



**FRUITLAND PARK CITY COMMISSION
REGULAR MEETING AGENDA**

September 14, 2017 (Revised 3:15 p.m.)

City Hall Commission Chambers
506 W. Berckman Street
Fruitland Park, FL 34731

6:00 p.m.

- 1. CALL TO ORDER, INVOCATION, AND PLEDGE OF ALLEGIANCE**
Invocation – Pastor Aaron Hornsby, Eagles’ Nest Baptist Church

Pledge of Allegiance - Police Chief Michael A. Fewless

- 2. ROLL CALL**

- 3. COMMUNITY REDEVELOPMENT AGENCY**

Recess soon as practical 6:15 p.m.

- 4. PRESENTATIONS**

(a) **Proclamation – September 17, 2017 *Fay Umble Day***

(b) **Special Presentation –September 17-23, 2017 *Constitution Week***

- 5. CONSENT AGENDA**

Routine items and items not anticipated to be controversial are placed on the Consent Agenda to expedite the meeting. If a Commissioner, staff member or member of the public wish to discuss any item, the procedure is as follows: (1) Pull the item(s) from the Consent Agenda; (2) Vote on remaining item(s); and (3) Discuss each pulled item separately and vote.

(a) **Approval of Minutes** (city clerk) (revised)
August 24, 2017 regular meeting

(b) **Resolution 2017-024 - P&Z Board Appointments – C. Bame** (city clerk)
A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, REAPPOINTING A MEMBER TO THE CITY OF FRUITLAND PARK PLANNING AND ZONING BOARD AND PROVIDING FOR AN EFFECTIVE DATE.

(c) **Resolution 2017-025 - P&Z Board Appointments – P. Purlee** (city clerk)
A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, REAPPOINTING A MEMBER TO THE CITY OF FRUITLAND PARK PLANNING AND ZONING BOARD AND PROVIDING FOR AN EFFECTIVE DATE.

6. REGULAR AGENDA

- (a) **Resolution 2017-026 – City Treasurer CT Appointment** (city clerk)
A RESOLUTION OF THE CITY OF FRUITLAND PARK, APPOINTING A CITY TREASURER, PROVIDING FOR THE TERM OF OFFICE; PROVIDING FOR AN EFFECTIVE DATE.
- (b) **Resolution 2017-027 – City Attorney Appointment** (city clerk)
A RESOLUTION OF THE CITY OF FRUITLAND PARK, APPOINTING A CITY ATTORNEY, PROVIDING FOR THE TERM OF OFFICE; PROVIDING FOR AN EFFECTIVE DATE.
- (c) **Resolution 2017-028 – City Clerk Appointment** (city clerk)
A RESOLUTION OF THE CITY OF FRUITLAND PARK, APPOINTING A CITY CLERK, PROVIDING FOR THE TERM OF OFFICE; PROVIDING FOR AN EFFECTIVE DATE.
- (d) **FY 2016 CAFR** (city treasurer)
2016 Financial Audit Presentation – McDirmit Davis & Co, Certified Public Accountants
- (e) **Resolution 2017-031 – Texting While Driving a Primary Offense** (city manager/police chief/city attorney)
A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, FLORIDA URGING THE FLORIDA LEGISLATURE TO ENACT LEGISLATION THAT WOULD MAKE TEXTING WHILE DRIVING A PRIMARY OFFENSE.
- (f) **Resolution 2017-032 – Fruitland Park Library and Fire Department Donations – FY 2016-17 Budget Amendment 2017-020** (city treasurer)
A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, FLORIDA, AMENDING THE 2016/2017 FISCAL YEAR BUDGET PURSUANT TO SEC. 6.07 OF THE CITY CHARTER TO TRANSFER FUNDS FROM GENERAL FUND DONATIONS TO THE GENERAL FUND LIBRARY DVDS AND FIRE DEPARTMENT EQUIPMENT BUDGET FOR EXPENDITURES IN THE LIBRARY AND FIRE DEPARTMENT; AND PROVIDING FOR AN EFFECTIVE DATE.
- (g) **Change Order #1 - COFP Force Main Lift Station - Contract** (city manager/community development director)
Approve Change Order 1 to COFP Force Main Lift Station contract with McDonough Development Services.
- (h) **First Reading – Ordinance 2017-027 - Wastewater Rates Increase** (city treasurer/city attorney)
AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, FLORIDA, AMENDING CHAPTER 99, SECTION 99.60 (B) OF THE CODE OF ORDINANCES TO PROVIDE FOR AN INCREASE IN WASTERWATER RATES;

PROVIDING FOR SEVERABILITY, PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR AN EFFECTIVE DATE. (The second reading will be held on October 12, 2017.)

- (i) **First Reading – Ordinance 2017-028 – Water Rate Increase** (city treasurer/city attorney)

AN ORDINANCE OF THE CITY OF FRUITLAND PARK, LAKE COUNTY, FLORIDA ADJUSTING THE WATER UTILITY RATES BASED ON THE CIP IN ACCORDANCE WITH SECTION 50.30(N) IN CHAPTER 50 OF THE CODE OF ORDINANCES; TO BE EFFECTIVE OCTOBER 1, 2017; PROVIDING FOR CODIFICATION; PROVIDING FOR REPEAL OF ALL CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY AND PROVIDING FOR AN EFFECTIVE DATE. (The second reading will be held on October 12, 2017.)

FIRST BUDGET PUBLIC HEARING

- (j) **Resolution 2017-029 Tentative Millage Rate FY 2017-18** (city treasurer)

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, LAKE COUNTY, FLORIDA, ADOPTING A TENTATIVE MILLAGE RATE OF 3.9863 LEVYING OF AD VALOREM TAXES FOR LAKE COUNTY FOR FISCAL YEAR 2017-2018; PROVIDING FOR AN EFFECTIVE DATE. (The second reading and public hearing will be held on September 28, 2017.)

- (k) **Resolution 2017-030 Adopting Tentative Budget FY 2017-18** (city treasurer)

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, LAKE COUNTY, FLORIDA, ADOPTING THE TENTATIVE BUDGET FOR FISCAL YEAR 2017-2018; PROVIDING FOR AN EFFECTIVE DATE. (The second reading and public hearing will be held on September 28, 2017.)

PUBLIC HEARING

- (l) **Resolution 2017-019 – FY 2017-18 Final Fire Assessment Rates Adoption** (city attorney) (revised)

A RESOLUTION OF THE CITY OF FRUITLAND PARK, FLORIDA, RELATING TO THE PROVISION OF FIRE SERVICES THROUGHOUT THE CITY OF FRUITLAND PARK; ESTABLISHING THE ASSESSMENT RATE FOR FIRE SERVICES ASSESSMENT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2017; PROVIDING FOR

CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

(m) Second Reading and Public Hearing – Ordinance 2017-022 – Imposing Second Moratorium – Marijuana (city attorney) (revised)

AN ORDINANCE OF THE CITY COMMISSIONERS OF THE CITY OF FRUITLAND PARK, LAKE COUNTY, FLORIDA; ESTABLISHING A TEMPORARY MORATORIUM WITHIN THE CORPORATE LIMITS OF THE CITY OF FRUITLAND PARK PROHIBITING MEDICAL CANNABIS ACTIVITIES DURING THE MORATORIUM PERIOD; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR SEVERABILITY; PROVIDING FOR FILING WITH THE DEPARTMENT OF STATE; AND PROVIDING FOR AN EFFECTIVE DATE. (The first reading was held on August 24, 2017.)

END OF PUBLIC HEARING

7. OFFICERS' REPORTS

(a) City Manager

- i. Proposed Personnel Policy Revisions**
- ii. Soccer Field**

(b) City Attorney

- i. Lawsuits**
- ii. Notice of Claims**

8. PUBLIC COMMENTS

This section is reserved for members of the public to bring up matters of concern or opportunities for praise. Action may not be taken by the City Commission at this meeting; however, questions may be answered by staff or issues may be referred for appropriate staff action.

Note: Pursuant to F.S. 286.0114 and the City of Fruitland Park's Public Participation Policy adopted by Resolution 2013-023, members of the public shall be given a reasonable opportunity to be heard on propositions before the City Commission. Accordingly, comments, questions, and concerns regarding items listed on this agenda shall be received at the time the City Commission addresses such items during this meeting. Pursuant to Resolution 2013-023, public comments are limited to three minutes.

9. COMMISSIONERS' COMMENTS

- (a) Commissioner Ranize**
- (b) Commissioner Lewis**
- (c) Commissioner Bell**
- (d) Vice Mayor Gunter, Jr.**

10. MAYOR'S COMMENTS

11. ADJOURNMENT

DATES TO REMEMBER (revised)

Please note that in addition to the city commission meetings, more than one city commissioner may be present at the above-mentioned events.

September 15, 2017 – Back to School Movie Night *Smurf*, Outside 506 W Berckman Street, Fruitland Park, FL 34731 at 8:00 p.m.

September 19, 2017 – Lake Emergency Management Services Inc. Board Meeting, Lake Board of County Commission Chambers, 315 West Main St, PO Box 7800, Tavares, Florida 32778 at 2:30 p.m.

September 27, 2017 – Lake-Sumter Metropolitan Planning Organization (MPO) Governing Board, 1616 S 14 Street, Leesburg, Florida 34748 at 2:00 p.m.

September 28, 2017 – Regular Commission Meeting (Second Budget Public Hearing) at 6:00 p.m.

October 4, 2017 – LCLC Sponsors Night, Lake Receptions 4425 N Highway 19-A, Mount Dora, Florida 32757 at 6:00 p.m.

October 12, 2017 - Regular Commission Meeting at 6:00 p.m.

October 13, 2017 – LCLC Lake Receptions 4425 N Highway 19-A, Mount Dora, Florida 32757 at 12:00 p.m.

