the Taxable Rate all calculated on a 360-day year basis of twelve (12), thirty (30) day months.

“2020B Note Rate” shall mean the rate of interest to be borne by the 2020B Note which shall be a fixed rate equal to 1.647% per annum calculated on the basis of a 360-day year of twelve (12), thirty (30) day months, subject to adjustment as provided herein.

“Act” shall have the meaning assigned to that term in the recitals hereof.

“Agreement” shall mean this Loan Agreement and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

“Bond Counsel” shall mean, Akerman LLP, or any other attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions hired by the City to render an opinion on such matters with regard to the 2020 Notes.

“Bond Service Requirement” shall mean, for any Fiscal Year, the amount of principal of or amortization installments and interest due on Debt (as defined in Section 4.06 hereof) for such Fiscal Year, except to the extent that any such Bond Service Requirement shall have been provided for out of Debt proceeds.

“Business Day” shall mean any day other than a Saturday, a Sunday, or a day on which the office of the Lender at which payments on the 2020 Notes are due is lawfully closed.

“City Clerk” shall mean the City Clerk or any deputy or assistant City Clerk of the City and such other person as may be duly authorized to act on his or her behalf.

“City Manager” shall mean the City Manager of the City and such other person as may be duly authorized to act on his or her behalf.

“Closing Date” shall mean May 1, 2020.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable rules and regulations promulgated thereunder.

“Debt Service” means principal and interest, and other debt-related costs, due in connection with the 2020 Notes.

“Default Rate” shall mean the applicable Note Rate plus two percent (2.0%) calculated on the basis of a 360-day year of twelve (12), thirty (30) day months.

“Determination of Taxability” shall mean with respect to the 2020A Note, any determination, decision or decree by the Commissioner or any District Director of the Internal Revenue Service, as such officers are identified by the Code, or any court of competent jurisdiction that the interest payable under the 2020A Note is includable in the gross income (as defined in Section 61 of the Code) of the Holder.

“Escrow Deposit Agreement” shall mean the document entitled escrow deposit agreement between the City and \_\_\_\_\_ pursuant to which a portion of the proceeds of the 2020A Note and

the 2020B Note together with other legally available moneys of the City will be deposited to provide for the defeasance of the 2014A Note and the 2016A Note.

“Event of Default” shall mean an Event of Default as defined in Section 5.01 of this Agreement.

“Final Maturity Date” shall mean the date on which all principal and all unpaid interest accrued on the applicable 2020 Note shall be due and payable in full, which date shall be, if not sooner due to acceleration or prepayment is September 1, 2031 for the 2020A Note and September 1, 2026 for the 2020B Note.

“Finance Director” shall mean the City's Finance Director or such other person as may be duly authorized to act on his or her behalf.

“Fiscal Year” shall mean the 12-month period commencing October 1 of each year and ending on the succeeding September 30, or such other 12-month period as the City may designate as its “fiscal year” as permitted by law.

“Loan” shall refer to an amount equal to the outstanding principal of the 2020 Notes, together with unpaid interest which has accrued.

“Maximum Annual Debt Service” shall mean, as of any particular date of calculation, the greatest amount of aggregate Bond Service Requirement for the then current or any future Fiscal Year, except that with respect to any Debt for which amortization installments have been established, the amount of principal coming due on the final maturity date with respect to such Debt shall be reduced by the aggregate principal amount of such Debt that are to be redeemed from amortization installments which were to be made in, prior Fiscal Years. Maximum Annual Debt Service on Debt means, with respect to Debt that bears interest at a fixed interest rate, the actual annual debt service, and, with respect to Debt which bears interest at a variable interest rate, annual debt service on such Debt shall be determined assuming that interest accrues on such Debt at the current “Bond Buyer Revenue Bond Index” as published in The Bond Buyer no more than two weeks, prior to any such calculation; provided, however, if any Debt, whether bearing interest at a fixed or variable rate, constitutes Balloon Indebtedness, as defined in the immediately following sentence, annual debt service on such Debt shall be determined assuming such Debt is amortized over 25 years on an approximately level debt service basis. For purposes of the foregoing sentence, “Balloon Indebtedness” means Debt, 25% or more of the original principal of which matures or is obligated to be repaid during any one Fiscal Year. The foregoing notwithstanding, for purposes of calculating annual debt service, any Debt which bears interest at a variable rate with respect to which the City has entered into an interest rate swap or interest rate cap for a notional amount equal to the principal amount of such variable rate indebtedness shall be treated for purposes of this paragraph as bearing interest at a fixed rate equal to the fixed rate payable by the City under the interest rate swap, or the capped rate provided by the interest rate cap.

With respect to debt service on any Debt with respect to which the City to receive or is otherwise entitled to receive direct subsidy payments from the United States Department of Treasury, when determining the interest on such Debt for any particular interest payment date the amount of the corresponding subsidy payment shall be deducted from the amount of interest which

is due and payable with respect to such Debt on the interest payment date, but only to the extent that the City reasonably believes that it will be in receipt of such subsidy payment on or prior to such interest payment date. In that case, such direct subsidy payments shall not be treated as Non-Ad Valorem Revenues to avoid double counting.

“Non-Ad Valorem Revenues” shall mean all legally available funds of the City derived from any source whatsoever other than ad valorem taxation on real or personal property, which are legally available to make the payments due on the 2020 Notes, but only after the satisfaction of the funding requirement for obligations having an express lien or a pledge of such revenues and after provision has been made by the City for the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City or which are legally mandated by applicable law.

“Noteholder” or “Holder” or any similar term shall mean the Lender as the holder of the Note and any subsequent registered holder of the Note.

“Payment Date” shall mean each March 1 and September 1, commencing September 1, 2020 until a particular 2020 Note has been paid in full.

“Pledged Revenues” shall mean (i) Non-Ad Valorem Revenues of the City budgeted and appropriated and deposited in accordance with Section 4.03 hereof and (ii) all funds on deposit in the Debt Service Fund (defined herein) and all investment earnings on any such funds.

“Resolution” shall mean Resolution No. \_\_\_\_\_, duly adopted at a meeting of the City Commission on April 20, 2020, which, among other things, authorized the borrowing of the Loan and execution and delivery of this Agreement and the issuance of the Note.

“State” shall mean the State of Florida.

"Taxable Rate" shall mean with respect to the 2020A Note, the interest rate per annum that shall provide the Lender with the same after tax yield that the Lender would have otherwise received had the Determination of Taxability not occurred, taking into account the increased taxable income of the Lender as a result of such Determination of Taxability. The Lender shall provide the City with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the City.

**Section 1.02. Interpretation.** Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

**Section 1.03. Titles and Headings.** The titles and headings of the Articles and Sections of this Agreement, which have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this

Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES OF THE PARTIES

**Section 2.01. Representations and Warranties of City.** The City represents and warrants to the Lender as follows:

(a) Existence. The City is a municipal corporation of the State, duly created and validly existing under the laws of the State, with full power to enter into this Agreement, to perform its obligations hereunder and to issue and deliver the 2020 Notes to the Lender. The adoption of the Resolution and the making, execution and performance of this Agreement on the part of the City and the issuance and delivery of the 2020 Notes have been duly authorized by all necessary action on the part of the City and the terms of the 2020 Notes, this Agreement and the other Loan Documents (as defined herein) will not violate or conflict with the Act, or constitute a violation of the terms of any judgment, decree, agreement, indenture or other instrument to which the City is a party or by which the City or any of its properties is bound.

(b) Validity, Etc. This Agreement, the 2020 Notes and the Resolution are valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except to the extent that enforceability may be subject to valid bankruptcy, insolvency, financial emergency, reorganization, moratorium or similar laws relating to or from time to time affecting the enforcement of creditors' rights and except to the extent that the availability of certain remedies may be precluded by general principles of equity.

(c) [No Financial Material Adverse Change. The audited purpose financial statements of the City for its Fiscal Year ended September 30, 2019, receipt of which is acknowledged by the Lender, were prepared in accordance with generally accepted accounting principles as applied to governmental entities and present fairly the financial condition of the City as of such date and the results of its operations for the period then ended. [No material adverse change in the financial condition of the City has occurred since the audited financial statements of the City for its Fiscal Year ended September 30, 2019].

(d) Powers of City. The City has the legal power and authority to pledge the Pledged Revenues to the repayment of the Loan as described herein.

(e) Authorizations, etc. No authorization, consent, approval, license, exemption or registration or filing with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, has been or will be necessary for the valid execution, delivery and performance by the City of this Agreement, the 2020 Notes and the related documents, except such as have been obtained, given or accomplished.

(f) No Litigation. There is no litigation pending, or, to the best knowledge of the City, threatened, which seeks to restrain or enjoin the adoption of the Resolution or the execution and delivery of the Loan Documents, or the performance by the City of its obligations under the 2020 Notes or this Agreement, or the collection and application of the Non-Ad Valorem Revenues.

(g) Non-Ad Valorem Revenues. The City currently receives the Non-Ad Valorem Revenues and is legally entitled to covenant to budget and appropriate from such Non-Ad Valorem Revenues amounts necessary to pay the principal of and interest on the 2020 Notes and to make the other payments, if any, required under the 2020 Notes and this Agreement when due. The Non-Ad Valorem Revenues are estimated to be sufficient to pay the principal of and interest on the 2020 Notes and to make the other payments, if any, required under the 2020 Notes or this Agreement and to make all other payments required to be made from Non-Ad Valorem Revenues, as the same becomes due. The Non-Ad Valorem Revenues expected to be received in the current Fiscal Year satisfy the coverage requirements set forth in Section 4.05 and Section 4.0 hereof.

(h) No Acceleration for Similarly Secured Debt. Without the Lender's consent (or granting the Lender the same remedy), the City shall not grant to any other lender the remedy of acceleration with respect to its loan obligations secured by a covenant substantially similar to the covenant set forth in Section 4.3 hereof.

(i) No Fiduciary Relationship. Neither the Lender nor any of its affiliates shall act as a fiduciary for the City or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor with respect to the proposed issuance of the 2020 Notes. Neither the Lender nor any of its affiliates has provided, and will not provide, financial, legal, tax, accounting or other advice to or on behalf of the City with respect to the proposed issuance of the 2020 Notes. The City has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the proposed issuance of the 2020 Notes from its financial, legal and other advisors (and not the Lender or any of its affiliates) to the extent that the City desired to obtain such advice.

### ARTICLE III

#### THE 2020 NOTES

**Section 3.01. Purpose and Use.** On the date of this Agreement, the Lender shall make available to the City the Loan in the principal amount of \_\_\_\_\_ (\$\_\_\_\_\_) evidenced by the 2020A Note and in the principal amount of \$\_\_\_\_\_ evidenced by the 2020B Note. The proceeds available under the 2020 Notes and this Agreement shall be used solely to accomplish the purposes set forth in the recitals hereto.

(a) Interest. The 2020A Note shall bear interest at the 2020A Note Rate and the 2020B Note shall bear interest at the 2020B Note Rate. Interest on all 2020 Notes shall be computed on the basis of a 360 day year of twelve (12), thirty (30) day months.

(b) Prepayment The 2020 Notes shall not be subject to optional prepayment by the City.

**Section 3.02. Adjustments to 2020A Note Rate Upon Determination of Taxability.** In the event of a Determination of Taxability, the 2020A Note Rate shall be adjusted to the Taxable Rate effective retroactively to the effective date of such Determination of Taxability. Within thirty (30) days of a Determination of Taxability, the City agrees to pay

to the Noteholder subject to such Determination of Taxability the Additional Amount (as defined herein). "Additional Amount" means (i) the difference between (a) interest on such 2020A Note for the period commencing on the date on which the interest on such 2020A Note (or portion thereof) becomes subject to the Taxable Rate and ending on the earlier of the date such 2020A Note ceases to be outstanding or such adjustment is no longer applicable to such 2020A Note (the "Taxable Period") at a rate equal to the Taxable Rate and (b) the aggregate amount of interest payable on such 2020A Note for the Taxable Period under the provisions of such 2020A Note without considering the Determination of Taxability, plus (ii) any penalties and interest paid or payable by the Noteholder to the Internal Revenue Service by reason of such Determination of Taxability.

The Lender shall promptly notify the City in writing of any adjustments pursuant hereto. Notwithstanding any provision herein to the contrary, in no event shall the interest rate on the 2020 Notes exceed the maximum rate permitted by law.