October 14, 2017 – *Trick or Trot 5k Family Fun Run*, Fruitland Park Elementary School, 304 W Fountain Street, Fruitland Park, Florida 34731 at 8:00 a.m.

October 25, 2017 – Lake-Sumter Metropolitan Planning Organization (MPO) Governing Board, 1616 S 14 Street, Leesburg, Florida 34748 at 2:00 p.m.

October 26, 2017 - Regular Commission Meeting at 6:00 p.m.

November 9, 2017, Regular City Commission Meeting at 6:00 p.m.

November 13, 2017, City Offices Closed – Veterans Day

November 15, 2017 LSMPO North West Task Force TBD

November 20, 2017 Lake EMS Employee Issues Committee Meeting, Lake Board of County Commission Chambers, 315 West Main St, PO Box 7800, Tavares, Florida 32778 at 2:00 p.m.

November 21, 2017 Lake EMS Operations Committee Meeting, Lake Board of County Commission Chambers, 315 West Main St, PO Box 7800, Tavares, Florida 32778 at 10:00 a.m.

November 21, 2017 Lake EMS Finance Committee Meeting, Lake Board of County Commission Chambers, 315 West Main St, PO Box 7800, Tavares, Florida 32778 at 3:00 p.m.

November 23, 2017, Regular City Commission Meeting Cancelled – Thanksgiving – City Hall Closed

November 25, 2016 – Day After Thanksgiving - City Hall Closed

Any person requiring a special accommodation at this meeting because of disability or physical impairment should contact the City Clerk's Office at City Hall (352) 360-6727 at least forty-eight (48) hours prior to the meeting. (§286.26 F.S.)

If a person decides to appeal any decision made by the City of Fruitland Park with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. The city does not provide verbatim records. (§286.0105, F.S.)

PLEASE TURN OFF ELECTRONIC DEVICES OR PLACE IN VIBRATE MODE.



**AGENDA ITEM
NUMBER
3**

AGENDA ITEM SUMMARY SHEET

| | | | |
|--|--------------------------------|-----|------|
| ITEM TITLE: | Community Redevelopment Agency | | |
| For the Meeting of: | September 14, 2017 | | |
| Submitted by: | City Treasurer | | |
| Date Submitted: | July 13, 2017 | | |
| Are Funds Required: | | Yes | X No |
| Account Number: | N/A | | |
| Amount Required: | N/A | | |
| Balance Remaining: | N/A | | |
| Attachments: | CRA Agenda | | |
| Description of Item: | | | |
| | | | |
| Action to be Taken: Approve as submitted. | | | |
| Staff's Recommendation: | | | |
| Additional Comments: | | | |

Reviewed by: _____
City Manager

Authorized to be placed on the consent agenda: _____
Mayor



**AGENDA ITEM
NUMBER
4ab**

AGENDA ITEM SUMMARY SHEET

| | | | |
|--------------------------------|---|-----|--|
| ITEM TITLE: | Proclamations | | |
| For the Meeting of: | September 14, 2017 | | |
| Submitted by: | City Clerk | | |
| Date Submitted: | September 7, 2017 | | |
| Are Funds Required: | | Yes | <input checked="" type="checkbox"/> No |
| Account Number: | N/A | | |
| Amount Required: | N/A | | |
| Balance Remaining: | N/A | | |
| Attachments: | Yes | | |
| Description of Item: | <ul style="list-style-type: none"> a. Proclamation – September 17, 2017 <i>Fay Umble Day</i> b. Proclamation – September 17-23, 2017, Constitution Week | | |
| Action to be Taken: | | | |
| Staff's Recommendation: | | | |
| Additional Comments: | | | |

Reviewed by: _____
City Manager

Authorized to be placed on the Regular Consent agenda: _____
Mayor



Proclamation

WHEREAS, Faye Umble will celebrate her 10th Anniversary at Community United Methodist Church (CUMC); and

WHEREAS, Ms. Umble serves as Community UMC's Children and Education Minister and oversees all programs for children from nursery to 5th grade; and

WHEREAS, with the church property being adjacent to Fruitland Park Elementary School and The Villages retirement community nearby, Faye has been involved with the intergenerational connection among the volunteer retirees, the school students, and the community; and

WHEREAS, Ms. Umble manages "Wonderful Wednesdays", a free after-school bible-based program with the elementary school students, oversees the Children's Ministry at the church, and has coordinated various community-related projects such as Vacation Bible School, Pumpkin Patch and Winterfest;

WHEREAS, Faye is a key component in the church's partnership, with Fruitland Park Elementary School, and Operation Bless Fruitland Park; and

WHEREAS, Community UMC has been blessed to have Faye on its church staff;

Now, therefore, be it proclaimed that I "Chris Cheshire, Mayor of the City of Fruitland Park, Florida", on behalf of the city commissioners, do hereby proclaim Sunday, September 17, 2017 as "**Faye Umble Day**" in **Fruitland Park** and ask our citizens to join together in celebrating Faye and her gifts to our community this day.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Fruitland Park to be affixed this 14th day of September 2017.

Chris Cheshire, Mayor

Attest:

Esther Coulson, City Clerk



Proclamation

WHEREAS, September 17, 2017, marks the two hundred twenty-ninth anniversary of the drafting of the Constitution of the United States of America by the Constitutional Convention; and

WHEREAS, it is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary; and to the patriotic celebrations which will commemorate the occasion; and

WHEREAS, Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as *Constitution Week*;

Now, therefore, be it proclaimed that I “Chris Cheshire, Mayor of the City of Fruitland Park, Florida”, on behalf of the city commissioners, do hereby proclaim the week of September 17 through 23, 2017 as **CONSTITUTION WEEK** and ask our citizens to reaffirm the ideals of the Framers of the constitution had in 1787 by vigilantly protecting the freedoms guaranteed to us through this guardian of our liberties, remembering that lost rights may never be regained.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Fruitland Park to be affixed this 14th day of September 2017.

Chris Cheshire, Mayor

Attest:

Esther Coulson, City Clerk



**AGENDA ITEM
NUMBER**
5a-c

CONSENT AGENDA ITEM SUMMARY SHEET
Revised

| | | | | |
|--------------------------------|--|--------------------------|-----|--|
| ITEM TITLE: | Draft Meeting Minutes and Resolutions Planning and Zoning Board Appointments | | | |
| For the Meeting of: | September 14, 2017 | | | |
| Submitted by: | City Clerk | | | |
| Date Submitted: | September 1, 2017 | | | |
| Are Funds Required: | <input type="checkbox"/> | <input type="checkbox"/> | Yes | <input checked="" type="checkbox"/> No |
| Account Number: | N/A | | | |
| Amount Required: | N/A | | | |
| Balance Remaining: | N/A | | | |
| Attachments: | Draft Minutes (attached) and Resolutions | | | |
| Description of Item: | <p>Routine items and items not anticipated to be controversial are placed on the Consent Agenda to expedite the meeting. If a Commissioner, staff member or member of the public wish to discuss any item, the procedure is as follows: (1) Pull the item(s) from the Consent Agenda; (2) Vote on remaining item(s); and (3) Discuss each pulled item separately and vote</p> <p>a Approve regular minutes b Adopt Resolution 2017-024 c Adopt Resolution 2017-025</p> | | | |
| Action to be Taken: | Approval | | | |
| Staff's Recommendation: | Approval | | | |
| Additional Comments: | | | | |

Reviewed by: _____
City Manager

Authorized to be placed on the consent agenda: _____
Mayor

**FRUITLAND PARK CITY COMMISSION REGULAR
MEETING MINUTES
August 24, 2017**

A regular meeting of the Fruitland Park City Commission was held at 506 W. Berckman Street, Fruitland Park, Florida 34731 on Thursday, August 24, 2017 at 6:00 p.m.

Members Present: Mayor Chris Cheshire, Vice Mayor John L. Gunter, Jr., Commissioners Christopher Bell, Ray Lewis, and Rick Ranize.

Also Present: City Manager Gary La Venia, City Treasurer; Jeannine Racine; Captain Eric Luce; Interim Fire Chief Don Gilpin; Deputy Fire Chief, Tim Yoder, Fire Department; Community Development Director Charlie Rector; Public Works Director Dale Bogle, and City Clerk Esther B. Coulson.

1. CALL TO ORDER

After Mayor Cheshire called the meeting to order at 6:00 p.m., Mr. Steve Whitaker, Heritage Community Church, gave the invocation and Captain Luce led in the Pledge of Allegiance to the Flag.

2. ROLL CALL

At Mayor Cheshire's request, Ms. Coulson called the roll and a quorum was present.

Mayor Cheshire announced that members of the public and employees wishing to address the city commission at this evening's meeting, will be recognized by him to appear at the podium and before making a comment, that they state clearly into the microphone their name and address.

3. CONSENT AGENDA

Approval of Minutes

On motion of Commissioner Bell, seconded by Commissioner Ranize and unanimously carried, the city commission approved the following meeting minutes as submitted.

- (a) **March 2, 2017 workshop minutes,**
- (b) **August 8, 2017 workshop minutes, and**
- (c) **August 10, 2017 regular minutes**

4. REGULAR AGENDA

First Reading – Ordinance 2017-022 – Imposing Second Moratorium – Marijuana

Ms. Geraci-Carver read into the record the title of proposed Ordinance 2017-022, the substance of which is as follows:

AN ORDINANCE OF THE CITY COMMISSIONERS OF THE CITY OF
FRUITLAND PARK, LAKE COUNTY, FLORIDA; ESTABLISHING A
TEMPORARY MORATORIUM WITHIN THE CORPORATE LIMITS
OF THE CITY OF FRUITLAND PARK PROHIBITING MEDICAL

CANNABIS ACTIVITIES DURING THE MORATORIUM PERIOD; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR SEVERABILITY; PROVIDING FOR FILING WITH THE DEPARTMENT OF STATE; AND PROVIDING FOR AN EFFECTIVE DATE. (The second reading and public hearing will be held on September 14, 2017.)

Ms. Geraci-Carver explained that the subject ordinance will be in effect until the December 14, 2017 regular city commission meeting where during that time, the commission can better determine whether a recommendation ought to be made to ban the entire medical marijuana dispensaries' activities completely allowable by state statute or regulate them by treating them as pharmacies.

After discussion, **a motion was made by Commissioner Bell and seconded by Vice Mayor Gunter that the city commission approve Ordinance 2017-022 as previously cited.**

Mayor Cheshire called for a roll call vote on the motion and declared it carried unanimously.

5. OFFICERS' REPORTS

(a) City Manager

Mr. La Venia referred to the copy of the FY 2016 Comprehensive Annual Financial Report (CAFR) where a presentation will be made before the city commission at a future meeting and pointed out the FY 2017-18 budget which will be considered on the September 28, 2017 regular agenda.

(b) City Attorney

i. Lawsuits - Dr. Sundeep Shah v. City of Fruitland Park

Later in the meeting, Ms. Geraci-Carver referred to the lawsuit filed by Dr. Sundeep Shah against the city regarding a traffic incident in the city. She explained that the attorneys have reached a settlement; recommended that the city commission approve the settlement to him in the amount of \$17,500, and indicated that the city would expend no money as there is no deductible in the insurance policy.

On motion of Commissioner Lewis, seconded by Commissioner Ranize and unanimously carried, the city commission approved the city attorney's recommendation of approval on the subject complaint for the settlement of \$17,500 inclusive to Dr. Sundeep Shah's attorneys.

ii. Notice of Claims - Anthony Mancino

Earlier in the meeting, Ms. Geraci-Carver referred to the city commission's action at its August 10, 2017 regular meeting to accept Mr. Anthony Mancino's attorney's firm offer of \$15,000 over and above the attorney's

fees which was approved by the insurance company; thus, the city's out-of-pocket would be \$15,000.

Ms. Geraci-Carver confirmed that Ms. Stephanie Brionez, attorney assigned to the case, is drafting settlement documents which will be going to Mr. Mancino's attorneys for processing.

iii. Library Construction Bid

At Mayor Cheshire's request, Mr. La Venia reported that the invitation to bid on the library site development and library construction is planned to be advertised on August 25, 2017 and reported that same will be scheduled for September 29, 2017.

6. PUBLIC COMMENTS

Mr. Steven Girard Stivlosky, City of Leesburg resident and expert petitioner, referred to the billboards' prolife signs; indicated that he is seeking local governments who will be first to move towards the direction where he is willing to educate citizens at a league or assembly of municipalities, and addressed his intent to send an email with more information on the concept on "life peace zones" (pro-life sanctuary cities). He addressed the creation of a chapter in the zoning code called "overlay district" which started in Cincinnati, Ohio and mentioned his desire for same to be legally codified where existing homes and businesses, which would require petition, would receive approval on their respective uses.

Later the meeting, Mr. Carlisle Burke, City of Fruitland Park resident, believed that discussions relating to the (Pennsylvania Avenue/Terry Ross Duplex Project) issue could have been avoided if rules were followed. He felt the problem could be easily remediated by zoning single family recognizing the property for single family homes have been built on an existing subdivision since 1916 which he has no issue. Mr. Carlisle indicated that if he also would not have a problem if Mr. Ross plans for single family attached condominium with one unit on either side as single-family residences, similar to other locations. He recognized the issue of developing duplexes which could have been allowed and the rules followed if it came before the city commission and the choice made once the public was heard.

Mr. Carlisle noted the major issue of accommodating Mr. Ross and avoiding the rules whether it is intentional, made by accident, or is a misunderstanding.

Mr. Ross, property owner/resident/developer, explained that he was informed that he could make a purchase on the property at Pennsylvania Avenue; noted that permits were issued for \$50.00 to commence work, and reported on the neighbors' objections halfway in the process of completion. He gave reasons why he agrees to develop town homes and reported that Hawthorne Associates recently conducted a survey on the roadway where he had to dedicate a portion of same. Mr. Ross noted that said roadway was fenced off; indicated that it would be unusable whereby the deed would be on the neighbors, and explained for

an additional 10 feet, the roadway would need to be a one-way street which he believed that the neighbors would be opposed.

Mr. Ross reported that in addition to being slandered, he is ready for the final inspection which he cannot obtain and recognized that time is passing by due to the rent he is losing.

Ms. Rachel Ross (nee Yarbrough), City of Fruitland Park resident, stated that she is a longtime resident. She expressed concerns on the disparaging reports, since the project started, from neighbors on social media and advocated that activities conducted were not illegal. Ms. Ross explained how they followed the process and voiced her objection to the statements made by Mr. Carlisle.

Mr. Larry Blevins, City of Fruitland Park resident and owner of properties on the subject affected area, voiced his support of the Ross'. He addressed his previous appearance before the city commission on the need to improve the city's tennis courts and traffic signals and questioned the need for the city to make improvements to the community.

Ms. Rita Ranize, City of Fruitland Park resident, indicated that the animosity created was not directed at the Ross' but the way it was carried out -- where laws and rules were not followed -- and recognized the city commission's attempts to correct the wrong.

7. COMMISSIONERS' COMMENTS

(a) Commissioner Ranize

i. Pennsylvania Avenue – Terry Ross Duplex Project

Commissioner Ranize referred to his email dated August 23, 2017 to Mr. La Venia and copied to Ms. Geraci-Carver regarding zoning with accompanying questions together with Lake County's Geographic Information Services (GIS) map reflecting subdivision lots along Sunset Way. He pointed out indicated that such issues need to be addressed and conveyed his request for clarification on the zoning changes since the August 22, 2017 workshop meeting. (Copies of the respective documents are filed with the supplemental papers to the minutes of this meeting.)

Commissioner Ranize noted the issue of duplexes versus single family attached units and detached single residence; noted the issue it has created for the city and taken care of for the future.

Commissioner Ranize outlined reasons for further interpretation on:

- the lack of, what he has not seen, the statutory requirement on the subject issue;
- the city commission's intent to request that Mr. Ross condo the property and go through the expense allowing the building of residential units -- if it meets the city's current zoning;

- the information received on the lot meeting the minimum square foot setback requirements addressed at the August 22, 2017 workshop, and
- the belief that the city permitted something to be built which did not meet the minimum lot size setback requirements and the square footage for said lot or the remaining lots (owned by Mr. Ross) not meeting what was platted in 1916.

Commissioner Ranize referred to his findings conducted on the adoption of Resolution 2007-001 granting a variance “schedule of setback requirements” at 200 and 2020 Forest Street for four lots at the Dream Lake Subdivision and the property owner dedicating ten feet of right-of-way (ROW) on Sunset Way to the city. He compared same with a similar circumstance whereby the city had an opportunity to negotiate the remaining vacant lots, owned by Mr. Ross, at the time of application; receive another 10 feet on Pennsylvania Avenue to around the west end of Dixie Avenue, and deal with the issues relating to Sunset Way.

Commissioner Ranize pointed out his research carried out earlier this day on the four duplex homes built on Dennis Avenue around 2003 which are not attached single family units; that said homes did not meet the city’s single family medium density residential (R-2) zoning and its minimum square foot setback requirements at that time, and that the city permitted the properties in question to be permanently built and owned as duplexes.

Commissioner Ranize referred to the dwelling units on Orange Street and mentioned the lack of opportunity he had to analyze same earlier this day. Due to the complexity of the subject issue and in reviewing the county’s GIS’ website on the area in question, Commissioner Ranize encouraged the city commission to visit the Sunset Way area.

Commissioner Ranize referred to several appearances made by Mr. Dwight Dodd, former City of Fruitland Park resident, before the city commission during 1974 and his requests for the city to make improvements on Sunset Way. To alleviate the problem and answering Mr. La Venia’s inquiry, he stressed the need to conduct a survey.

Later in the meeting, Commissioner Ranize relayed a previous call received from Mr. Dodd who informed him that he had sold his property on Sunset Way.

Commissioner Ranize recognized the existing duplex attached single family issue on Pennsylvania Avenue (Forest Avenue); gave his understanding that the remaining single family attached residential dwelling units -- R-2 and medium density residential (R-2A) zoning districts -- are being built to meet the city’s current codes, and requested the applicable state statute. He

explained that records presented to him do not reveal that said proposed properties have to be condominiums, and if so, he questioned the reason recognizing that the city did not condo the previous properties that were approved and permitted to date where they currently remain as duplexes on Dennis Street. Commissioner Ranize indicated that there will be anticipated additional traffic on Sunset Way with potential problems on ingress and egress and noted that the city commission has nothing to address the issues including the area residents' concerns.

Commissioner Ranize referred to Mr. Ross' approach to the city with blue prints to construct duplexes which was not presented before the city commission. Commissioner Ranize explained that Mr. Ross was informed by staff that the properties are single family attached which would pose no problem and that the city would require him to condo the property to suit the city's verbiage of single family attached residents where, upon good-faith, Mr. Ross followed staff's direction.

Later in the meeting, Commissioner Ranize questioned the potential costs to condo the property as he feels it to be unfair to compel someone to do so.

Ms. Geraci-Carver, in response, noted the other option for the three remaining lots to go through the special exception use process -- if the intent is to proceed with the existing duplexes that were built -- and questioned whether it would be proper to commence through the process where the city commission would consider them as duplexes.

Commissioner Ranize noted the potential of liability if the city commission went through the special exemption process -- noting that Mr. Ross has already been granted permission to build the properties and was denied same -- to which Ms. Geraci-Carver, in concurring, recognized the quandary with the existing properties where Mr. Ross has the right, under the city's code, to permit duplexes on the remaining lots in that zoning district as a special exception use for consideration before the Planning and Zoning (P&Z) Board and subsequently the city commission.