**Section 3.03. Conditions Precedent to Issuance of 2020 Notes.** Prior to or simultaneously with the delivery of the 2020 Notes, there shall be filed with the Lender the following, each in form and substance reasonably acceptable to the Lender:

(a) an opinion of counsel to the City substantially to the effect that the Resolution has been duly adopted and this Agreement, the Resolution the Escrow Deposit Agreement, the 2020 Notes and any other documents or instruments required or necessary to be executed or delivered by the City in order to consummate the transactions contemplated by this Agreement (the "Loan Documents") have been duly authorized, executed and delivered by the City and each constitutes a valid, binding and enforceable agreement of the City in accordance with their respective terms, except to the extent that the enforceability of the rights and remedies set forth herein may be limited by bankruptcy, insolvency, financial emergency or other laws affecting creditors' rights generally or by usual equity principles; the City's execution, delivery and performance of the Loan Documents and the issuance of the 2020 Notes are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not heretofore obtained or effected; the execution and delivery of the 2020 Notes has been duly and validly authorized by the City and the 2020 Notes have been duly executed; the City is a municipal corporation duly organized and validly existing under the laws of the State, and has power and authority to adopt the Resolution, to execute and deliver the Loan Documents and to consummate the transactions contemplated by such instruments; the execution, delivery and performance of the Loan Documents and compliance with the terms thereof and hereof, under the circumstances contemplated hereby, do not and will not in any material respect conflict with, or constitute on the part of the City a breach or default under, any indenture, mortgage, deed of trust, agreement or other instrument to which the City or to which its properties are subject or conflict with, violate or result in a breach of any existing law, administrative rule or regulation, judgment, court order or consent decree to which the City or its properties are subject; there is no claim, action, suit, proceeding, inquiry, investigation, litigation or other proceeding, at law or in equity, pending or, to the best of such counsel's knowledge, threatened in any court or other tribunal, state or federal restraining or enjoining, or seeking to restrain or enjoin, the issuance, sale, execution or delivery of the Loan Documents, in any way questioning or affecting the validity or enforceability of any provision of the Loan Documents, in any way questioning or affecting the validity of any of the proceedings or authority for the authorization, sale, execution or delivery of the Loan Documents,

or of any provision made or authorized for the payment thereof, or questioning or affecting the organization or existence of the City or the right of any of its officers to their respective offices; the City has the legal power to (1) issue the 2020 Notes for the purpose set forth in the recitals hereto and in the Resolution and (2) grant a lien on the Pledged Revenues as described herein and in the Resolution; all conditions contained in the ordinances and resolutions of the City precedent to the issuance of the 2020 Notes have been complied with; and all authorizations, approvals, consents, waivers or other orders of governmental authorities or agencies that are required in connection with the authorization, execution and delivery by the City of the Loan Documents and all other agreements or documents provided for or contemplated by this Agreement, and the execution, issuance, sale and delivery of the 2020 Notes have been obtained and are in full force and effect and no additional or further approvals, consents, waivers or authorizations of any governmental or public agency or authority not already obtained or currently able to be obtained are required by law or by the City in the performance by the City of its obligations under the Loan Documents or the contracts and agreements provided for therein or contemplated thereby;

(b) an opinion of Bond Counsel (who may rely on opinion of counsel to the City as to certain matters), substantially to such effect that such counsel is of the opinion that: this Loan Agreement constitutes a valid and binding obligation of the City enforceable upon the City in accordance with its terms and; the 2020 Notes are valid and binding special obligation of the City enforceable in accordance with its terms, payable solely from the sources provided for therein and in this Loan Agreement (iii) assuming compliance by the City with certain covenants relating to requirements contained in the Code, interest on the 2020A Note is excludable from gross income for purposes of federal income taxation; (iv) the 2020 Notes are exempt from registration under the Securities Act of 1933, as amended, and the Resolution and this Agreement are exempt from qualification under the Trust Indenture Act of 1939, as amended and (v) a defeasance opinion regarding the 2014A Note and 2016A Note;

(c) the original executed Resolution, 2020 Notes, the Escrow Deposit Agreement this Agreement and any other Loan Document; and

(d) Such additional legal opinions, certificates, instruments and other documents as the Lender may reasonably and in good faith in connection with the performance of its due diligence review request to evidence the truth and accuracy as of the Closing Date, of the City's representations and warranties contained herein and the due performance or satisfaction by the City on or prior to the Closing Date of all the agreements then to be performed and conditions then to be satisfied by it.

When the documents and items mentioned in clauses (a) through (d), inclusive, of this Section shall have been filed with the Lender, and when the 2020 Notes shall have been executed as required by this Agreement, and all conditions of the Resolution have been met, the City shall deliver the 2020 Notes to or upon the order of the Lender upon receipt of the purchase price therefor. Payment of the purchase price of the 2020 Notes by the Lender shall be conclusive evidence that all conditions pursuant to the delivery of the 2020 Notes have been met.

**Section 3.04. Registration of Transfer; Assignment of Rights of Lender.** The City shall keep at the office of the City Clerk in the City's records the registration of the 2020 Notes and the registration of transfers of the 2020 Notes as provided in this Agreement. The

transfer of the 2020 Notes may be registered only upon the books kept for the registration of the 2020 Notes and registration of transfer thereof upon surrender thereof to the City together with an assignment duly executed by the Holder or its attorney or legal representative in the form of the assignment set forth on the form of the 2020 Notes attached as Exhibit A to this Agreement. The Holder shall have the right at any time to assign, transfer or convey any 2020 Notes or any interest therein or portion thereof, but no such assignment, transfer or conveyance shall be effective as against the City unless and until the Holder has delivered to the City written notice thereof that discloses the name and address of the assignee and such assignment, transfer or conveyance shall be made only to (i) an affiliate of the Holder or (ii) banks, insurance companies or other financial institutions or their affiliates. Nothing herein shall limit the right of the Holder or its assignees to sell or assign participation interests in the 2020 Notes to one or more entities listed in (i) or (ii). In the case of any such registration of transfer, the City shall execute and deliver in exchange such 2020 Note a new 2020 Note of the same series registered in the name of the transferee. In all cases in which the 2020 Notes shall be transferred hereunder, the City shall execute and deliver at the earliest practicable time a new 2020 Note of the same series in accordance with the provisions of this Agreement. The City may make a charge for every such registration of transfer of a 2020 Note sufficient to reimburse it for any tax or other governmental charges required to be paid with respect to such registration of transfer, but no other charge shall be made for registering the transfer hereinabove granted. The 2020 Notes shall be issued in fully registered form and shall be payable in any lawful coin or currency of the United States.

The registration of transfer of any 2020 Notes on the registration books of the City shall be deemed to effect a transfer of the rights and obligations of the Lender under this Agreement as to such 2020 Note to the transferee. Thereafter, such transferee shall be deemed to be the Lender under this Agreement as to such 2020 Note and shall be bound by all provisions of this Agreement that are binding upon the Lender. The City and the transferor shall execute and record such instruments and take such other actions as the City and such transferee may reasonably request in order to confirm that such transferee is bound by the provisions of this Agreement applicable to the Lender and such 2020 Note.

Every prior Holder of a 2020 Notes shall be deemed to have waived and renounced all of such owner's equities or rights therein to the extent of such transfer in favor of every bona fide purchaser, and every such bona fide purchaser shall acquire absolute title thereto and to all rights represented thereby.

The registered owner of the 2020 Notes is hereby granted power to transfer absolute title thereof by assignment thereof to a bona fide purchaser for value (present or antecedent) without notice of prior defenses or equities or claims of ownership enforceable against such owner's assignor or any person in the chain of title and before the maturity of the applicable 2020 Note; provided, however, that no transfer (except as provided in the immediately following paragraph) shall be permitted to anyone other than a transferee that is an "accredited investor" within the meaning of Regulation D of the Securities Act of 1933. Every prior registered owner of the 2020 Notes shall be deemed to have waived and renounced all of such owner's equities or rights therein to the extent of such transfer in favor of every such bona fide purchaser, and every such bona fide purchaser shall acquire absolute title thereto and to all rights represented thereby.

Notwithstanding the limitations on transfer contained in the preceding paragraph, the 2020 Notes may be transferred to any affiliate of Lender in whole or in part without restriction.

In the event any 2020 Note is mutilated, lost, stolen, or destroyed, the City shall execute a new 2020 Note(s) of like date, denomination and series as that mutilated, lost, stolen or destroyed, provided that, in the case of any mutilated 2020 Note, such mutilated 2020 Note shall first be surrendered to the City, and in the case of any lost, stolen, or destroyed 2020 Note, there first shall be furnished to the City evidence of such loss, theft or destruction together with an indemnity satisfactory to it.

**Section 3.05. Ownership of the 2020 Notes.** The person in whose name the 2020 Notes are registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the 2020 Notes shall be made only to the Holder thereof or such Holder's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the 2020 Notes, and interest thereon, to the extent of the sum or sums so paid.

**Section 3.06. Use of Proceeds of 2020 Notes Permitted Under Applicable Law.** The City represents, warrants and covenants to the Holder that the proceeds of the 2020 Notes will be used solely for the purposes set forth in the recitals hereto and that such use is permitted by the Act and other applicable law.

**Section 3.07. Authentication.** Until the 2020 Notes shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit A, duly executed by the manual signature of the registrar as authenticating agent, it shall not be entitled to any benefit or security under this Agreement. The 2020 Notes shall not be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly adopted by the registrar, and such certificate of the registrar upon the 2020 Notes shall be conclusive evidence that such 2020 Notes have been duly authenticated and delivered under this Agreement.

## ARTICLE IV

### COVENANTS OF THE CITY

**Section 4.01. Performance of Covenants.** The City covenants that it will perform faithfully at all times its covenants, undertakings and agreements contained in this Agreement including without limitation, those set forth in this Article IV and the 2020 Notes or in any proceedings of the City relating to the Loan.

**Section 4.02. Payment of 2020 Notes.**

(a) The City does hereby irrevocably pledge the Pledged Revenues as security for the repayment of the 2020 Notes.

(b) The 2020 Notes will be special obligations of the City secured solely by the Pledged Revenues and payable from the Pledged Revenues as provided in Section 4.03 of this Agreement. The 2020 Notes will not constitute a general debt, liability or obligation of the City or the State or any political subdivision thereof within the meaning of any constitutional or statutory limitation.

Neither the faith and credit nor the taxing power of the City or of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the 2020 Notes and the 2020 Noteholder(s) shall never have the right to compel any exercise of any ad valorem taxing power of the City or of the State or any political subdivision thereof, or the use of any ad valorem tax revenues directly or indirectly to enforce such payment. The 2020 Notes shall not constitute a lien upon any property of the City except upon the Pledged Revenues.

**Section 4.03. Covenant to Budget and Appropriate.** Until the 2020 Notes are paid or deemed paid pursuant to the provisions of this Agreement, subject to the next paragraph, the City covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Non Ad-Valorem Revenues of the City in each Fiscal Year and to deposit to the Debt Service Fund hereinafter created, from such Non Ad-Valorem Revenues amounts sufficient to pay principal of and interest on the 2020 Notes and other costs and expenses due and payable to the Holder under this Agreement as the same shall become due. Such covenant and agreement on the part of the City to budget, appropriate and deposit such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been applied to all such payments. No lien upon or pledge of such Non-Ad Valorem Revenues shall be in effect until such moneys are budgeted and appropriated and deposited as provided herein. The City further acknowledges and agrees that the obligations of the City to include such amounts in each of its annual budgets and to pay such appropriated amounts from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

Until such monies are budgeted appropriated and deposited as provided herein, such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues nor does it give the Holder of the 2020 Notes a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on notes and other debt instruments). Anything in this Agreement to the contrary notwithstanding, it is understood and agreed that all obligations of the City hereunder shall be payable from the portion of Non-Ad Valorem Revenues budgeted appropriated and deposited as provided for hereunder and nothing herein shall be deemed to pledge ad valorem tax revenues or to permit or constitute a mortgage or lien upon any assets owned by the City and no Holder of the 2020 Notes nor any other person, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the City or the application of ad valorem revenues in order to satisfy any payment obligations hereunder or to maintain or continue any of the activities of the City which generate user service charges, regulatory fees, or any other Non-Ad Valorem Revenues. Notwithstanding any provisions of this Agreement or the 2020 Notes to the contrary, the City shall never be obligated to maintain or continue any of the activities of the City which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. Neither this Agreement nor the obligations of the City under the Resolution shall be construed as a pledge of or a lien on all or any Non-Ad Valorem Revenues of the City other than the Pledged Revenues, but shall be payable solely as provided herein and is subject in all respects to the provisions of Section 166.241, Florida Statutes.

There is hereby created and established the “City of Fort Pierce, Florida Capital Improvement Revenue Note, Series 2020 Debt Service Fund,”(referred to herein as the “Debt Service Fund”) which fund shall be a trust fund held by the City Finance Director, which shall be held solely for the benefit of the Holder as provided herein. Non-Ad Valorem Revenues shall be deposited in said Debt Service Fund as provided herein and shall be and constitute a trust fund created for the purposes stated herein, and there is hereby created a lien upon the funds deposited therein in accordance with this Agreement. The money in the Debt Service Fund shall be continuously secured until such time as the 2020 Notes are paid in full in the same manner as state and municipal deposits are authorized to be secured by the laws of the State of Florida.

**Section 4.04. Tax Covenant.** The City covenants to the Holders of the 2020A Note that the City will not make any use of the proceeds of such 2020 Notes at any time during the term of such 2020A Notes which would cause such 2020A Notes to be an “arbitrage bond” within the meaning of the Code. The City further covenants to comply with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to insure the exclusion of interest on such 2020A Notes from the gross income of the Holders thereof for purposes of federal income taxation.

**Section 4.05. Anti-Dilution.** During such time as the 2020 Notes are Outstanding, the City agrees and covenants with the Holder that for each Fiscal Year of the City, “Total Revenues” and “Total Other Financing Sources” as indicated on the “Schedule of General Fund Revenues, Expenditures and Changes in Fund Balance” or any successor thereto as set forth in the City’s general purpose financial statements for the General Fund of the City for such Fiscal Year, less any transfers to the City’s General Fund from the City’s solid waste fund, less any amounts received by the City from federal grants and state grants, less any funds utilized for capital leases to which the City is the lessee and less any other grants and any other Non-Ad Valorem Revenues which may not legally be used to pay debt service on the 2020 Notes, plus the Ad Valorem Credit (as hereinafter defined), less the Maximum Annual Debt Service for such Fiscal Year on Debt secured by and payable from a specific source of Non-Ad Valorem Revenues, not otherwise included in Non-Ad Valorem Revenues less the City's total of general government expenditures and public safety expenditures (the “Adjusted Revenues”), shall be equal to at least 200% of the Maximum Annual Debt Service on the 2020 Notes and any other Debt (as defined in Section 4.06 hereof) of the City payable from the City’s covenant to budget and appropriate Non-Ad Valorem Revenues and 100% of any amounts owed in regard to amounts drawn under any surety bond or similar instrument deposited to a reserve fund issued in regard to the Debt payable from a City covenant to budget and appropriate Non-Ad Valorem Revenues (collectively, the “Policy Costs”). The City agrees to provide evidence of compliance with the anti-dilution test above in the statistical section of each of its Comprehensive Annual Financial Report.

For purposes of the above, Ad Valorem Credit means that amount of ad valorem taxes received by the City determined by dividing the total of general government and public safety expenditures by total expenditures and other financial uses (as such expenditures are reflected in the City’s general purposes financial statements for such Fiscal Year).

**Section 4.06. Future Debt Payable From Non-Ad Valorem Revenues.** . The City covenants that it will not issue any Debt subsequent to the issuance of the 2020 Notes

payable from amounts budgeted and appropriated from Non-Ad Valorem Revenues (the "Additional Debt") unless an independent auditor shall, prior to the issuance of such Debt, certify to the City that the Adjusted Revenues for the immediately preceding Fiscal Year is equal to at least 200% of the Maximum Bond Service Requirement on all Debt to be outstanding following the issuance of the Additional Debt and 100% of any amounts owed for Policy Costs (as defined in various resolutions of the City, the "Additional Debt Test"). No such Additional Debt may be issued without the prior written consent of all applicable bond insurers if any Policy Costs are past due and owing. [At least thirty (30) days] prior to the issuance of any Additional Debt, the City Manager (or an authorized representative of the City) shall execute and deliver to the Lender a certificate demonstrating the City's compliance with the Additional Debt Test upon the issuance of the contemplated Additional Debt.

“Debt” for purpose of the above means as to any date (without duplication) all of the following to the extent that the maturity thereof is longer than one year, it is an obligation of the City payable from the City’s covenant to budget and appropriate Non-Ad Valorem Revenues and such Debt is outstanding for purposes of the instruments pursuant to which it was issued: (1) Bonds (as defined in various Resolutions of the City); (2) all obligations of the City for borrowed money evidenced by bonds, debentures, notes or other similar instruments, except as otherwise excluded from the definition of Debt; (3) all obligations of the City to pay the deferred purchase price of property or services, except trade accounts payable under normal trade terms and which arise in the ordinary course of business; and (4) all indebtedness of other Persons to the extent guaranteed by the City. “Debt” shall not include any obligation of the City payable in whole or in part whereby the City has agreed to pay such obligation from a covenant to budget and appropriate from Non-Ad Valorem Revenues, which agreement is subordinate to such agreement in favor of the Holders of the 2020 Notes and any Debt payable on a parity therewith (“Subordinate Obligations”), provided that the total outstanding principal amount of such Subordinate Obligations does not exceed \$6.5 million and the maturity date of any such Subordinate Obligations is at least eleven (11) years from the date of issuance thereof.

**Section 4.07. Financial Disclosures.** At no costs to the Lender, the City will, unless available through a publicly accessible website, furnish to the Lender (i) within 270 days following the end of each Fiscal Year, a comprehensive annual financial report of the City for such Fiscal Year prepared in accordance with generally accepted accounting standards, and an audit report of an independent certified public accountant or firm thereof. The City shall also furnish at no cost to the City within 30 days of the adoption thereof for each Fiscal Year, the annual budget of the City including any revisions to the City’s capital improvement plan, and any other financial information which the Lender may reasonably request. [The City will provide to the Lender the operating data and financial information which the City has committed to provide to holders of [Parity Debt] for which it has entered into a continuing disclosure undertaking pursuant to Rule 15c2 12 promulgated by the Securities and Exchange Commission as well as such other information regarding the City and its affairs as the Lender may reasonably request].

**Section 4.08. Continuing Disclosure Filing.** Prior to the filing of any documents related to the 2020 Notes through the Electronic Municipal Market Access web portal or any similar repository the City shall provide the Lender the opportunity to review such filing. The Lender

shall be deemed to have consented to such filing unless a written response is delivered to the City within ten (10) days following receipt by the Lender of the intended filing.

## ARTICLE V

### EVENTS OF DEFAULT AND REMEDIES

**Section 5.01. Events of Default.** Each of the following is hereby declared an “Event of Default:”

(a) payment of the principal of the 2020 Notes shall not be made when the same shall become due and payable; or

(b) payment of any installment of interest on the 2020 Notes shall not be made when the same shall become due and payable; or

(c) the City shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the 2020 Notes or in this Agreement and such default shall continue for thirty (30) days after written notice shall have been given to the City by the Noteholder specifying such default and requiring the same to be remedied; provided, however, that if, in the reasonable judgment of the Noteholder, the City shall proceed to take such curative action which, if begun and prosecuted with due diligence, cannot be completed within a period of thirty (30) days, then such period shall be increased to such extent as shall be necessary, in the reasonable judgment of the Holder, to enable the City to diligently complete such curative action; or

(d) any proceedings are instituted with the consent or acquiescence of the City, for the purpose of effecting a compromise between the City and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereinafter enacted; or

(e) the City admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors, declares a financial emergency or consents to the appointment of a receiver or trustee for itself or shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(f) the City is adjudged insolvent by a court of competent jurisdiction or is adjudged bankrupt on a petition of bankruptcy filed against the City, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the City, a receiver or trustee of the City or of the whole or any part of its property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(g) if, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial

part of its property and such custody or control shall not be terminated within 90 days from the date of assumption of such custody or control.

**Section 5.02. Exercise of Remedies.** Upon the occurrence and during the continuance of an Event of Default, the applicable 2020 Note(s) shall bear interest at the Default Rate and all payments made on such 2020 Note(s) during any such period shall be applied first to interest and then to principal. Acceleration of the payments due on the 2020 Notes and any other payments due hereunder shall not be a remedy except upon the occurrence and continuation of an Event of Default specified in section (a) or (b) above and the acceleration by the owner of any other Debt of the entire principal amount of such other Debt.

Upon the occurrence and during the continuance of an Event of Default, the Noteholder may proceed to protect and enforce its rights under the laws of the State or under this Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Noteholder shall deem most effective to protect and enforce such rights. Without limiting the generality of the foregoing, the Noteholder shall have the right to bring a mandamus action to require the City to perform its obligations under this Agreement, provided, the Holder shall never have the right to compel the exercise of the ad valorem taxing power of the City or the taxation in any form of any property to pay the 2020 Notes or the interest thereon.

In the enforcement of any remedy under this Agreement, to the extent permitted by law, a Noteholder shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming due from the City for principal, interest or otherwise under any of the provisions of this Agreement or of the 2020 Notes then unpaid, at the Default Rate, together with any and all costs and expenses of collection and of all proceedings hereunder and under the 2020 Notes (including, without limitation, reasonable legal fees in all proceedings, including administrative, appellate and bankruptcy proceedings), but payable from only the Pledged Revenues, without prejudice to any other right or remedy of the Noteholder, and to recover and enforce any judgment or decree against the City, but solely as provided herein and in the 2020 Notes, for any portion of such amounts remaining unpaid and interest, costs, and expenses as above provided, and to collect (but only from the Pledged Revenues) in any manner provided by law, the moneys adjudged or decreed to be payable.

**Section 5.03. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to a Noteholder is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder.

**Section 5.04. Remedies Cumulative.** No remedy herein conferred upon or reserved to the Holder is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

**Section 5.05. Waivers, Etc.** No delay or omission of a Noteholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein; and every power and remedy given by this Agreement to a Noteholder may be exercised from time to time and as often as may be deemed expedient.

A Noteholder may waive any default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Agreement or before the completion of the enforcement of any other remedy under this Agreement, but no such waiver shall be effective unless in writing and no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

## ARTICLE VI

### MISCELLANEOUS PROVISIONS

**Section 6.01. Covenants of City, Etc.; Successors.** All of the covenants, stipulations, obligations and agreements contained in this Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon any successor or successors thereof from time to time, and upon any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

**Section 6.02. Term of Agreement.** This Agreement shall be in full force and effect from the date hereof until the 2020 Notes and all other sums payable to the Holder hereunder have been paid in full.

**Section 6.03. Amendments and Supplements.** This Agreement may be amended or supplemented from time to time only by a writing duly executed by each of the City and the Noteholder.

**Section 6.04. Notices.** Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the City or the Lender, shall be deemed to have been sufficiently given or filed for all purposes of this Agreement if and when sent by certified mail, return receipt requested:

(a) As to the City:

City of Fort Pierce, Florida  
100 North U.S. 1  
Fort Pierce, FL 34950  
Attention: City Manager

With a copy to:

Pete Sweeney, Esquire  
City Attorney  
100 North U.S. 1  
Fort Pierce, FL 32778

(b) As to the Lender:

Government & Not-for-Profit  
450 S. Orange Avenue, 10<sup>th</sup> Floor \_\_\_\_\_  
FL4-357  
Orlando, FL 32801  
Attention: Rebecca Reynolds-Russell

or at such other address as shall be furnished in writing by any such party to the other, and shall be deemed to have been given as of the date so delivered or deposited in the United States mail.

Either party may, by notice sent to the other, designate a different or additional address to which notices under this Agreement are to be sent.

**Section 6.05. Benefits Exclusive.** Except as herein otherwise provided, nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the City and the Noteholder, any right, remedy or claim, legal or equitable, under or by reason of this Agreement or any provision hereof, this Agreement and all its provisions being intended to be and being for the sole and exclusive benefit of the City and the Noteholder.

**Section 6.06. Severability.** In case any one or more of the provisions of this Agreement, any amendment or supplement hereto or of the 2020 Notes shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement, any amendment or supplement hereto or the 2020 Notes, but this Agreement, any amendment or supplement hereto and the 2020 Notes shall be construed and enforced at the time as if such illegal or invalid provisions had not been contained therein, nor shall such illegality or invalidity or any application thereof affect any legal and valid application thereof from time to time.

**Section 6.07. Payments Due on Non-Business Days.** In any case where the date of maturity of interest on or principal of the 2020 Notes or the date fixed for prepayment of the 2020 Notes shall be other than a Business Day, then payment of such interest or principal shall be made on the next succeeding Business Day with the same force and effect as if paid on the date of maturity or the date fixed for prepayment, and no interest on any such principal amount shall accrue for the period after such date of maturity or such date fixed for prepayment.

**Section 6.08. Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

**Section 6.09. Applicable Law.** This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State.

**Section 6.10. No Personal Liability.** Notwithstanding anything to the contrary contained herein or in the 2020 Notes, or in any other instrument or document executed by or on behalf of the City in connection herewith, no stipulation, covenant, agreement or obligation of any present or future member of the City Commission, officer, employee or agent of the City, and no such person, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, agreements or obligations, nor shall any recourse be had for the payment of the principal of or interest on the 2020 Notes or for any claim based thereon or on any such stipulation, covenant, agreement or obligation, against any such person, either directly or through the City or any successor to the City, under any rule or law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise and all such liability of any such person is hereby expressly waived and released.

**Section 6.11. Waiver of Jury Trial.** THE PARTIES HERETO KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY, WITH RESPECT TO ANY LITIGATION OR LEGAL PROCEEDINGS BASED ON OR ARISING OF THIS AGREEMENT OR THE 2020 NOTES, INCLUDING ANY COURSE OF CONDUCT, COURSE OF DEALINGS, VERBAL OR WRITTEN STATEMENT OR ACTIONS OR OMISSIONS OF ANY PARTY WHICH IN ANY WAY RELATES TO THE 2020 NOTES OR THIS AGREEMENT.

**Section 6.12. Documentary and Intangible Taxes.** In the event that any intangible tax or documentary stamp is due from the Holder to any state or other governmental agency or authority because of the execution or holding of the 2020 Notes, the City shall, upon demand, reimburse the Holder for any such tax paid.

*[SIGNATURES ON FOLLOWING PAGE]*

*[Signature Page for LOAN AGREEMENT  
dated May 1, 2020 between  
the City of Fort Pierce, Florida and JPMorgan Chase Bank, N.A.]*

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed as of the date first set forth herein.

**CITY OF FORT PIERCE, FLORIDA**

[SEAL]

ATTEST:

By: \_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

Approved As To Form:

**JPMORGAN CHASE BANK, N.A.**

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

By: \_\_\_\_\_  
Title: Vice President

**EXHIBIT A**

**FORM OF NOTE**

**CITY OF FORT PIERCE, FLORIDA  
[TAXABLE] CAPITAL IMPROVEMENT REVENUE REFUNDING NOTE,  
SERIES 2020 [A/B]**

| <u>Principal</u> | <u>Maturity Date</u> | <u>Note Rate</u> | <u>Date of Issuance</u> |
|------------------|----------------------|------------------|-------------------------|
| \$ _____         | September 1, ____    | ____%            | May ____, 2020          |

The CITY OF FORT PIERCE, FLORIDA (the “City”), for value received, hereby promises to pay, solely from the sources described in the within mentioned Agreement, to the order of JPMORGAN CHASE BANK, N.A., a national banking association or its assigns (the “Holder”), at 10 South Dearborn, Floor L2S, Chicago, Illinois 60603, Attention: WLS or at such other place as the Holder may from time to time designate in writing, (but only out of the sources hereinafter mentioned) principal in the amounts and on the dates set forth on **Schedule I** attached hereto, commencing on September 1, 2020, and to pay interest on the outstanding principal amount until payment of said principal sum has been made or provided for, at the Note Rate shown above calculated on the basis of a 360-day year of twelve (12), thirty (30) day months. Payments due hereunder shall be payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, which payments shall be made to the Holder hereof by check or wire transfer or otherwise as the City and the Holder may agree.

The Note Rate may be adjusted in accordance with Sections [3.02 and] 5.02 of that certain Loan Agreement by and between the Holder and the City, dated May 1, 2020 (the “Agreement”). Such adjustments may be retroactive.

All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

This Note is not subject to prepayment at the option of the City.

This Note is authorized to be issued in the outstanding aggregate principal amount equal to the Principal under the authority of and in full compliance with the Constitution and statutes of the State of Florida (the “State”), including, particularly, Chapter 166, Florida Statutes the Municipal Charter of the City, and other applicable provisions of law, City Resolution No. \_\_\_\_\_ adopted by the City Commission on April 20, 2020 (the "Resolution"), and the Agreement and is subject to all terms and conditions of the Agreement and the Resolution.

This Note is a limited, special obligation of the City, payable from and secured solely by a lien upon and pledge of the Pledged Revenues, as described and in the manner provided in the Agreement.