Commissioner Ranize recalled the city commission's previous discussions --after being informed by staff that a mistake was made in informing and permitting Mr. Ross to build existing units/properties which did not meet the minimum square footage and the setbacks were changed to align with something else --on demolishing the properties, and his request to cease work giving reasons why he believed it to be unfair and improper for the city commission to leave Mr. Ross investing in same in limbo.

Commissioner Ranize addressed the need to clarify and rectify the subject matter expeditiously in order for Mr. Ross to commence with the properties.

Mayor Cheshire thanked Commissioner Ranize for the fact-finding and requested that Ms. Geraci-Carver address the issues especially as it relates to the condoing of the properties, if the intent is to build as single-family attached units addressed at the August 22, 2017 workshop; conduct further analysis on any additional activity, and find out if there has been any changes since based on Commissioner Ranize' findings.

(ii) Evaluations

Commissioner Ranize referred to the request at the October 13, 2016 regular meeting to periodically conduct performance evaluations and referred to Ms. Geraci-Carver's submittal of several sample employee performance evaluations and review forms by email on October 21, 2016. In recognizing that evaluations and contracts to be imminent, he requested the need for a form to perform an evaluation.

Later in the meeting and upon Mayor Cheshire's suggestion, **the city commission, by unanimous consent, directed the city attorney to select the most effective, widely utilized, and straightforward form and provide it to the city commission to conduct performance evaluations on the city manager, city attorney, city treasurer, and city clerk.**

(b) Commissioner Lewis - Pennsylvania Avenue – Terry Ross Duplex Project

Commissioner Lewis referred to his question posed during the latter proceedings of the August 22, 2017 workshop; recalled Vice Mayor Gunter's gesture in the negative on what was accomplished in condoing.

Commissioner Lewis referred to his email on August 23, 2017 to Ms. Geraci-Carver regarding Ross Property Follow up Question. In reviewing the potential of three to five structures of Mr. Ross allowing single family units which meet the square footage and setbacks, Commissioner Lewis questioned where it is stated in the Land Development Regulations (LDRs) that one should condo and the accomplishment of same and pointed out Ms. Geraci-Carver's email response dated August 23, 2017. He relayed his conversations with her on the day in question on the requirement for single family attached units to be deeded separately to which she concurred in the affirmative in response to his request.

Commissioner Lewis mentioned that he is the owner of two structures at Royal Oaks Estates in the City of Leesburg; identified Mr. Stivlosky who addressed the city commission earlier in this evening's meeting, as a resident of one of the structures, and identified said structure to be town homes and not condominiums.

Commissioner Lewis described the deed restrictions and outlined the responsibilities of the unit owner and property owners' association. He believed the other possibility or another option on having two residences on the property's footprint (acknowledging that the property is not big enough to divide into two deeds and meet the minimum square footage requirement of the city's LDRs).

Commissioner Lewis addressed his question on the definition of single family detached; noted the cost to structure a town home arrangement whereby they would be deeded separately and subject to individual ownership, and outlined the state and auditing reporting requirements in forming a condominium association who takes care of the common ground.

In concurring with Commissioner Ranize' findings relating to Orange Street, Commissioner Lewis acknowledged the duplex built in 2007 which meets the square footage requirement and is zoned R-2; however, he does not know if underwent the variance application process at that time. He gave reasons why he believed the town house approach to be the better solution.

Ms. Geraci-Carver agreed, in the affirmative to Mayor Cheshire's remarks that the easiest option in remedying the matter to be for Mr. Ross to appear before the P&Z Board and apply for the remaining duplexes, and not the two existing properties, under special exception.

With respect to the comments made by Mr. Greg Beliveau, LPG Urban and Regional Planners Inc., and in referring to the R-2 designation, Commissioner Ranize expressed disappointment as he believed the residents would have the ability to participate in the process; if the city followed the policies and procedures in place; recognized that the commission is beyond that stage, and questioned the potential costs to the city.

After discussion, Ms. Geraci-Carver indicated, in response to Commissioner Lewis' question, that it would not be possible to review, after-the-fact, the variance on duplex for the two existing structures.

Ms. Geraci-Carver concurred with Mayor Cheshire's comments -- in referencing her statements made at the June 8, 2017 regular meeting -- for the subject project to be left as a non-conforming use for one structure midpoint and the others utilized in the manner needed by the city.

Ms. Geraci-Carver relayed her previous statements before the city commission at its August 22, 2017 workshop on her plan to (which she had already) respond to Mr. Ross' attorneys on the question posed to her on the creation of townhouses instead of condominium; conveyed the attorneys' concurrence on the implementation of town homes by creating ownership of the structure, allowing town homes to split the lot further and the city compounding the creation of a nonconforming use issue -- a lot of record in the city's code which does not meet the current LDRs as far as minimum lot size.

After discussion and in response to Mayor Cheshire's statements on the city commission's position, Ms. Geraci- Carver addressed her intent to meet with Mr. La Venia to address the city's options and liabilities on the two buildings.

(d) **Commissioner Bell –**

i. Pennsylvania Avenue – Terry Ross Duplex Project

After Commissioner Bell referred to Mr. Ross' attorney who has been in touch with Ms. Geraci-Carver on the options, she referenced the discussions relayed at the August 10, 2017 regular meeting on the idea posed to her on the town home creation as opposed to condo due to the cost; conveyed her plan, at that time, to meet with Messrs. Beliveau and La Venia, and mentioned Mr. Beliveau's subsequent review of same, Mr. La Venia's endorsement in that regard, and her submittal of her response sent earlier this day.

After discussion, Commissioner Lewis explained that he met with Mr. Ross, at his request, earlier this day; he relayed his reasons on the preference to proceed with town homes.

After Commissioner Bell believed that the city commission had previously established a policy on communicating with developers, Ms. Geraci-Carver explained that she will communicate with Ms. Coulson in that regard.

ii. Sunset Way

Commissioner Bell recognized how Sunset Way has changed in the past 20 years; reported that work has since been performed on said roadway, and identified other roadways that the city was requested to review; namely, Seminole Avenue and Old Dixie Avenue. He suggested utilizing some of the funds, previously earmarked for paving, and allocating same towards surveying and planning and review other needed roadway improvements.

iii. LSMPO

Later in the meeting, Commissioner Bell referred to the Lake~Sumter Metropolitan Planning Organization (LSMPO) and the settlement agreement reached with its Executive Director T. J. Fish where his last day will be in October 2017.

Commissioner Lewis announced that he is resigning as the city's at-large primary member representative on LSMPO Governing Board. He reported that the Lake County Board of County Commissioners will be considering, at its future meeting, the Lake County League of Cities' recommendation of approval appointing him to serve as its representative on the Lake Emergency Medical Services Inc. Board of Directors to the remaining term of February 1, 2018 replacing Brenda Brasher who has resigned.

In response, Commissioner Ranize' requested to be appointed to serve as a member of the LSMPO Governing Board.

By unanimous consent, the city commission accepted Commissioner Ray Lewis' resignation as the at-large primary member representative

on the Lake~Sumter Metropolitan Planning Organization (LSMPO) Governing Board; acknowledged his appointment as the Lake County League of Cities representative to the Lake Emergency Medical Services Inc. Board of Directors, and designated Commissioner Rick Ranize to serve as the at-large primary member representative on the LSMPO Governing Board, replacing Commissioner Ray Lewis who has since resigned.

(e) Vice Mayor Gunter, Jr.

i. Duplexes

Vice Mayor Gunter referred to Commissioner Ranize' statements on the development of duplex homes on Dennis Street in 2003 and on Orange Avenue in 2007 and recognized that complaints have not been received on same which the city commission is unaware.

With respect to Sunset Way, Vice Mayor Gunter relayed the city commission's previous negotiations with Mr. Dodd and the surrendering of a portion of said roadway; recognized the impasse reached in 1997, and noted the reasons former Commissioner Reverend Robert D. Harden ran to serve on the city commission as he would give up his property to widen the Sunset Way roadway. Vice Mayor Gunter recalled the issue during said period raised by the City of Tavares Resident Mr. Allen McPherson, on the impact to his property and concurred with Commissioner Ranize' suggestion on the need to conduct a boundary survey.

Vice Mayor Gunter recollected the city's initial contract at that time with Town and Country Refuse to collect garbage; their problem with the ingress and egress of Sunset Way, and pointed out the city commission's request at that period for property owners to surrender their properties to improve the widening of Sunset Way.

ii. FLC

Vice Mayor Gunter referred to the August 17-19, 2017 Florida League of Cities Conference and gave the following report:

- Partnership Policing

The keynote speaker police chief's presentation on the previous shootings of law enforcement personnel in Dallas, Texas, and the occurrence of two police officers at Kissimmee most recently;

- The New Homestead Exemption:

The proposed increased costs, the affected homes, and the types of assessments on tax bills;

- Vacation Rentals
Reports on vacation rentals, owned by Florida developers, rented to migrant workers living in cramped conditions and recent complaints about the Wingspread Subdivision where workers were witnessed leaving for construction work at The Villages.

- Florida Ethics Law
The pending requirement in changing the process to complete Florida's Public Meetings and Public Records Law continuing education mandatory training for local elected officials with a certified attorney.

8. MAYOR'S COMMENTS - Dates To Remember

Mayor Cheshire recognized the following dates:

- August 28 - 2017 Lake County Legislative Delegation Hearings, Lake Sumter State College, Paul C. Williams Fine Arts Center, 9501 US-441, Leesburg, FL 34788 at 1:30 p.m. Mayor Cheshire requested that the city commissioners notify Ms. Coulson of their intent to attend.

- Mayor Cheshire wished everyone a nice holiday on September 4, 2017 – Labor Day noting that the city offices will be closed.