Notwithstanding any provision in this Note to the contrary, in no event shall the interest contracted for, charged or received in connection with this Note (including any other costs or considerations that constitute interest under the laws of the State which are contracted for, charged or received) exceed the maximum rate of nonusurious interest allowed under the State as presently in effect and to the extent an increase is allowable by such laws, but in no event shall any amount ever be paid or payable by the City greater than the amount contracted for herein.

THIS NOTE SHALL NOT BE OR CONSTITUTE AN INDEBTEDNESS OF THE CITY OR THE STATE (THE "STATE"), WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATIONS OF INDEBTEDNESS, BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED REVENUES, AS PROVIDED IN THE AGREEMENT AND THE RESOLUTION. THE HOLDER SHALL NEVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, OR TAXATION IN ANY FORM OF ANY PROPERTY THEREIN TO PAY THIS NOTE OR THE INTEREST THEREON.

Upon the occurrence of an Event of Default, the Holder shall also have such other remedies as described in the Agreement.

The City hereby waives presentment, demand, protest and notice of dishonor. This Note is governed by and construed in accordance with the laws of the State. In the event of a conflict between the terms of this Note and the Agreement, this Note shall be controlled by the terms of the Agreement and reference is hereby made thereto regarding interest rate adjustments and other matters.

Notwithstanding any provision in this 2020[A/B] Note to the contrary, in no event shall the interest contracted for, charged or received in connection with this 2020 Note [A/B] (including any other costs or considerations that constitute interest under the laws of the State which are contracted for, charged or received) exceed the maximum rate of nonusurious interest allowed under the State as presently in effect and to the extent an increase is allowable by such laws, but in no event shall any amount ever be paid or payable by the City greater than the amount contracted for herein. This 2020 [A/B] Note may be transferred only as provided in the Agreement.

The Holder of this 2020[A/B] Note shall have the right at any time to assign, transfer or convey this 2020[A/B] Note or any interest therein or portion thereof, but no such assignment, transfer or conveyance shall be effective as against the City unless and until the Holder has delivered to the City written notice thereof that discloses the name and address of the assignee and such assignment, transfer or conveyance shall be made only to (i) an affiliate of the Holder or (ii) banks, insurance companies or similar financial institutions or their affiliates. Nothing herein shall limit the right of the Holder of this 2020[A/B] Note or its assignees to sell or assign participation interests in this 2020[A/B] Note to one or more entities listed in (i) or (ii).

*[SIGNATURES ON FOLLOWING PAGE]*

IN WITNESS WHEREOF, the City has caused this 2020[A/B] Note to be signed by its Mayor, either manually or with facsimile signature, and the seal of the City to be affixed hereto or imprinted or reproduced hereon, and attested by the City Clerk of the City, either manually or with facsimile signature, and this 2020[A/B] Note is to be dated the Date of Issuance set forth above.

**CITY OF FORT PIERCE, FLORIDA**

[SEAL]

By: \_\_\_\_\_  
Mayor

ATTEST:

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

FORM OF CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This 2020[A/B] Note is being delivered pursuant to the within mentioned Agreement.

**CITY OF FORT PIERCE, FLORIDA,**  
as Registrar

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

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto \_\_\_\_\_ (please print or typewrite name, address and tax identification number of assignee) \_\_\_\_\_ the within 2020[A/B] Note and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ Attorney to transfer the within 2020[A/B] Note on the books kept for registration thereof, with full power of substitution in the premises.

Name of Noteholder: \_\_\_\_\_

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

**SCHEDULE I**

| <u>YEAR</u> | <u>PRINCIPAL</u> |
|-------------|------------------|
|             | \$               |

---

---

**LOAN AGREEMENT**

**Dated June 3, 2020**

**By and Between**

**CITY OF FORT PIERCE, FLORIDA**  
**(the “City”)**

**and**

**JPMORGAN CHASE BANK, N.A.**  
**(the “Lender”)**

---

---

## TABLE OF CONTENTS

(The Table of Contents for this Loan Agreement is for convenience of reference only and is not intended to define, limit or describe the scope or intent of any provisions of this Loan Agreement.)

|  | <u>Page</u> |
|--|-------------|
| ARTICLE I DEFINITION OF TERMS .....  | 1           |
| Section 1.01. Definitions .....  | 1           |
| Section 1.02. Interpretation .....   | 4           |
| Section 1.03. Titles and Headings .....  | 4           |
| ARTICLE II REPRESENTATIONS AND WARRANTIES OF THE PARTIES .....                         | 4           |
| Section 2.01. Representations and Warranties of City .....                             | 4           |
| ARTICLE III THE NOTE .....   | 6           |
| Section 3.01. Purpose and Use .....  | 6           |
| Section 3.02. Adjustments to 2020C Note Rate Upon Determination of<br>Taxability ..... | 6           |
| Section 3.03. Conditions Precedent to Issuance of 2020C Note .....                     | 7           |
| Section 3.04. Registration of Transfer; Assignment of Rights of Lender .....           | 8           |
| Section 3.05. Ownership of the 2020C Note .....  | 10          |
| Section 3.06. Use of Proceeds of 2020C Note Permitted Under Applicable Law .....       | 10          |
| Section 3.07. Authentication .....   | 10          |
| ARTICLE IV COVENANTS OF THE CITY .....   | 10          |
| Section 4.01. Performance of Covenants .....   | 10          |
| Section 4.02. Payment of 2020C Note .....  | 10          |
| Section 4.03. Covenant to Budget and Appropriate .....                                 | 10          |
| Section 4.04. Tax Covenant .....   | 12          |
| Section 4.05. Anti-Dilution .....  | 12          |
| Section 4.06. Future Debt Payable From Non-Ad Valorem Revenues .....                   | 12          |
| Section 4.07. Financial Disclosures .....  | 13          |
| Section 4.08. Continuing Disclosure Filing .....                                       | 13          |
| ARTICLE V EVENTS OF DEFAULT AND REMEDIES .....   | 14          |
| Section 5.01. Events of Default .....  | 14          |
| Section 5.02. Exercise of Remedies .....   | 14          |
| Section 5.03. Remedies Not Exclusive .....   | 15          |
| Section 5.04. Remedies Cumulative .....  | 15          |
| Section 5.05. Waivers, Etc .....   | 15          |
| ARTICLE VI MISCELLANEOUS PROVISIONS .....  | 16          |
| Section 6.01. Covenants of City, Etc.; Successors .....                                | 16          |
| Section 6.02. Term of Agreement .....  | 16          |
| Section 6.03. Amendments and Supplements .....   | 16          |
| Section 6.04. Notices .....  | 16          |

|   |     |
|---|-----|
| Section 6.05. Benefits Exclusive .....                | 17  |
| Section 6.06. Severability .....                      | 17  |
| Section 6.07. Payments Due on Non-Business Days ..... | 17  |
| Section 6.08. Counterparts .....                      | 17  |
| Section 6.09. Applicable Law .....                    | 17  |
| Section 6.10. No Personal Liability .....             | 17  |
| Section 6.11. Waiver of Jury Trial .....              | 18  |
| Section 6.12. Documentary and Intangible Taxes .....  | 18  |
| <br>  |     |
| Exhibit A Form of 2020C Note .....                    | A-1 |

## LOAN AGREEMENT

**THIS LOAN AGREEMENT** (this “Agreement”), made and entered into this 3<sup>rd</sup> day of June, 2020, by and between the **CITY OF FORT PIERCE, FLORIDA** (the “City”), a municipal corporation of the State of Florida, and **JPMORGAN CHASE BANK, N.A.**, a national banking association authorized to do business in the State of Florida, including making the Loan described herein (the “Lender”).

### WITNESSETH:

WHEREAS, capitalized terms used in these recitals and not otherwise defined shall have the meanings specified in Article I of this Agreement; and

WHEREAS, the City, pursuant to the provisions of the Florida Constitution, Chapter 166, *Florida Statutes*, the Municipal Charter of the City and other applicable provisions of Florida law (all of the foregoing, collectively, the “Act”), and Resolution No. \_\_\_\_\_ duly adopted by the City Commission of the City on April 20, 2020, is authorized to borrow money, and more particularly issue the 2020C Note described below for the City’s public purpose; and

WHEREAS, in response to a request to certain financial institutions by the City, the Lender submitted a term sheet dated March 25, 2020 (the “Commitment”) regarding the issuance by the City and the purchase by the Lender of the City’s Capital Improvement Revenue Refunding Note, Series 2020C (the “2020C Note”) to advance refund all of the City’s Outstanding Capital Improvement Revenue Refunding Note, Series 2018 (the “Refunded Note”) and to pay costs of issuance thereof; and

WHEREAS, the City has accepted the Commitment and the Lender is willing to purchase the 2020C Note, to refund the Refunded Note, but only upon the terms and conditions of this Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

### **ARTICLE I**

#### **DEFINITION OF TERMS**

**Section 1.01. Definitions.** Capitalized terms used in this Agreement and not otherwise defined shall have the respective meanings set forth in the recitals and as follows:

“2020C Note Rate” shall mean the rate of interest to be borne by the 2020C Note which shall be a fixed rate of 1.264% and after a Determination of Taxability shall mean the Taxable Rate all calculated on a 360-day year basis of twelve (12), thirty (30) day months.

“Act” shall have the meaning assigned to that term in the recitals hereof.

“Agreement” shall mean this Loan Agreement and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

“Bond Counsel” shall mean, Akerman LLP, or any other attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions hired by the City to render an opinion on such matters with regard to the 2020C Note.

“Bond Service Requirement” shall mean, for any Fiscal Year, the amount of principal of or amortization installments and interest due on Debt (as defined in Section 4.06 hereof) for such Fiscal Year, except to the extent that any such Bond Service Requirement shall have been provided for out of Debt proceeds.

“Business Day” shall mean any day other than a Saturday, a Sunday, or a day on which the office of the Lender at which payments on the 2020C Note are due is lawfully closed.

“City Clerk” shall mean the City Clerk or any deputy or assistant City Clerk of the City and such other person as may be duly authorized to act on his or her behalf.

“City Manager” shall mean the City Manager of the City and such other person as may be duly authorized to act on his or her behalf.

“Closing Date” shall mean June 3, 2020.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable rules and regulations promulgated thereunder.

“Debt Service” means principal and interest, and other debt-related costs, due in connection with the 2020C Note.

“Default Rate” shall mean the applicable Note Rate plus two percent (2.0%) calculated on the basis of a 360-day year of twelve (12), thirty (30) day months.

“Determination of Taxability” shall mean with respect to the 2020C Note, any determination, decision or decree by the Commissioner or any District Director of the Internal Revenue Service, as such officers are identified by the Code, or any court of competent jurisdiction that the interest payable under the 2020C Note is includable in the gross income (as defined in Section 61 of the Code) of the Holder.

“Escrow Deposit Agreement” shall mean the document entitled escrow deposit agreement between the City and \_\_\_\_\_ pursuant to which a portion of the proceeds of the 2020C Note together with other legally available moneys of the City will be deposited to provide for the defeasance of the Refunded Note.

“Event of Default” shall mean an Event of Default as defined in Section 5.01 of this Agreement.

“Final Maturity Date” shall mean the date on which all principal and all unpaid interest accrued on the applicable 2020C Note shall be due and payable in full, which date shall be, if not sooner due to acceleration or prepayment is September 1, 2030.

“Finance Director” shall mean the City's Finance Director or such other person as may be duly authorized to act on his or her behalf.

“Fiscal Year” shall mean the 12-month period commencing October 1 of each year and ending on the succeeding September 30, or such other 12-month period as the City may designate as its “fiscal year” as permitted by law.

“Loan” shall refer to an amount equal to the outstanding principal of the 2020C Note, together with unpaid interest which has accrued.

“Maximum Annual Debt Service” shall mean, as of any particular date of calculation, the greatest amount of aggregate Bond Service Requirement for the then current or any future Fiscal Year, except that with respect to any Debt for which amortization installments have been established, the amount of principal coming due on the final maturity date with respect to such Debt shall be reduced by the aggregate principal amount of such Debt that are to be redeemed from amortization installments which were to be made in, prior Fiscal Years. Maximum Annual Debt Service on Debt means, with respect to Debt that bears interest at a fixed interest rate, the actual annual debt service, and, with respect to Debt which bears interest at a variable interest rate, annual debt service on such Debt shall be determined assuming that interest accrues on such Debt at the current “Bond Buyer Revenue Bond Index” as published in The Bond Buyer no more than two weeks, prior to any such calculation; provided, however, if any Debt, whether bearing interest at a fixed or variable rate, constitutes Balloon Indebtedness, as defined in the immediately following sentence, annual debt service on such Debt shall be determined assuming such Debt is amortized over 25 years on an approximately level debt service basis. For purposes of the foregoing sentence, “Balloon Indebtedness” means Debt, 25% or more of the original principal of which matures or is obligated to be repaid during any one Fiscal Year. The foregoing notwithstanding, for purposes of calculating annual debt service, any Debt which bears interest at a variable rate with respect to which the City has entered into an interest rate swap or interest rate cap for a notional amount equal to the principal amount of such variable rate indebtedness shall be treated for purposes of this paragraph as bearing interest at a fixed rate equal to the fixed rate payable by the City under the interest rate swap, or the capped rate provided by the interest rate cap.

With respect to debt service on any Debt with respect to which the City is to receive or is otherwise entitled to receive direct subsidy payments from the United States Department of Treasury, when determining the interest on such Debt for any particular interest payment date the amount of the corresponding subsidy payment shall be deducted from the amount of interest which is due and payable with respect to such Debt on the interest payment date, but only to the extent that the City reasonably believes that it will be in receipt of such subsidy payment on or prior to such interest payment date. In that case, such direct subsidy payments shall not be treated as Non-Ad Valorem Revenues to avoid double counting.

“Non-Ad Valorem Revenues” shall mean all legally available funds of the City derived from any source whatsoever other than ad valorem taxation on real or personal property, which are legally available to make the payments due on the 2020C Note, but only after the satisfaction of the funding requirement for obligations having an express lien or a pledge of such revenues and after provision has been made by the City for the payment of services and programs which are for

essential public purposes affecting the health, welfare and safety of the inhabitants of the City or which are legally mandated by applicable law.

“Noteholder” or “Holder” or any similar term shall mean the Lender as the holder of the 2020C Note and any subsequent registered holder of the 2020C Note.

“Payment Date” shall mean each March 1 and September 1, commencing September 1, 2020 until the 2020C Note has been paid in full.

“Pledged Revenues” shall mean (i) Non-Ad Valorem Revenues of the City budgeted and appropriated and deposited in accordance with Section 4.03 hereof and (ii) all funds on deposit in the Debt Service Fund (defined herein) and all investment earnings on any such funds.

“Resolution” shall mean Resolution No. \_\_\_\_\_, duly adopted at a meeting of the City Commission on April 20, 2020, which, among other things, authorized the borrowing of the Loan and execution and delivery of this Agreement and the issuance of the Note.

“State” shall mean the State of Florida.

"Taxable Rate" shall mean with respect to the 2020C Note, the interest rate per annum that shall provide the Lender with the same after tax yield that the Lender would have otherwise received had the Determination of Taxability not occurred, taking into account the increased taxable income of the Lender as a result of such Determination of Taxability. The Lender shall provide the City with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the City.

**Section 1.02. Interpretation.** Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

**Section 1.03. Titles and Headings.** The titles and headings of the Articles and Sections of this Agreement, which have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES OF THE PARTIES

**Section 2.01. Representations and Warranties of City.** The City represents and warrants to the Lender as follows:

(a) Existence. The City is a municipal corporation of the State, duly created and validly existing under the laws of the State, with full power to enter into this Agreement, to perform its obligations hereunder and to issue and deliver the 2020C Note to the Lender. The adoption of the Resolution and the making, execution and performance of this Agreement on the part of the City and the issuance and delivery of the 2020C Note have been duly authorized by all necessary action on the part of the City and the terms of the 2020C Note, this Agreement and the other Loan Documents (as defined herein) will not violate or conflict with the Act, or constitute a violation of the terms of any judgment, decree, agreement, indenture or other instrument to which the City is a party or by which the City or any of its properties is bound.

(b) Validity, Etc. This Agreement, the 2020C Note and the Resolution are valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except to the extent that enforceability may be subject to valid bankruptcy, insolvency, financial emergency, reorganization, moratorium or similar laws relating to or from time to time affecting the enforcement of creditors' rights and except to the extent that the availability of certain remedies may be precluded by general principles of equity.

(c) [No Financial Material Adverse Change. The audited purpose financial statements of the City for its Fiscal Year ended September 30, 2019, receipt of which is acknowledged by the Lender, were prepared in accordance with generally accepted accounting principles as applied to governmental entities and present fairly the financial condition of the City as of such date and the results of its operations for the period then ended. [No material adverse change in the financial condition of the City has occurred since the audited financial statements of the City for its Fiscal Year ended September 30, 2019].

(d) Powers of City. The City has the legal power and authority to pledge the Pledged Revenues to the repayment of the Loan as described herein.

(e) Authorizations, etc. No authorization, consent, approval, license, exemption or registration or filing with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, has been or will be necessary for the valid execution, delivery and performance by the City of this Agreement, the 2020C Note and the related documents, except such as have been obtained, given or accomplished.

(f) No Litigation. There is no litigation pending, or, to the best knowledge of the City, threatened, which seeks to restrain or enjoin the adoption of the Resolution or the execution and delivery of the Loan Documents, or the performance by the City of its obligations under the 2020C Note or this Agreement, or the collection and application of the Non-Ad Valorem Revenues.

(g) Non-Ad Valorem Revenues. The City currently receives the Non-Ad Valorem Revenues and is legally entitled to covenant to budget and appropriate from such Non-Ad Valorem Revenues amounts necessary to pay the principal of and interest on the 2020C Note and to make the other payments, if any, required under the 2020C Note and this Agreement when due. The Non-Ad Valorem Revenues are estimated to be sufficient to pay the principal of and interest on the 2020C Note and to make the other payments, if any, required under the 2020C Note or this Agreement and to make all other payments required to be made from Non-Ad Valorem Revenues,

as the same becomes due. The Non-Ad Valorem Revenues expected to be received in the current Fiscal Year satisfy the coverage requirements set forth in Section 4.05 and Section 4.06 hereof.

(h) No Acceleration for Similarly Secured Debt. Without the Lender's consent (or granting the Lender the same remedy), the City shall not grant to any other lender the remedy of acceleration with respect to its loan obligations secured by a covenant substantially similar to the covenant set forth in Section 4.03 hereof.

(i) No Fiduciary Relationship. Neither the Lender nor any of its affiliates shall act as a fiduciary for the City or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor with respect to the proposed issuance of the 2020C Note. Neither the Lender nor any of its affiliates has provided, and will not provide, financial, legal, tax, accounting or other advice to or on behalf of the City with respect to the proposed issuance of the 2020C Note. The City has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the proposed issuance of the 2020C Note from its financial, legal and other advisors (and not the Lender or any of its affiliates) to the extent that the City desired to obtain such advice.

### ARTICLE III

#### THE 2020C NOTE

**Section 3.01. Purpose and Use.** On the date of this Agreement, the Lender shall make available to the City the Loan in the principal amount of \_\_\_\_\_ (\$\_\_\_\_\_) evidenced by the 2020C Note. The proceeds available under the 2020C Note and this Agreement shall be used solely to accomplish the purposes set forth in the recitals hereto.

(a) Interest. The 2020C Note shall bear interest at the 2020C Note Rate. Interest on the 2020C Note shall be computed on the basis of a 360 day year of twelve (12), thirty (30) day months.

(b) Prepayment The 2020C Note shall not be subject to optional prepayment by the City.

**Section 3.02. Adjustments to 2020C Note Rate Upon Determination of Taxability.** In the event of a Determination of Taxability, the 2020C Note Rate shall be adjusted to the Taxable Rate effective retroactively to the effective date of such Determination of Taxability. Within thirty (30) days of a Determination of Taxability, the City agrees to pay to the Noteholder subject to such Determination of Taxability the Additional Amount (as defined herein). "Additional Amount" means (i) the difference between (a) interest on such 2020C Note for the period commencing on the date on which the interest on such 2020C Note (or portion thereof) becomes subject to the Taxable Rate and ending on the earlier of the date such 2020C Note ceases to be outstanding or such adjustment is no longer applicable to such 2020C Note (the "Taxable Period") at a rate equal to the Taxable Rate and (b) the aggregate amount of interest payable on such 2020C Note for the Taxable Period under the provisions of such 2020C Note without considering the Determination of Taxability, plus (ii) any penalties

and interest paid or payable by the Noteholder to the Internal Revenue Service by reason of such Determination of Taxability.

The Lender shall promptly notify the City in writing of any adjustments pursuant hereto. Notwithstanding any provision herein to the contrary, in no event shall the interest rate on the 2020C Note exceed the maximum rate permitted by law.

**Section 3.03. Conditions Precedent to Issuance of 2020C Note.** Prior to or simultaneously with the delivery of the 2020C Note, there shall be filed with the Lender the following, each in form and substance reasonably acceptable to the Lender:

(a) an opinion of counsel to the City substantially to the effect that the Resolution has been duly adopted and this Agreement, the Resolution the Escrow Deposit Agreement, the 2020C Note and any other documents or instruments required or necessary to be executed or delivered by the City in order to consummate the transactions contemplated by this Agreement (the "Loan Documents") have been duly authorized, executed and delivered by the City and each constitutes a valid, binding and enforceable agreement of the City in accordance with their respective terms, except to the extent that the enforceability of the rights and remedies set forth herein may be limited by bankruptcy, insolvency, financial emergency or other laws affecting creditors' rights generally or by usual equity principles; the City's execution, delivery and performance of the Loan Documents and the issuance of the 2020C Note are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not heretofore obtained or effected; the execution and delivery of the 2020C Note has been duly and validly authorized by the City and the 2020C Note have been duly executed; the City is a municipal corporation duly organized and validly existing under the laws of the State, and has power and authority to adopt the Resolution, to execute and deliver the Loan Documents and to consummate the transactions contemplated by such instruments; the execution, delivery and performance of the Loan Documents and compliance with the terms thereof and hereof, under the circumstances contemplated hereby, do not and will not in any material respect conflict with, or constitute on the part of the City a breach or default under, any indenture, mortgage, deed of trust, agreement or other instrument to which the City or to which its properties are subject or conflict with, violate or result in a breach of any existing law, administrative rule or regulation, judgment, court order or consent decree to which the City or its properties are subject; there is no claim, action, suit, proceeding, inquiry, investigation, litigation or other proceeding, at law or in equity, pending or, to the best of such counsel's knowledge, threatened in any court or other tribunal, state or federal restraining or enjoining, or seeking to restrain or enjoin, the issuance, sale, execution or delivery of the Loan Documents, in any way questioning or affecting the validity or enforceability of any provision of the Loan Documents, in any way questioning or affecting the validity of any of the proceedings or authority for the authorization, sale, execution or delivery of the Loan Documents, or of any provision made or authorized for the payment thereof, or questioning or affecting the organization or existence of the City or the right of any of its officers to their respective offices; the City has the legal power to (1) issue the 2020C Note for the purpose set forth in the recitals hereto and in the Resolution and (2) grant a lien on the Pledged Revenues as described herein and in the Resolution; all conditions contained in the ordinances and resolutions of the City precedent to the issuance of the 2020C Note have been complied with; and all authorizations, approvals, consents, waivers or other orders of governmental authorities or agencies that are required in connection with the authorization, execution and delivery by the City of the Loan Documents and

all other agreements or documents provided for or contemplated by this Agreement, and the execution, issuance, sale and delivery of the 2020C Note have been obtained and are in full force and effect and no additional or further approvals, consents, waivers or authorizations of any governmental or public agency or authority not already obtained or currently able to be obtained are required by law or by the City in the performance by the City of its obligations under the Loan Documents or the contracts and agreements provided for therein or contemplated thereby;

(b) an opinion of Bond Counsel (who may rely on opinion of counsel to the City as to certain matters), substantially to such effect that such counsel is of the opinion that: this Loan Agreement constitutes a valid and binding obligation of the City enforceable upon the City in accordance with its terms and; the 2020C Note is a valid and binding special obligation of the City enforceable in accordance with its terms, payable solely from the sources provided for therein and in this Loan Agreement (iii) assuming compliance by the City with certain covenants relating to requirements contained in the Code, interest on the 2020C Note is excludable from gross income for purposes of federal income taxation; (iv) the 2020C Note is exempt from registration under the Securities Act of 1933, as amended, and the Resolution and this Agreement are exempt from qualification under the Trust Indenture Act of 1939, as amended and (v) a defeasance opinion regarding the Refunded Note;

(c) the original executed Resolution, 2020C Note, the Escrow Deposit Agreement this Agreement and any other Loan Document; and

(d) Such additional legal opinions, certificates, instruments and other documents as the Lender may reasonably and in good faith in connection with the performance of its due diligence review request to evidence the truth and accuracy as of the Closing Date, of the City's representations and warranties contained herein and the due performance or satisfaction by the City on or prior to the Closing Date of all the agreements then to be performed and conditions then to be satisfied by it.

When the documents and items mentioned in clauses (a) through (d), inclusive, of this Section shall have been filed with the Lender, and when the 2020C Note shall have been executed as required by this Agreement, and all conditions of the Resolution have been met, the City shall deliver the 2020C Note to or upon the order of the Lender upon receipt of the purchase price therefor. Payment of the purchase price of the 2020C Note by the Lender shall be conclusive evidence that all conditions pursuant to the delivery of the 2020C Note have been met.

**Section 3.04. Registration of Transfer; Assignment of Rights of Lender.** The City shall keep at the office of the City Clerk in the City's records the registration of the 2020C Note and the registration of transfers of the 2020C Note as provided in this Agreement. The transfer of the 2020C Note may be registered only upon the books kept for the registration of the 2020C Note and registration of transfer thereof upon surrender thereof to the City together with an assignment duly executed by the Holder or its attorney or legal representative in the form of the assignment set forth on the form of the 2020C Note attached as Exhibit A to this Agreement. The Holder shall have the right at any time to assign, transfer or convey any 2020C Note or any interest therein or portion thereof, but no such assignment, transfer or conveyance shall be effective as against the City unless and until the Holder has delivered to the City written notice thereof that discloses the name and address of the assignee and such assignment, transfer

or conveyance shall be made only to (i) an affiliate of the Holder or (ii) banks, insurance companies or other financial institutions or their affiliates. Nothing herein shall limit the right of the Holder or its assignees to sell or assign participation interests in the 2020C Note to one or more entities listed in (i) or (ii). In the case of any such registration of transfer, the City shall execute and deliver in exchange such 2020C Note a new 2020C Note registered in the name of the transferee. In all cases in which the 2020C Note shall be transferred hereunder, the City shall execute and deliver at the earliest practicable time a new 2020C Note in accordance with the provisions of this Agreement. The City may make a charge for every such registration of transfer of a 2020C Note sufficient to reimburse it for any tax or other governmental charges required to be paid with respect to such registration of transfer, but no other charge shall be made for registering the transfer hereinabove granted. The 2020C Note shall be issued in fully registered form and shall be payable in any lawful coin or currency of the United States.

The registration of transfer of any 2020C Note on the registration books of the City shall be deemed to effect a transfer of the rights and obligations of the Lender under this Agreement as to such 2020C Note to the transferee. Thereafter, such transferee shall be deemed to be the Lender under this Agreement as to such 2020C Note and shall be bound by all provisions of this Agreement that are binding upon the Lender. The City and the transferor shall execute and record such instruments and take such other actions as the City and such transferee may reasonably request in order to confirm that such transferee is bound by the provisions of this Agreement applicable to the Lender and such 2020C Note.