- September 8, 2017 Lake County League of Cities Luncheon Meeting, Lake Receptions, 4425 N Highway 19-A, Mount Dora, Florida 32757 at 12:00 p.m.;

- September 14, 2017 - Regular Commission Meeting and first budget public hearing at 6:00 p.m.;

- September 15, 2017 – Back to School Movie Night *Smurfs* at 8:00 p.m.;

- September 27, 2017 LSMPO Governing Board, 1616 S 14 Street, Leesburg, Florida 34748 at 2:00 p.m.

- September 28, 2017 - Regular Commission Meeting at 6:00 p.m. and second budget public hearing at 6:00 p.m., and

- October 12, 2017 - Regular Commission Meeting at 6:00 p.m.

9. ADJOURNMENT

There being no further business, the meeting adjourned at 6:59 p.m.

The minutes were approved at the September 14, 2017 regular meeting.

Signed _____
Esther B. Coulson, City Clerk

Signed _____
Chris Cheshire, Mayor

RESOLUTION 2017-024

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, REAPPOINTING A MEMBER TO THE CITY OF FRUITLAND PARK PLANNING AND ZONING BOARD AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Article VII, Section 7.01 of the Charter of the City of Fruitland Park provides for a Planning and Zoning Board consisting of members with three-year terms of office; and

WHEREAS, Ms. Connie Bame was appointed for a term of three years;

WHEREAS, Ms. Bame's term expired and she wishes to continue to serve on the board.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, FLORIDA:

1. Ms. Bame is hereby reappointed to serve another term of three years to September 30, 2020 on the Planning and Zoning Board for the City of Fruitland Park.
2. This resolution shall take effect immediately upon its final adoption by the City Commission.

PASSED AND RESOLVED this 14th day of September 2017 by the City Commission of the City of Fruitland Park, Florida.

Chris Cheshire, City Mayor

Attest:

Esther B. Coulson, CMC, City Clerk

| | |
|---------------------|--|
| Vice Mayor Gunter | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Commissioner Bell | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Commissioner Lewis | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Commissioner Ranize | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Mayor Cheshire | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |

(SEAL)

Approved as to form:

Anita Geraci-Carver, City Attorney

RESOLUTION 2017-025

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, REAPPOINTING A MEMBER TO THE CITY OF FRUITLAND PARK PLANNING AND ZONING BOARD AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Article VII, Section 7.01 of the Charter of the City of Fruitland Park provides for a Planning and Zoning Board consisting of members with three-year terms of office; and

WHEREAS, Mr. Phillip Purlee was appointed for a term of three years;

WHEREAS, Mr. Purlee’s term expired and he wishes to continue to serve on the board.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, FLORIDA:

1. Mr. Purlee is hereby reappointed to serve another term of three years to September 30, 2020 on the Planning and Zoning Board for the City of Fruitland Park.
2. This resolution shall take effect immediately upon its final adoption by the City Commission.

PASSED AND RESOLVED this 14th day of September 2017 by the City Commission of the City of Fruitland Park, Florida.

Chris Cheshire, City Mayor

Attest:

Esther B. Coulson, CMC, City Clerk

| | |
|---------------------|--|
| Vice Mayor Gunter | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Commissioner Bell | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Commissioner Lewis | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Commissioner Ranize | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Mayor Cheshire | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |

(SEAL)

Approved as to form:

Anita Geraci-Carver, City Attorney



**AGENDA ITEM
NUMBER
6a**

AGENDA ITEM SUMMARY SHEET

| | | | |
|--|---|-----|------|
| ITEM TITLE: | Charter Officer Appointments - Resolution 2017-026 City Treasurer | | |
| For the Meeting of: | September 14, 2017 | | |
| Submitted by: | City Clerk | | |
| Date Submitted: | September 5, 2017 | | |
| Are Funds Required: | | Yes | X No |
| Account Number: | N/A | | |
| Amount Required: | N/A | | |
| Balance Remaining: | N/A | | |
| Attachments: | Yes | | |
| Description of Item: Section 4.03, of the City Charter requires an annual appointment of the city treasurer created under the charter at such compensation as is deemed necessary and proper, for terms of twelve (12) months to run concurrent with the fiscal year. | | | |
| Action to be Taken: Adopt Resolution 2017-026. | | | |
| Staff's Recommendation: N/A | | | |
| Additional Comments: N/A | | | |

Reviewed by: _____
City Manager

Authorized to be placed on the Regular agenda: _____
Mayor

RESOLUTION 2017-026

**A RESOLUTION OF THE CITY OF FRUITLAND PARK,
APPOINTING A CITY TREASURER, PROVIDING FOR THE
TERM OF OFFICE; PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, the Charter of the City of Fruitland Park provides that the City Treasurer shall be appointed annually; and

WHEREAS, the Charter of the City of Fruitland Park provides that the term of office of the City Treasurer shall coincide with the fiscal year;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, FLORIDA:

1. Jeannine Racine is hereby appointed as the City Treasurer for the City of Fruitland Park.
2. The term of the office shall commence on October 1, 2017 and end September 30, 2018.

This resolution shall take effect immediately upon its final adoption by the City Commission.

PASSED AND RESOLVED this 14th day of September 2017, by the City Commission of the City of Fruitland Park, Florida.

Chris Cheshire, Mayor

ATTEST:

Esther Coulson, CMC, City Clerk

| | |
|---------------------|--|
| Vice Mayor Gunter | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Commissioner Bell | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Commissioner Lewis | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Commissioner Ranize | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Mayor Cheshire | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |

(SEAL)

Approved as to form:

Anita Geraci-Carver, City Attorney



**AGENDA ITEM
NUMBER
6b**

AGENDA ITEM SUMMARY SHEET

| | | | |
|---|--|-----|------|
| ITEM TITLE: | Charter Officer Appointments - Resolution 2017-027 City Attorney | | |
| For the Meeting of: | September 14, 2017 | | |
| Submitted by: | City Clerk | | |
| Date Submitted: | September 5, 2017 | | |
| Are Funds Required: | | Yes | X No |
| Account Number: | N/A | | |
| Amount Required: | N/A | | |
| Balance Remaining: | N/A | | |
| Attachments: | Yes | | |
| Description of Item: Section 4.03, of the City Charter requires an annual appointment of the city attorney created under the charter at such compensation as is deemed necessary and proper, for terms of twelve (12) months to run concurrent with the fiscal year. | | | |
| Action to be Taken: Adopt Resolution 2017-027 | | | |
| Staff's Recommendation: N/A | | | |
| Additional Comments: N/A | | | |

Reviewed by: _____
City Manager

Authorized to be placed on the Regular agenda: _____
Mayor

RESOLUTION 2017-027

**A RESOLUTION OF THE CITY OF FRUITLAND PARK,
APPOINTING A CITY ATTORNEY, PROVIDING FOR THE
TERM OF OFFICE; PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, the Charter of the City of Fruitland Park provides that the City Attorney shall be appointed annually; and

WHEREAS, the Charter of the City of Fruitland Park provides that the term of office of the City Attorney shall coincide with the fiscal year;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, FLORIDA:

1. Anita Geraci-Carver is hereby appointed as the City Attorney for the City of Fruitland Park.
2. The term of the office shall commence on October 1, 2017, and end September 30, 2018.

This resolution shall take effect immediately upon its final adoption by the City Commission.

PASSED AND RESOLVED this 14th day of September 2017, by the City Commission of the City of Fruitland Park, Florida.

Chris Cheshire, City Mayor

Attest:

Esther B. Coulson, CMC, City Clerk

| | |
|---------------------|--|
| Vice Mayor Gunter | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Commissioner Bell | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Commissioner Lewis | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Commissioner Ranize | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Mayor Cheshire | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |

(SEAL)

Approved as to form:

Anita Geraci-Carver, City Attorney



**AGENDA ITEM
NUMBER
6c**

AGENDA ITEM SUMMARY SHEET

| | | | |
|--|---|-----|------|
| ITEM TITLE: | Charter Officer Appointments - Resolution 2017-028 City Clerk | | |
| For the Meeting of: | September 14, 2017 | | |
| Submitted by: | City Clerk | | |
| Date Submitted: | September 5, 2017 | | |
| Are Funds Required: | | Yes | X No |
| Account Number: | N/A | | |
| Amount Required: | N/A | | |
| Balance Remaining: | N/A | | |
| Attachments: | Yes | | |
| Description of Item: Section 4.03, of the City Charter requires an annual appointment of the city clerk created under the charter at such compensation as is deemed necessary and proper, for terms of twelve (12) months to run concurrent with the fiscal year. | | | |
| Action to be Taken: Adopt Resolution 2017-028. | | | |
| Staff's Recommendation: N/A | | | |
| Additional Comments: N/A | | | |

Reviewed by: _____
City Manager

Authorized to be placed on the Regular agenda: _____
Mayor

RESOLUTION 2017-028

**A RESOLUTION OF THE CITY OF FRUITLAND PARK,
APPOINTING A CITY CLERK, PROVIDING FOR THE TERM OF
OFFICE; PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, the Charter of the City of Fruitland Park provides that the City Clerk shall be appointed annually; and

WHEREAS, the Charter of the City of Fruitland Park provides that the term of office of the City Clerk shall coincide with the fiscal year;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, FLORIDA:

1. Esther B. Coulson is hereby appointed as the City Clerk for the City of Fruitland Park.
2. The term of the office shall commence on October 1, 2017, and end September 30, 2018.

This resolution shall take effect immediately upon its final adoption by the City Commission.

PASSED AND RESOLVED this 14th day of September 2017 by the City Commission of the City of Fruitland Park, Florida.