Every prior Holder of a 2020C Note shall be deemed to have waived and renounced all of such owner's equities or rights therein to the extent of such transfer in favor of every bona fide purchaser, and every such bona fide purchaser shall acquire absolute title thereto and to all rights represented thereby.

The registered owner of the 2020C Note is hereby granted power to transfer absolute title thereof by assignment thereof to a bona fide purchaser for value (present or antecedent) without notice of prior defenses or equities or claims of ownership enforceable against such owner's assignor or any person in the chain of title and before the maturity of the 2020C Note; provided, however, that no transfer (except as provided in the immediately following paragraph) shall be permitted to anyone other than a transferee that is an "accredited investor" within the meaning of Regulation D of the Securities Act of 1933. Every prior registered owner of the 2020C Note shall be deemed to have waived and renounced all of such owner's equities or rights therein to the extent of such transfer in favor of every such bona fide purchaser, and every such bona fide purchaser shall acquire absolute title thereto and to all rights represented thereby.

Notwithstanding the limitations on transfer contained in the preceding paragraph, the 2020C Note may be transferred to any affiliate of Lender in whole or in part without restriction.

In the event any 2020C Note is mutilated, lost, stolen, or destroyed, the City shall execute a new 2020 Note(s) of like date, denomination and series as that mutilated, lost, stolen or destroyed, provided that, in the case of any mutilated 2020 Note, such mutilated 2020 Note shall first be surrendered to the City, and in the case of any lost, stolen, or destroyed 2020 Note, there first shall be furnished to the City evidence of such loss, theft or destruction together with an indemnity satisfactory to it.

**Section 3.05. Ownership of the 2020C Note.** The person in whose name the 2020C Note is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the 2020C Note shall be made only to the Holder thereof or such Holder's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the 2020C Note, and interest thereon, to the extent of the sum or sums so paid.

**Section 3.06. Use of Proceeds of 2020C Note Permitted Under Applicable Law.** The City represents, warrants and covenants to the Holder that the proceeds of the 2020C Note will be used solely for the purposes set forth in the recitals hereto and that such use is permitted by the Act and other applicable law.

**Section 3.07. Authentication.** Until the 2020C Note shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit A, duly executed by the manual signature of the registrar as authenticating agent, it shall not be entitled to any benefit or security under this Agreement. The 2020C Note shall not be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly adopted by the registrar, and such certificate of the registrar upon the 2020C Note shall be conclusive evidence that such 2020C Note have been duly authenticated and delivered under this Agreement.

## ARTICLE IV

### COVENANTS OF THE CITY

**Section 4.01. Performance of Covenants.** The City covenants that it will perform faithfully at all times its covenants, undertakings and agreements contained in this Agreement including without limitation, those set forth in this Article IV and the 2020C Note or in any proceedings of the City relating to the Loan.

**Section 4.02. Payment of 2020C Note.**

(a) The City does hereby irrevocably pledge the Pledged Revenues as security for the repayment of the 2020C Note.

(b) The 2020C Note will be special obligations of the City secured solely by the Pledged Revenues and payable from the Pledged Revenues as provided in Section 4.03 of this Agreement. The 2020C Note will not constitute a general debt, liability or obligation of the City or the State or any political subdivision thereof within the meaning of any constitutional or statutory limitation. Neither the faith and credit nor the taxing power of the City or of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the 2020C Note and the 2020 Noteholder(s) shall never have the right to compel any exercise of any ad valorem taxing power of the City or of the State or any political subdivision thereof, or the use of any ad valorem tax revenues directly or indirectly to enforce such payment. The 2020C Note shall not constitute a lien upon any property of the City except upon the Pledged Revenues.

**Section 4.03. Covenant to Budget and Appropriate.** Until the 2020C Note is paid or deemed paid pursuant to the provisions of this Agreement, subject to the next paragraph, the City covenants and agrees to appropriate in its annual budget, by amendment, if necessary,

from Non Ad-Valorem Revenues of the City in each Fiscal Year and to deposit to the Debt Service Fund hereinafter created, from such Non Ad-Valorem Revenues amounts sufficient to pay principal of and interest on the 2020C Note and other costs and expenses due and payable to the Holder under this Agreement as the same shall become due. Such covenant and agreement on the part of the City to budget, appropriate and deposit such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been applied to all such payments. No lien upon or pledge of such Non-Ad Valorem Revenues shall be in effect until such moneys are budgeted and appropriated and deposited as provided herein. The City further acknowledges and agrees that the obligations of the City to include such amounts in each of its annual budgets and to pay such appropriated amounts from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

Until such monies are budgeted appropriated and deposited as provided herein, such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues nor does it give the Holder of the 2020C Note a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on notes and other debt instruments). Anything in this Agreement to the contrary notwithstanding, it is understood and agreed that all obligations of the City hereunder shall be payable from the portion of Non-Ad Valorem Revenues budgeted appropriated and deposited as provided for hereunder and nothing herein shall be deemed to pledge ad valorem tax revenues or to permit or constitute a mortgage or lien upon any assets owned by the City and no Holder of the 2020C Note nor any other person, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the City or the application of ad valorem revenues in order to satisfy any payment obligations hereunder or to maintain or continue any of the activities of the City which generate user service charges, regulatory fees, or any other Non-Ad Valorem Revenues. Notwithstanding any provisions of this Agreement or the 2020C Note to the contrary, the City shall never be obligated to maintain or continue any of the activities of the City which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. Neither this Agreement nor the obligations of the City under the Resolution shall be construed as a pledge of or a lien on all or any Non-Ad Valorem Revenues of the City other than the Pledged Revenues, but shall be payable solely as provided herein and is subject in all respects to the provisions of Section 166.241, Florida Statutes.

There is hereby created and established the "City of Fort Pierce, Florida Capital Improvement Revenue Note, Series 2020C Debt Service Fund,"(referred to herein as the "Debt Service Fund") which fund shall be a trust fund held by the City Finance Director, which shall be held solely for the benefit of the Holder as provided herein. Non-Ad Valorem Revenues shall be deposited in said Debt Service Fund as provided herein and shall be and constitute a trust fund created for the purposes stated herein, and there is hereby created a lien upon the funds deposited therein in accordance with this Agreement. The money in the Debt Service Fund shall be continuously secured until such time as the 2020C Note are paid in full in the same manner as state and municipal deposits are authorized to be secured by the laws of the State of Florida.

**Section 4.04. Tax Covenant.** The City covenants to the Holders of the 2020C Note that the City will not make any use of the proceeds of such 2020C Note at any time during the term of such 2020C Note which would cause such 2020C Note to be an “arbitrage bond” within the meaning of the Code. The City further covenants to comply with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to insure the exclusion of interest on such 2020C Note from the gross income of the Holders thereof for purposes of federal income taxation.

**Section 4.05. Anti-Dilution.** During such time as the 2020C Note is Outstanding, the City agrees and covenants with the Holder that for each Fiscal Year of the City, “Total Revenues” and “Total Other Financing Sources” as indicated on the “Schedule of General Fund Revenues, Expenditures and Changes in Fund Balance” or any successor thereto as set forth in the City’s general purpose financial statements for the General Fund of the City for such Fiscal Year, less any transfers to the City’s General Fund from the City’s solid waste fund, less any amounts received by the City from federal grants and state grants, less any funds utilized for capital leases to which the City is the lessee and less any other grants and any other Non-Ad Valorem Revenues which may not legally be used to pay debt service on the 2020C Note, plus the Ad Valorem Credit (as hereinafter defined), less the Maximum Annual Debt Service for such Fiscal Year on Debt secured by and payable from a specific source of Non-Ad Valorem Revenues, not otherwise included in Non-Ad Valorem Revenues less the City’s total of general government expenditures and public safety expenditures (the “Adjusted Revenues”), shall be equal to at least 200% of the Maximum Annual Debt Service on the 2020C Note and any other Debt (as defined in Section 4.06 hereof) of the City payable from the City’s covenant to budget and appropriate Non-Ad Valorem Revenues and 100% of any amounts owed in regard to amounts drawn under any surety bond or similar instrument deposited to a reserve fund issued in regard to the Debt payable from a City covenant to budget and appropriate Non-Ad Valorem Revenues (collectively, the “Policy Costs”). The City agrees to provide evidence of compliance with the anti-dilution test above in the statistical section of each of its Comprehensive Annual Financial Report.

For purposes of the above, Ad Valorem Credit means that amount of ad valorem taxes received by the City multiplied by the percentage determined by dividing the total of general government and public safety expenditures by total expenditures and other financial uses (as such expenditures and uses are reflected in the City’s general purposes financial statements for such Fiscal Year).

**Section 4.06. Future Debt Payable From Non-Ad Valorem Revenues.** . The City covenants that it will not issue any Debt subsequent to the issuance of the 2020C Note payable from amounts budgeted and appropriated from Non-Ad Valorem Revenues (the "Additional Debt") unless an independent auditor shall, prior to the issuance of such Debt, certify to the City that the Adjusted Revenues for the immediately preceding Fiscal Year is equal to at least 200% of the Maximum Bond Service Requirement on all Debt to be outstanding following the issuance of the Additional Debt and 100% of any amounts owed for Policy Costs (as defined in various resolutions of the City, the "Additional Debt Test"). No such Additional Debt may be issued without the prior written consent of all applicable bond insurers if any Policy Costs are past due and owing. [At least thirty (30) days] prior to the issuance of any Additional Debt, the City Manager (or an authorized representative of the City)

shall execute and deliver to the Lender a certificate demonstrating the City's compliance with the Additional Debt Test upon the issuance of the contemplated Additional Debt.

“Debt” for purpose of the above means as to any date (without duplication) all of the following to the extent that the maturity thereof is longer than one year, it is an obligation of the City payable from the City’s covenant to budget and appropriate Non-Ad Valorem Revenues and such Debt is outstanding for purposes of the instruments pursuant to which it was issued: (1) Bonds (as defined in various Resolutions of the City); (2) all obligations of the City for borrowed money evidenced by bonds, debentures, notes or other similar instruments, except as otherwise excluded from the definition of Debt; (3) all obligations of the City to pay the deferred purchase price of property or services, except trade accounts payable under normal trade terms and which arise in the ordinary course of business; and (4) all indebtedness of other Persons to the extent guaranteed by the City. “Debt” shall not include any obligation of the City payable in whole or in part whereby the City has agreed to pay such obligation from a covenant to budget and appropriate from Non-Ad Valorem Revenues, which agreement is subordinate to such agreement in favor of the Holders of the 2020C Note and any Debt payable on a parity therewith (“Subordinate Obligations”), provided that the total outstanding principal amount of such Subordinate Obligations does not exceed \$6.5 million and the maturity date of any such Subordinate Obligations is at least eleven (11) years from the date of issuance thereof.

**Section 4.07. Financial Disclosures.** At no costs to the Lender, the City will, unless available through a publicly accessible website, furnish to the Lender (i) within 270 days following the end of each Fiscal Year, a comprehensive annual financial report of the City for such Fiscal Year prepared in accordance with generally accepted accounting standards, and an audit report of an independent certified public accountant or firm thereof. The City shall also furnish at no cost to the City within 30 days of the adoption thereof for each Fiscal Year, the annual budget of the City including any revisions to the City’s capital improvement plan, and any other financial information which the Lender may reasonably request. [The City will provide to the Lender the operating data and financial information which the City has committed to provide to holders of [Parity Debt] for which it has entered into a continuing disclosure undertaking pursuant to Rule 15c2 12 promulgated by the Securities and Exchange Commission as well as such other information regarding the City and its affairs as the Lender may reasonably request].

**Section 4.08. Continuing Disclosure Filing.** Prior to the filing of any documents related to the 2020C Note through the Electronic Municipal Market Access web portal or any similar repository the City shall provide the Lender the opportunity to review such filing. The Lender shall be deemed to have consented to such filing unless a written response is delivered to the City within ten (10) days following receipt by the Lender of the intended filing.

## ARTICLE V

### EVENTS OF DEFAULT AND REMEDIES

**Section 5.01. Events of Default.** Each of the following is hereby declared an “Event of Default:”

(a) payment of the principal of the 2020C Note shall not be made when the same shall become due and payable; or

(b) payment of any installment of interest on the 2020C Note shall not be made when the same shall become due and payable; or

(c) the City shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the 2020C Note or in this Agreement and such default shall continue for thirty (30) days after written notice shall have been given to the City by the Noteholder specifying such default and requiring the same to be remedied; provided, however, that if, in the reasonable judgment of the Noteholder, the City shall proceed to take such curative action which, if begun and prosecuted with due diligence, cannot be completed within a period of thirty (30) days, then such period shall be increased to such extent as shall be necessary, in the reasonable judgment of the Holder, to enable the City to diligently complete such curative action; or

(d) any proceedings are instituted with the consent or acquiescence of the City, for the purpose of effecting a compromise between the City and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereinafter enacted; or

(e) the City admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors, declares a financial emergency or consents to the appointment of a receiver or trustee for itself or shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(f) the City is adjudged insolvent by a court of competent jurisdiction or is adjudged bankrupt on a petition of bankruptcy filed against the City, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the City, a receiver or trustee of the City or of the whole or any part of its property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(g) if, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property and such custody or control shall not be terminated within 90 days from the date of assumption of such custody or control.

**Section 5.02. Exercise of Remedies.** Upon the occurrence and during the continuance of an Event of Default, the 2020C Note shall bear interest at the Default Rate and all payments made on such 2020C Note during any such period shall be applied first to interest

and then to principal. Acceleration of the payments due on the 2020C Note and any other payments due hereunder shall not be a remedy except upon the occurrence and continuation of an Event of Default specified in section (a) or (b) above and the acceleration by the owner of any other Debt of the entire principal amount of such other Debt.