Chris Cheshire, City Mayor

Attest:

Esther B. Coulson, CMC, City Clerk

| | |
|---------------------|--|
| Vice Mayor Gunter | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Commissioner Bell | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Commissioner Lewis | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Commissioner Ranize | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |
| Mayor Cheshire | _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent) |

(SEAL)

Approved as to form:

Anita Geraci-Carver, City Attorney



**AGENDA ITEM
NUMBER
6d**

AGENDA ITEM SUMMARY SHEET

| | | | |
|---|---|-----|------|
| ITEM TITLE: | FY 2016 Comprehensive Annual Financial Report | | |
| For the Meeting of: | September 14, 2017 | | |
| Submitted by: | City Treasurer/Certified Public Accountant | | |
| Date Submitted: | September 7, 2017 | | |
| Are Funds Required: | | Yes | X No |
| Account Number: | See Attached | | |
| Amount Required: | See Attached | | |
| Balance Remaining: | See Attached | | |
| Attachments: | FY 2016 CAFR | | |
| Description of Item: Presentation of the FY 2016 CAFR by | | | |
| | | | |
| Action to be Taken: Review and approve. | | | |
| Staff's Recommendation: Accept the FY 2016 CAFR | | | |
| Additional Comments: | | | |
| | | | |

Reviewed by: _____
City Manager

Authorized to be placed on the Regular Consent agenda: _____
Mayor



2016 FINANCIAL AUDIT

MCDIRMIT  DAVIS

HIGHLIGHTS

General Fund fund balance increased \$1.9 million in 2016 primarily because of increased building permit revenue and police and fire impact fees from the Villages of Fruitland Park.

As noted on the Budget vs Actual for General Fund on page 19, actual revenues exceeded budgeted revenues by \$979,783 and expenditures were underbudget by \$933,216.

The Statement of Net Position on page 13 includes a Net Pension Liability reported of \$1.5 million for governmental activities and \$118,530 for business type activities. This is a \$1.2 million increase from 2015 for FRS liability now required to be shown on government-wide financials.

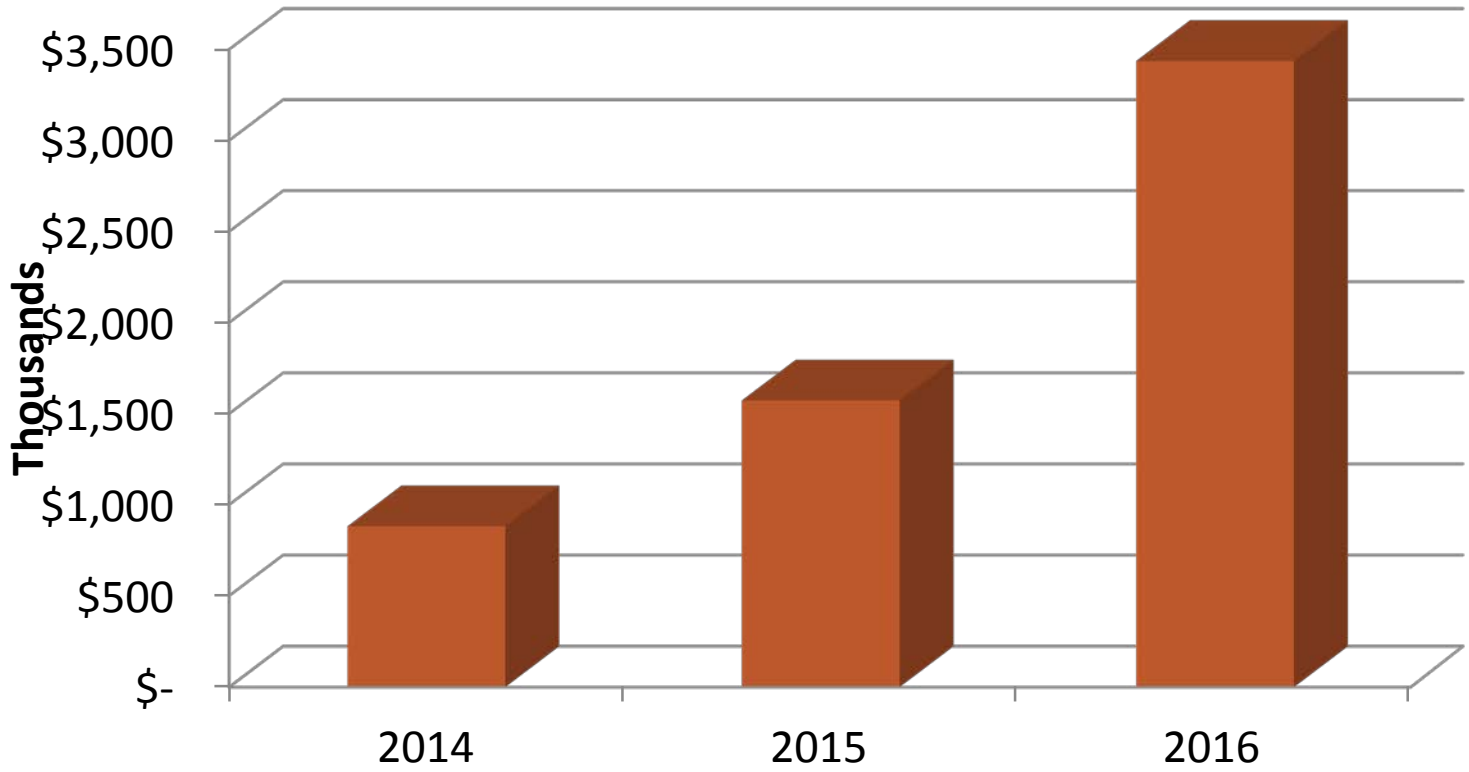
HIGHLIGHTS

The Utility Fund net position increased \$534,674 primarily because of increased impact fee revenue and capital contributions, which are considered nonoperating.

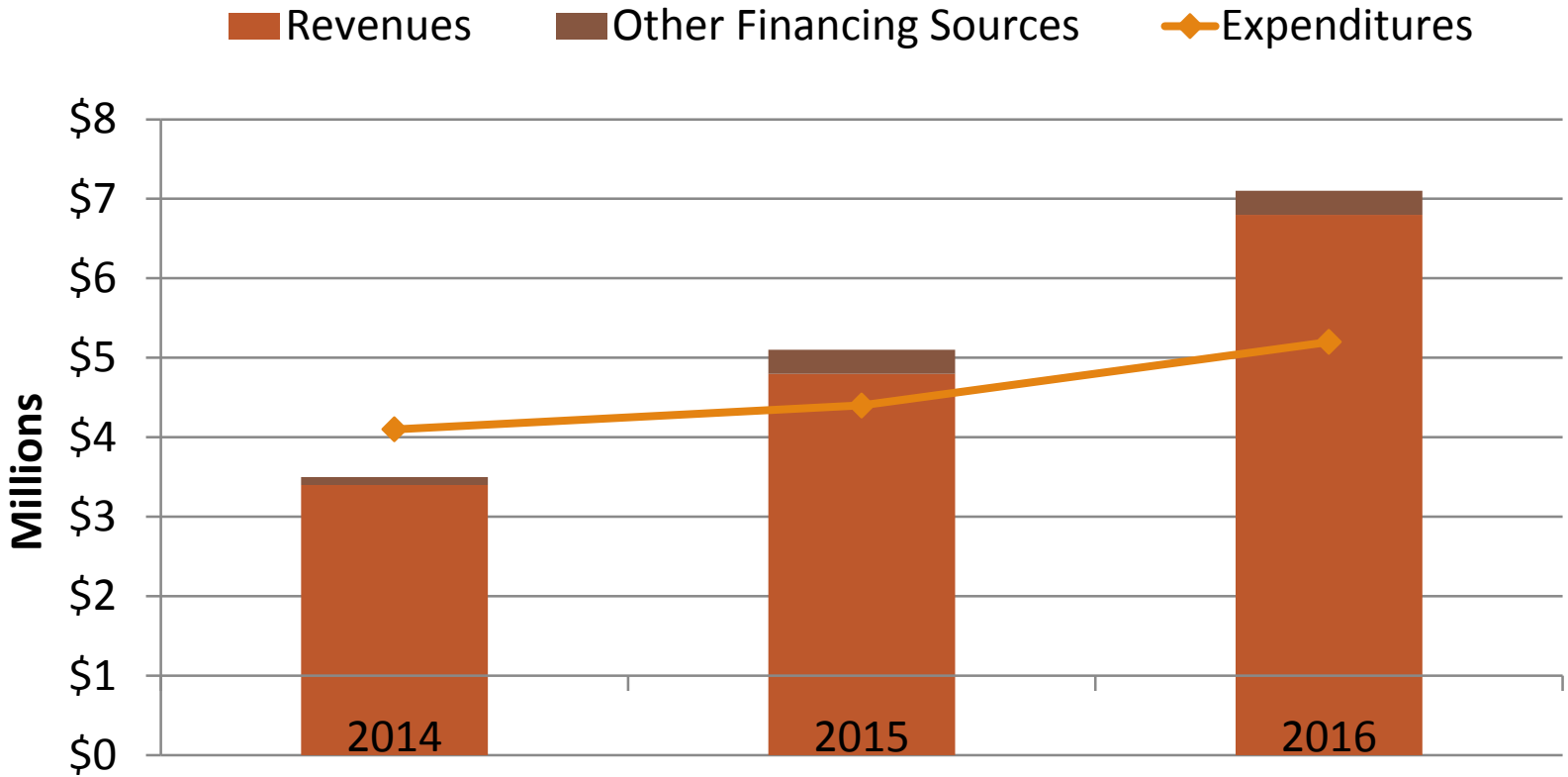
The Utility Fund in 2016 continues to have an operating loss as in prior years. Since impact fees and capital contributions are restricted, the City may consider raising water/sewer rates so that operating expenses are covered by operating revenue.