Upon the occurrence and during the continuance of an Event of Default, the Noteholder may proceed to protect and enforce its rights under the laws of the State or under this Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Noteholder shall deem most effective to protect and enforce such rights. Without limiting the generality of the foregoing, the Noteholder shall have the right to bring a mandamus action to require the City to perform its obligations under this Agreement, provided, the Holder shall never have the right to compel the exercise of the ad valorem taxing power of the City or the taxation in any form of any property to pay the 2020C Note or the interest thereon.

In the enforcement of any remedy under this Agreement, to the extent permitted by law, a Noteholder shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming due from the City for principal, interest or otherwise under any of the provisions of this Agreement or of the 2020C Note then unpaid, at the Default Rate, together with any and all costs and expenses of collection and of all proceedings hereunder and under the 2020C Note (including, without limitation, reasonable legal fees in all proceedings, including administrative, appellate and bankruptcy proceedings), but payable from only the Pledged Revenues, without prejudice to any other right or remedy of the Noteholder, and to recover and enforce any judgment or decree against the City, but solely as provided herein and in the 2020C Note, for any portion of such amounts remaining unpaid and interest, costs, and expenses as above provided, and to collect (but only from the Pledged Revenues) in any manner provided by law, the moneys adjudged or decreed to be payable.

**Section 5.03. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to a Noteholder is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder.

**Section 5.04. Remedies Cumulative.** No remedy herein conferred upon or reserved to the Holder is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

**Section 5.05. Waivers, Etc.** No delay or omission of a Noteholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein; and every power and remedy given by this Agreement to a Noteholder may be exercised from time to time and as often as may be deemed expedient.

A Noteholder may waive any default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Agreement or before the completion of the enforcement of any other remedy under this Agreement, but no such waiver shall be effective unless in writing and no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

## ARTICLE VI

### MISCELLANEOUS PROVISIONS

**Section 6.01. Covenants of City, Etc.; Successors.** All of the covenants, stipulations, obligations and agreements contained in this Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon any successor or successors thereof from time to time, and upon any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

**Section 6.02. Term of Agreement.** This Agreement shall be in full force and effect from the date hereof until the 2020C Note and all other sums payable to the Holder hereunder have been paid in full.

**Section 6.03. Amendments and Supplements.** This Agreement may be amended or supplemented from time to time only by a writing duly executed by each of the City and the Noteholder.

**Section 6.04. Notices.** Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the City or the Lender, shall be deemed to have been sufficiently given or filed for all purposes of this Agreement if and when sent by certified mail, return receipt requested:

(a) As to the City:

City of Fort Pierce, Florida  
100 North U.S. 1  
Fort Pierce, FL 34950  
Attention: City Manager

With a copy to:

Pete Sweeney, Esquire  
City Attorney  
100 North U.S. 1  
Fort Pierce, FL 32778

(b) As to the Lender:

Government & Not-for-Profit  
450 S. Orange Avenue, 10<sup>th</sup> Floor \_\_\_\_\_  
FL4-357  
Orlando, FL 32801  
Attention: Rebecca Reynolds-Russell

or at such other address as shall be furnished in writing by any such party to the other, and shall be deemed to have been given as of the date so delivered or deposited in the United States mail.

Either party may, by notice sent to the other, designate a different or additional address to which notices under this Agreement are to be sent.

**Section 6.05. Benefits Exclusive.** Except as herein otherwise provided, nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the City and the Noteholder, any right, remedy or claim, legal or equitable, under or by reason of this Agreement or any provision hereof, this Agreement and all its provisions being intended to be and being for the sole and exclusive benefit of the City and the Noteholder.

**Section 6.06. Severability.** In case any one or more of the provisions of this Agreement, any amendment or supplement hereto or of the 2020C Note shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement, any amendment or supplement hereto or the 2020C Note, but this Agreement, any amendment or supplement hereto and the 2020C Note shall be construed and enforced at the time as if such illegal or invalid provisions had not been contained therein, nor shall such illegality or invalidity or any application thereof affect any legal and valid application thereof from time to time.

**Section 6.07. Payments Due on Non-Business Days.** In any case where the date of maturity of interest on or principal of the 2020C Note or the date fixed for prepayment of the 2020C Note shall be other than a Business Day, then payment of such interest or principal shall be made on the next succeeding Business Day with the same force and effect as if paid on the date of maturity or the date fixed for prepayment, and no interest on any such principal amount shall accrue for the period after such date of maturity or such date fixed for prepayment.

**Section 6.08. Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

**Section 6.09. Applicable Law.** This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State.

**Section 6.10. No Personal Liability.** Notwithstanding anything to the contrary contained herein or in the 2020C Note, or in any other instrument or document executed by or on behalf of the City in connection herewith, no stipulation, covenant, agreement or obligation of any present or future member of the City Commission, officer, employee or agent of the City,

and no such person, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, agreements or obligations, nor shall any recourse be had for the payment of the principal of or interest on the 2020C Note or for any claim based thereon or on any such stipulation, covenant, agreement or obligation, against any such person, either directly or through the City or any successor to the City, under any rule or law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise and all such liability of any such person is hereby expressly waived and released.

**Section 6.11. Waiver of Jury Trial.** THE PARTIES HERETO KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY, WITH RESPECT TO ANY LITIGATION OR LEGAL PROCEEDINGS BASED ON OR ARISING OF THIS AGREEMENT OR THE 2020C Note, INCLUDING ANY COURSE OF CONDUCT, COURSE OF DEALINGS, VERBAL OR WRITTEN STATEMENT OR ACTIONS OR OMISSIONS OF ANY PARTY WHICH IN ANY WAY RELATES TO THE 2020C Note OR THIS AGREEMENT.

**Section 6.12. Documentary and Intangible Taxes.** In the event that any intangible tax or documentary stamp is due from the Holder to any state or other governmental agency or authority because of the execution or holding of the 2020C Note, the City shall, upon demand, reimburse the Holder for any such tax paid.

*[SIGNATURES ON FOLLOWING PAGE]*

*[Signature Page for LOAN AGREEMENT  
dated June 3, 2020 between  
the City of Fort Pierce, Florida and JPMorgan Chase Bank, N.A.]*

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed as of the date first set forth herein.

**CITY OF FORT PIERCE, FLORIDA**

[SEAL]

ATTEST:

By: \_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

Approved As To Form:

**JPMORGAN CHASE BANK, N.A.**

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

By: \_\_\_\_\_  
Title: Vice President

**EXHIBIT A**

**FORM OF NOTE**

**CITY OF FORT PIERCE, FLORIDA  
CAPITAL IMPROVEMENT REVENUE REFUNDING NOTE,  
SERIES 2020C**

| <u>Principal</u> | <u>Maturity Date</u> | <u>Note Rate</u> | <u>Date of Issuance</u> |
|------------------|----------------------|------------------|-------------------------|
| \$_____          | September 1, 2030    | 1.264%           | June ___, 2020          |

The CITY OF FORT PIERCE, FLORIDA (the “City”), for value received, hereby promises to pay, solely from the sources described in the within mentioned Agreement, to the order of JPMORGAN CHASE BANK, N.A., a national banking association or its assigns (the “Holder”), at 10 South Dearborn, Floor L2S, Chicago, Illinois 60603, Attention: WLS or at such other place as the Holder may from time to time designate in writing, (but only out of the sources hereinafter mentioned) principal in the amounts and on the dates set forth on **Schedule I** attached hereto, commencing on September 1, 2020, and to pay interest on the outstanding principal amount until payment of said principal sum has been made or provided for, at the Note Rate shown above calculated on the basis of a 360-day year of twelve (12), thirty (30) day months. Payments due hereunder shall be payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, which payments shall be made to the Holder hereof by check or wire transfer or otherwise as the City and the Holder may agree.

The Note Rate may be adjusted in accordance with Sections 3.02 and 5.02 of that certain Loan Agreement by and between the Holder and the City, dated June 3, 2020 (the “Agreement”). Such adjustments may be retroactive.

All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

This Note is not subject to prepayment at the option of the City.

This Note is authorized to be issued in the outstanding aggregate principal amount equal to the Principal under the authority of and in full compliance with the Constitution and statutes of the State of Florida (the “State”), including, particularly, Chapter 166, Florida Statutes the Municipal Charter of the City, and other applicable provisions of law, City Resolution No. \_\_\_\_\_ adopted by the City Commission on April 20, 2020 (the "Resolution"), and the Agreement and is subject to all terms and conditions of the Agreement and the Resolution.

This Note is a limited, special obligation of the City, payable from and secured solely by a lien upon and pledge of the Pledged Revenues, as described and in the manner provided in the Agreement.

Notwithstanding any provision in this 2020C Note to the contrary, in no event shall the interest contracted for, charged or received in connection with this Note (including any other costs or considerations that constitute interest under the laws of the State which are contracted for, charged or received) exceed the maximum rate of nonusurious interest allowed under the State as presently in effect and to the extent an increase is allowable by such laws, but in no event shall any amount ever be paid or payable by the City greater than the amount contracted for herein.

THIS NOTE SHALL NOT BE OR CONSTITUTE AN INDEBTEDNESS OF THE CITY OR THE STATE (THE "STATE"), WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATIONS OF INDEBTEDNESS, BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED REVENUES, AS PROVIDED IN THE AGREEMENT AND THE RESOLUTION. THE HOLDER SHALL NEVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, OR TAXATION IN ANY FORM OF ANY PROPERTY THEREIN TO PAY THIS NOTE OR THE INTEREST THEREON.

Upon the occurrence of an Event of Default, the Holder shall also have such other remedies as described in the Agreement.

The City hereby waives presentment, demand, protest and notice of dishonor. This Note is governed by and construed in accordance with the laws of the State. In the event of a conflict between the terms of this Note and the Agreement, this Note shall be controlled by the terms of the Agreement and reference is hereby made thereto regarding interest rate adjustments and other matters.

Notwithstanding any provision in this 2020[A/B] Note to the contrary, in no event shall the interest contracted for, charged or received in connection with this 2020 Note [A/B] (including any other costs or considerations that constitute interest under the laws of the State which are contracted for, charged or received) exceed the maximum rate of nonusurious interest allowed under the State as presently in effect and to the extent an increase is allowable by such laws, but in no event shall any amount ever be paid or payable by the City greater than the amount contracted for herein. This 2020C Note may be transferred only as provided in the Agreement.

The Holder of this 2020C Note shall have the right at any time to assign, transfer or convey this 2020C Note or any interest therein or portion thereof, but no such assignment, transfer or conveyance shall be effective as against the City unless and until the Holder has delivered to the City written notice thereof that discloses the name and address of the assignee and such assignment, transfer or conveyance shall be made only to (i) an affiliate of the Holder or (ii) banks, insurance companies or similar financial institutions or their affiliates. Nothing herein shall limit the right of the Holder of this 2020C Note or its assignees to sell or assign participation interests in this 2020C Note to one or more entities listed in (i) or (ii).

IN WITNESS WHEREOF, the City has caused this 2020C Note to be signed by its Mayor, either manually or with facsimile signature, and the seal of the City to be affixed hereto or imprinted or reproduced hereon, and attested by the City Clerk of the City, either manually or with facsimile signature, and this 2020C Note is to be dated the Date of Issuance set forth above.

**CITY OF FORT PIERCE, FLORIDA**

[SEAL]

By: \_\_\_\_\_  
Mayor

ATTEST:

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

FORM OF CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This 2020C Note is being delivered pursuant to the within mentioned Agreement.

**CITY OF FORT PIERCE, FLORIDA,**  
as Registrar

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

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto \_\_\_\_\_ (please print or typewrite name, address and tax identification number of assignee) \_\_\_\_\_ the within 2020C Note and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ Attorney to transfer the within 2020C Note on the books kept for registration thereof, with full power of substitution in the premises.

Name of Noteholder: \_\_\_\_\_

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

**SCHEDULE I**

| <b>YEAR</b> | <b>PRINCIPAL</b> |
|-------------|------------------|
| 2020        | \$               |
| 2021        |                  |
| 2022        |                  |
| 2023        |                  |
| 2024        |                  |
| 2025        |                  |
| 2026        |                  |
| 2027        |                  |
| 2028        |                  |
| 2029        |                  |
| 2030        |                  |



## Term Sheet

This Term Sheet dated March 25, 2020, from JPMorgan Chase Bank, NA (the “Bank”) is provided to the City of Fort Pierce, Florida (the “City”), regarding the \$13,173,785.90 Non-Bank Qualified Tax-Exempt Capital Improvement Revenue Refunding Note, Series 2020, on the terms and conditions set forth herein.

### FORM OF NOTE:

The Bank will require a single term Note in the full par amount of \$13,173,785.90, with sinking fund payments equivalent to the stated maturity schedule indicated in Revised Placement memorandum issued by B.C. Ziegler and Company in its role as Municipal Advisor to the City. The Bank shall not require the Note to be rated by any rating agency. The Bank: (a) is a bank, an entity directly or indirectly controlled by a bank or under common control with a bank, other than a broker, dealer or municipal securities dealer registered under the Securities Exchange Act of 1934, or a consortium of such entities; and (b) has the present intent to hold the Note to maturity or earlier redemption or mandatory tender.

### REPAYMENT TERMS:

Annual payments of principal on September 1, commencing September 1, 2020; semi-annual payments of accrued interest on March 1 and September 1, commencing September 1, 2020.

| <u>Pymt date</u> | <u>Principal</u> |
|------------------|------------------|
| 9/1/2020         | \$ 372,608.30    |
| 9/1/2021         | \$ 1,430,727.30  |
| 9/1/2022         | \$ 1,437,100.70  |
| 9/1/2023         | \$ 1,463,377.20  |
| 9/1/2024         | \$ 1,259,506.50  |
| 9/1/2025         | \$ 1,262,357.30  |
| 9/1/2026         | \$ 1,269,012.70  |
| 9/1/2027         | \$ 1,286,184.80  |
| 9/1/2028         | \$ 1,292,547.90  |
| 9/1/2029         | \$ 1,320,231.30  |
| 9/1/2030         | \$ 775,150.80    |
| 9/1/2031         | \$ 4,981.50      |

### INTEREST RATE:

*The rate provided below is provided exclusively for indicative purposes, based upon market conditions as of March 25, 2020. The actual rate of interest borne by the Note will be set by mutual agreement between Bank and the City upon receipt of signed acceptance (see below):*

The interest rate will be fixed upon acceptance. However, prior to acceptance, the interest rate may increase if the Bank’s cost of funds increases. Bank’s cost of funds may increase due to a number of factors including, but not limited to, changes in market conditions. Interest will be calculated on a 30/360 basis.