The City issued a Revenue Note Series 2016 to acquire and construct improvements to the City's wastewater system and recorded debt of \$2.5 million in the Utility Fund.

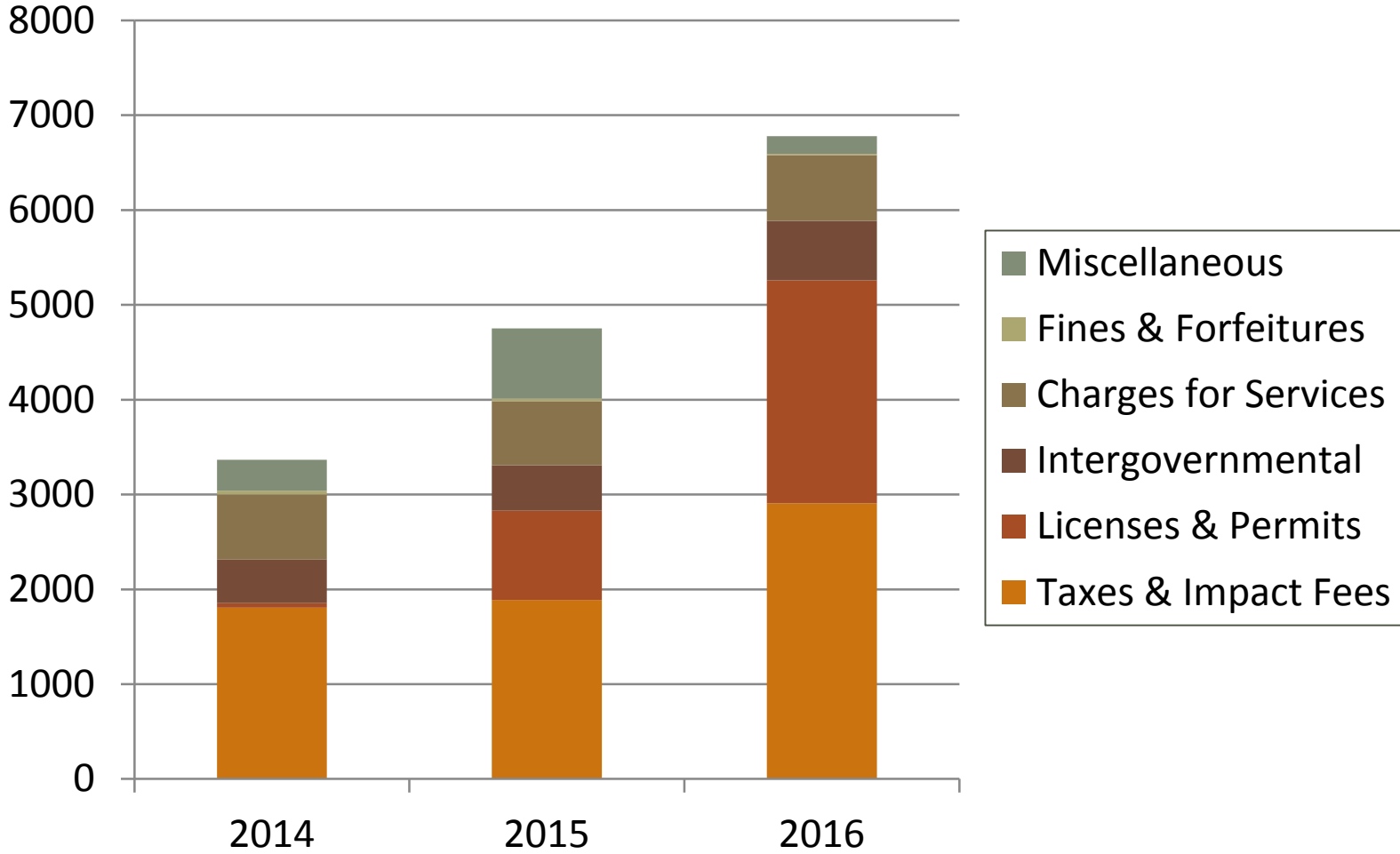
General Fund Total Fund Balance



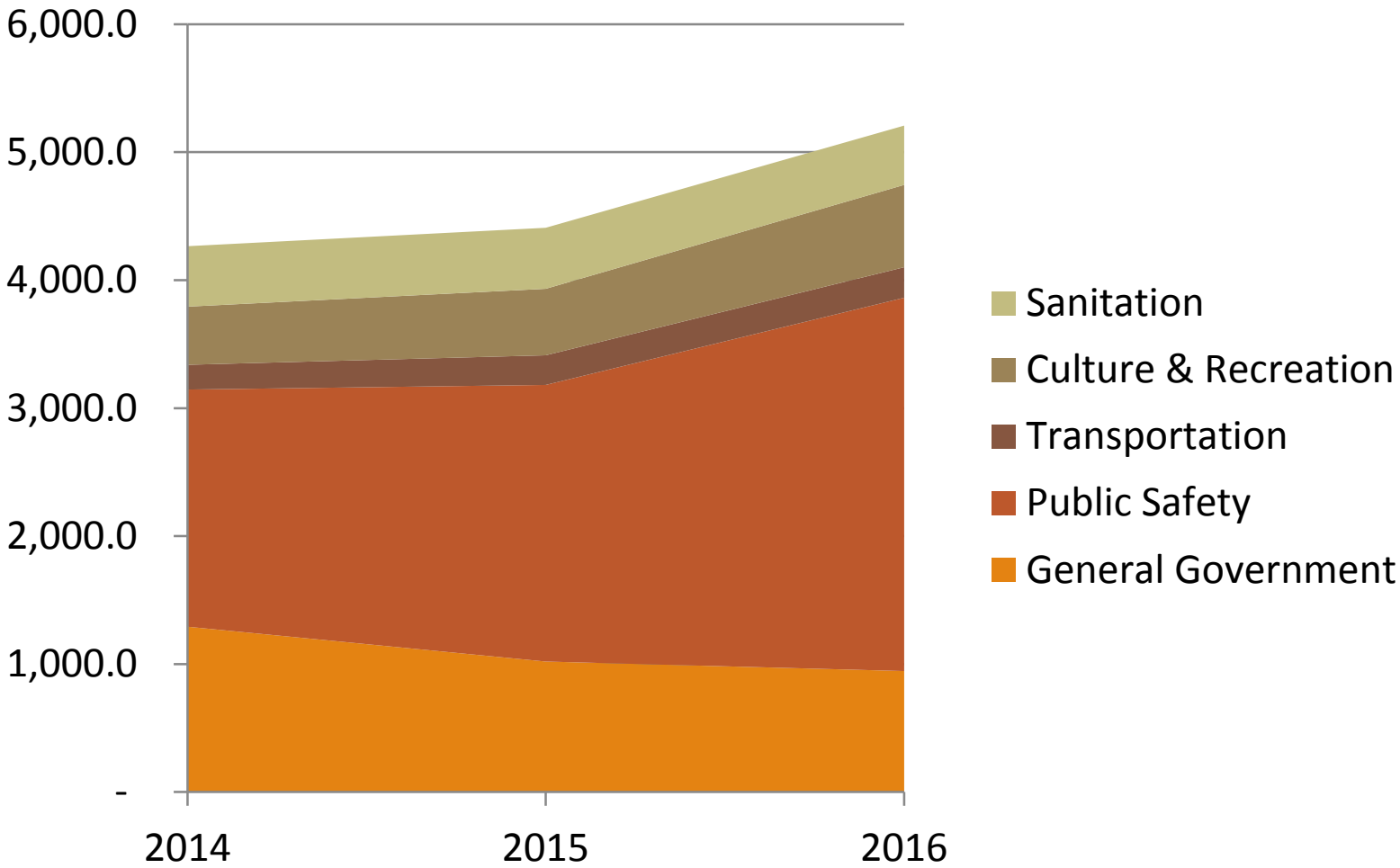
General Fund Revenues and Expenditures over Time