1.264% fixed. No optional redemption.

**PURPOSE:** The proceeds of the Notes will be used to currently refund the City's Series 2014 Note, defease the Series 2016 Notes and Series 2018 Notes, and pay costs of issuance related to the Notes.

**SECURITY:** The Note will be secured by a covenant to budget and appropriate from the City. The City will deliver to the Bank for its review and approval forms of an authorizing legislation approving and authorizing the issuance of the Note and other documents evidencing and securing the Note (the "Documentation"). The Documentation shall include the covenant and agreement by the City to appropriate in its annual budget, by amendment, if necessary, from non-ad valorem revenues of the City in each fiscal year and which are lawfully available to pay debt service on the Note, amounts sufficient to pay principal of and interest on the Note and other amounts due to the Bank.

**DEBT SERVICE RESERVE:** None.

**COVERAGE REQUIREMENT:** The Documentation will include a coverage requirement pursuant to which the City shall a coverage for Note and all of the City's outstanding covenant to budget and appropriate debt (collectively, "Parity Debt") of 2.00x the maximum annual debt service on the Parity Debt. The City will exhibit its Notes Payable Coverage Schedule for all Parity Debt annually within the Statistical Section of its annual Comprehensive Annual Financial Report (the "CAFR").

**EVENT OF DEFAULT:** In an event of default, the City acknowledges and agrees that the Bank may seek to exercise all rights and remedies available to it under law or equity in the State of Florida, including without limitation, the right to sue the City for repayment of the amount of the Note.

**DEFAULT RATE:** In the event of default, the interest rate will be the interest rate on the Note, plus 2.00%.

**LEGAL OPINION:** Purchase of the Note will be subject to a satisfactory opinion of Bond Counsel as to (i) the City's obligations under the Note and the Documentation being legal, valid, binding and enforceable against the City (ii) the exemption of interest on the Note from Federal income tax and state taxes, and (iii) designation of the Note as a "qualified tax-exempt obligation" under Section 265(b) of the Internal Revenue Code of 1986, as amended. Bond Counsel's opinion must be addressed to Bank or permit reliance by Bank.

**BANK ELIGIBILITY:** The Bank’s bid assumes the Note will be issued as a Non-Bank qualified tax-exempt obligation.

**PAYING AGENT/REGISTRAR:** The Bank will not serve as Paying Agent or as Registrar of the Note. The Bank will invoice for each payment on the 15<sup>th</sup> business day of the month preceding each payment due date.

**DOCUMENTATION:** Documentation shall be prepared by the City’s Bond Counsel, Akerman LLP, at the City’s expense. Funding will occur upon receipt of an executed original of the Note and conformed executed copies of the Documentation, in form and substance acceptable to Bank and its counsel. The Documentation shall include among other things, the following special covenants: (i) the City will provide the Bank with a copy of its annual budget for each fiscal year during the term of the Note and any revisions to its capital improvement program within a reasonable period after the annual budget is approved by the governing body of the City but not later than 30 days after such approval; and (ii) the City will provide to the Bank the operating data and financial information which the City has committed to provide to holders of Parity Debt for which it has entered into a continuing disclosure undertaking pursuant to Rule 15c2 12 promulgated by the Securities and Exchange Commission as well as such other information regarding the City and its affairs as the Bank may reasonably request.

**BANK COUNSEL FEES:** \$7,500.00 to be paid by the City at closing. The Bank will engage the firm of Greenberg Traurig, P.A., Jean Wilson and Ashton Bligh.

**FINANCIAL REPORTING:** Unless available electronically on a public website, the City’s CAFR with the opinion of an independent certified public accountant is required to be provided to the Bank within 270 days of the close of the City’s fiscal year, commencing with fiscal year ended September 30, 2019.

**DETERMINATION OF TAXABILITY:** If the interest payable on the Note becomes taxable due to any act or omission of the City, the interest rate payable on the Note will increase retroactively from the date on which interest on the Note is first includable in gross income of the owner thereof (which may be as early as the issuance date) to a taxable equivalent rate and pay the Bank penalties on overdue interest and additions to tax, if any.

**MUNICIPAL ADVISOR DISCLAIMER:**

The City acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the City and the Bank and its affiliates, (ii) in connection with such transaction, the Bank and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the City, (iii) the Bank and its affiliates are relying on the Bank exemption in the Municipal Advisor Rules, (iv) the Bank and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the City on other matters), (v) the Bank and its affiliates have financial and other interests that differ from those of the City, and (vi) the City has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

**WEBSITE DISCLOSURE:**

Final documentation may be posted by the City on a national public bond market repository provided that certain information be redacted by the City as directed by the Bank. Items that should be redacted include signatures/names, account numbers, wire transfer and payment instructions and any other data that could be construed as sensitive information.

**MISCELLANEOUS:**

This indicative rate must be accepted on or before the close of business on March 26, 2020, with funding and closing on or before May 1, 2020. If acceptance and funding have not occurred by the above dates, the Bank may, at its option and in its sole discretion, terminate this proposal, or adjust the interest rate.

Any change (whether material or not) in the aggregate amount to be financed or a material change in the financial condition or prospects of the City may constitute a re-pricing event and the Bank may, at its option and in its sole discretion, terminate this Proposal and/or the interest rate may be adjusted

**Submitted by:**

JPMorgan Chase Bank, N.A.

---

Rebecca E Reynolds  
Vice President  
Mail Code FL4-9507  
450 S Orange Ave  
Orlando FL 32801  
[rebecca.reynolds@chase.com](mailto:rebecca.reynolds@chase.com)

cc [wilsonj@gtlaw.com](mailto:wilsonj@gtlaw.com)  
[bligha@gtlaw.com](mailto:bligha@gtlaw.com)

**ACCEPTED BY: (for the) City of Fort Pierce, Florida**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

IRS Circular 230 Disclosure: Bank and its affiliates (collectively, "Chase") do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with Chase of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.



## Term Sheet

This Term Sheet dated March 25, 2020, from JPMorgan Chase Bank, NA (the “Bank”) is provided to the City of Fort Pierce, Florida (the “City”), regarding the \$995,416.70 Taxable Capital Improvement Revenue Refunding Note, Series 2020, on the terms and conditions set forth herein.

### FORM OF NOTE:

The Bank will require a single term Note in the full par amount of \$995,416.70, with sinking fund payments equivalent to the stated maturity schedule indicated in Revised Placement memorandum issued by B.C. Ziegler and Company in its role as Municipal Advisor to the City. The Bank shall not require the Note to be rated by any rating agency. The Bank: (a) is a bank, an entity directly or indirectly controlled by a bank or under common control with a bank, other than a broker, dealer or municipal securities dealer registered under the Securities Exchange Act of 1934, or a consortium of such entities; and (b) has the present intent to hold the Note to maturity or earlier redemption or mandatory tender.

### TAXABILITY:

This Term Sheet assumes that the Note will be issued as a taxable obligation.

### REPAYMENT TERMS:

Annual payments of principal on September 1, commencing September 1, 2020; semi-annual payments of accrued interest on March 1 and September 1, commencing September 1, 2020.

| <u>Pymt date</u> | <u>Principal</u> |
|------------------|------------------|
| 9/1/2020         | \$ 130,728.60    |
| 9/1/2021         | \$ 137,183.60    |
| 9/1/2022         | \$ 138,935.60    |
| 9/1/2023         | \$ 145,498.70    |
| 9/1/2024         | \$ 146,725.50    |
| 9/1/2025         | \$ 147,756.20    |
| 9/1/2026         | \$ 148,588.50    |

### INTEREST RATE:

*The rate provided below is provided exclusively for indicative purposes, based upon market conditions as of March 25, 2020. The actual rate of interest borne by the Note will be set by mutual agreement between Bank and the City upon receipt of signed acceptance (see below):*

The interest rate will be fixed upon acceptance. However, prior to acceptance, the interest rate may increase if the Bank’s cost of funds increases. Bank’s cost of funds may increase due to a number of factors including, but not limited to, changes in market conditions. Interest will be calculated on a 30/360 basis.

1.647% fixed. No optional redemption.

**PURPOSE:** The proceeds from the Note will be used to currently defease City's Series 2016A Note, and pay costs of issuance related to the Note.

**SECURITY:** The Note will be secured by a covenant to budget and appropriate from the City. The City will deliver to the Bank for its review and approval forms of an authorizing legislation approving and authorizing the issuance of the Note and other documents evidencing and securing the Note (the "Documentation"). The Documentation shall include the covenant and agreement by the City to appropriate in its annual budget, by amendment, if necessary, from non-ad valorem revenues of the City in each fiscal year and which are lawfully available to pay debt service on the Note, amounts sufficient to pay principal of and interest on the Note and other amounts due to the Bank.

**DEBT SERVICE RESERVE:** None.

**COVERAGE REQUIREMENT:** The Documentation will include a coverage requirement pursuant to which the City shall a coverage for Note and all of the City's outstanding covenant to budget and appropriate debt (collectively, "Parity Debt") of 2.00x the maximum annual debt service on the Parity Debt. The City will exhibit its Notes Payable Coverage Schedule for all Parity Debt annually within the Statistical Section of its annual Comprehensive Annual Financial Report (the"CAFR").

**EVENT OF DEFAULT:** In an event of default, the City acknowledges and agrees that the Bank may seek to exercise all rights and remedies available to it under law or equity in the State of Florida, including without limitation, the right to sue the City for repayment of the amount of the Note.

**DEFAULT RATE:** In the event of default, the interest rate will be the interest rate on the Note, plus 2.00%.

**LEGAL OPINION:** Purchase of the Note will be subject to a satisfactory opinion of Bond Counsel as to (i) the City's obligations under the Note and the Documentation being legal, valid, binding and enforceable against the City and (ii) the exemption of interest on the Note from state taxes. . Bond Counsel's opinion must be addressed to Bank or permit reliance by Bank.

**PAYING AGENT/REGISTRAR:** The Bank will not serve as Paying Agent or as Registrar of the Note. The Bank will invoice for each payment on the 15<sup>th</sup> business day of the month preceding each payment due date.

**DOCUMENTATION:**

Documentation shall be prepared by the City's Bond Counsel, Akerman LLP, at the City's expense. Funding will occur upon receipt of an executed original of the Note and conformed executed copies of the Documentation, in form and substance acceptable to Bank and its counsel. The Documentation shall include among other things, the following special covenants: (i) the City will provide the Bank with a copy of its annual budget for each fiscal year during the term of the Note and any revisions to its capital improvement program within a reasonable period after the annual budget is approved by the governing body of the City but not later than 30 days after such approval; and (ii) the City will provide to the Bank the operating data and financial information which the City has committed to provide to holders of Parity Debt for which it has entered into a continuing disclosure undertaking pursuant to Rule 15c2 12 promulgated by the Securities and Exchange Commission as well as such other information regarding the City and its affairs as the Bank may reasonably request.

**BANK COUNSEL FEES:**

\$7,500.00 to be paid by the City at closing. The Bank will engage the firm of Greenberg Traurig, P.A., Jean Wilson and Ashton Bligh.

**FINANCIAL REPORTING:**

Unless available electronically on a public website, the City's CAFR with the opinion of an independent certified public accountant is required to be provided to the Bank within 270 days of the close of the City's fiscal year, commencing with fiscal year ended September 30, 2019.

**DETERMINATION OF TAXABILITY:**

If the interest payable on the Note becomes taxable due to any act or omission of the City, the interest rate payable on the Note will increase retroactively from the date on which interest on the Note is first includable in gross income of the owner thereof (which may be as early as the issuance date) to a taxable equivalent rate and pay the Bank penalties on overdue interest and additions to tax, if any.

**MUNICIPAL ADVISOR DISCLAIMER:**

The City acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the City and the Bank and its affiliates, (ii) in connection with such transaction, the Bank and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the City, (iii) the Bank and its affiliates are relying on the Bank exemption in the Municipal Advisor Rules, (iv) the Bank and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the City on other matters), (v) the Bank and its affiliates have financial and other interests that differ from those of the City, and (vi) the City has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

**WEBSITE DISCLOSURE:**

Final documentation may be posted by the City on a national public bond market repository provided that certain information be redacted by the City as directed by the Bank. Items that should be redacted include signatures/names, account numbers, wire transfer and payment instructions and any other data that could be construed as sensitive information.

**MISCELLANEOUS:**

This indicative rate must be accepted on or before the close of business on March 26, 2020, with funding and closing on or before May 1, 2020. If acceptance and funding have not occurred by the above dates, the Bank may, at its option and in its sole discretion, terminate this proposal, or adjust the interest rate.

Any change (whether material or not) in the aggregate amount to be financed or a material change in the financial condition or prospects of the City may constitute a re-pricing event and the Bank may, at its option and in its sole discretion, terminate this Proposal and/or the interest rate may be adjusted

**Submitted by:**

JPMorgan Chase Bank, N.A.

---

Rebecca E Reynolds  
Vice President  
Mail Code FL4-9507  
450 S Orange Ave  
Orlando FL 32801  
[rebecca.reynolds@chase.com](mailto:rebecca.reynolds@chase.com)

cc [wilsonj@gtlaw.com](mailto:wilsonj@gtlaw.com)  
[bligha@gtlaw.com](mailto:bligha@gtlaw.com)

**ACCEPTED BY: (for the) City of Fort Pierce, Florida**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

IRS Circular 230 Disclosure: Bank and its affiliates (collectively, "Chase") do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with Chase of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.