Governmental Revenues Composition over Time

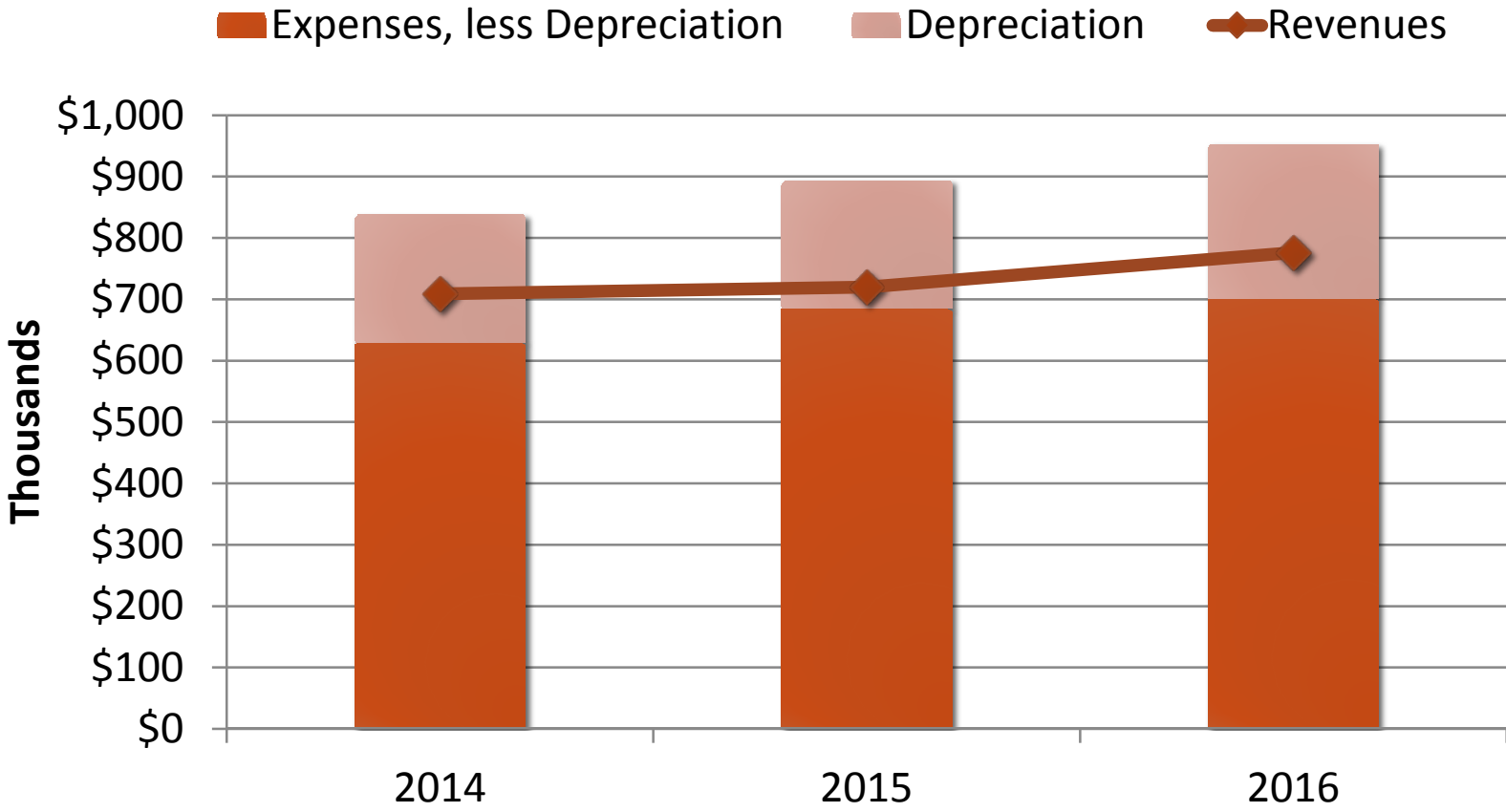


Governmental Expenditures Composition over Time

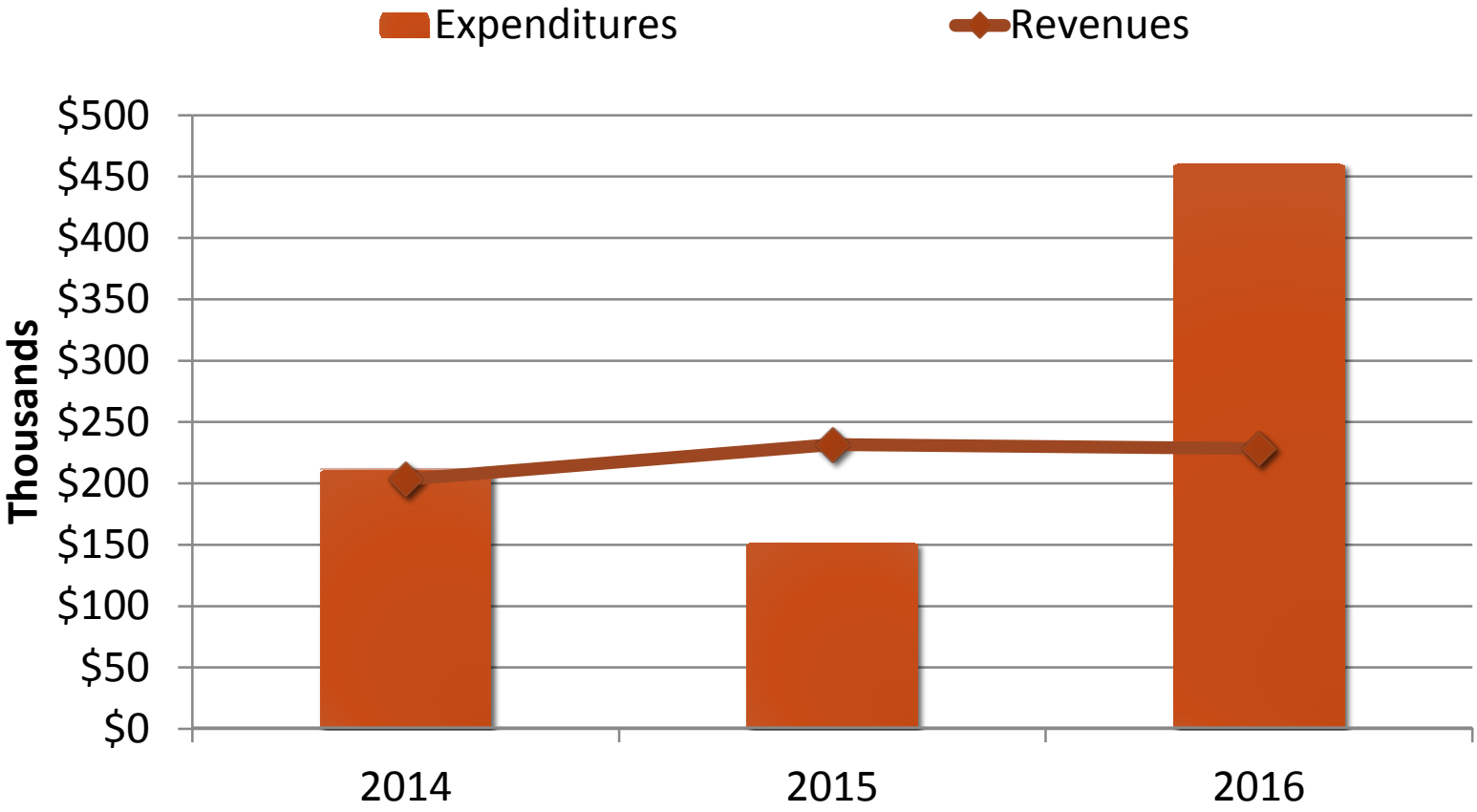


Utility Fund

Revenues and Operating Expenses over Time



Community Redevelopment Fund Revenues and Expenses over Time



HIGHLIGHTS

Audit Opinion – **unmodified**

Other Reports state that City is in compliance with laws and regulations however there are some deficiencies in internal control which are either a material weakness or significant deficiency.

Material weakness relates to adjustments being made to customer accounts without proper approval and the significant deficiencies relate to the Pension Trust Fund and Pension Actuarial Valuations.

The Management Letter also includes some other comments regarding Inventory counts and account reconciliations.

CITY OF
FRUITLAND PARK,
FLORIDA

FINANCIAL REPORT

Year Ended September 30, 2016

INTRODUCTORY SECTION

CITY OF FRUITLAND PARK, FLORIDA

FINANCIAL REPORT
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CITY OF FRUITLAND PARK, FLORIDA

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August 8, 2017

To the Honorable Mayor, Members of the City Commission, and Citizens of the City of Fruitland Park, Florida:

The Comprehensive Annual Financial Report (CAFR) for the City of Fruitland Park, Florida, for the fiscal year ended September 30, 2016 is hereby submitted pursuant to Florida Statutes Chapter 218.39 and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. State law requires an annual financial audit of local government entities be completed no later than nine months after the end of the fiscal year. This CAFR is published to fulfill this requirement for the fiscal year ended September 30, 2016 and to provide our citizens, city commission, city staff, creditors and other interested parties with detailed information concerning the financial condition and activities of the City.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, which is based on a comprehensive framework of internal controls established for this purpose. Because the cost of the internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

We believe that the City's internal accounting controls adequately

safeguard assets and provide reasonable assurance of proper recording of financial transactions. In addition, we believe the information contained in this report is presented in a manner designed to fairly set forth the financial position and results of operation of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a maximum understanding of the City's financial affairs are included.

The City of Fruitland Park maintains budgetary controls to ensure compliance with legal provisions contained in the annual appropriated budget approved by the City Commission. Annual budgets are legally adopted for the activities of the General Fund, Redevelopment Fund, Capital Projects Fund, Utility Fund and the Recreation Programs Fund. Budgets are controlled at the department level and total expenditures may not legally exceed appropriations for each budgeted department without Commission approval. Encumbrance accounting is utilized to reserve the encumbered portion of the appropriation.

The City of Fruitland Park's financial statements have been audited in accordance with generally accepted auditing standards by McDirmit Davis., Certified Public Accountants and Advisors. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Fruitland Park are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and



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Fruitland Park, Florida 34731

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disclosures in the financial statements; assessing the accounting principles used and estimates made by management; and evaluating the overall financial statement presentation. McDirmit Davis concluded, based upon the audit, that there is reasonable basis for rendering an unmodified (“clean report”) opinion that the City of Fruitland Park’s financial statements for the fiscal year ending September 30, 2016, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor’s report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (MD&A), immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A provides “financial highlights” and interprets the financial report by analyzing trends and by explaining changes, fluctuations and variances in the financial data. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the City

The City of Fruitland Park is operated under a Commission-Manager form of government. Policymaking and legislative authorities are vested in the City Commission that consists of a Mayor and four other Commission members. The Mayor presides over commission meetings and public ceremonies. The Commission is non-partisan and the members are elected to four year

staggered terms. The City Commission is responsible, among other things, for passing ordinances, adopting the budget, appointing boards, and hiring the City Manager, City Finance Director, City Clerk, City Attorney and the City Auditor. The City Manager is responsible for carrying out the policies of the Commission, overseeing the day-to-day operations and appointing department heads.

The City of Fruitland Park, incorporated in 1927, is located in central Florida. It is empowered by Florida Statute to extend its corporate limits by annexation, which it does from time to time. Fruitland Park has a population of 4,274 and a land area of approximately 6.83 square miles. The City’s property tax millage rate is \$3.9863 per \$1000 for fiscal year 2016, a reduction in millage of .7508 from last year’s millage.

The City of Fruitland Park provides a full range of services to its residents. These services include a public library, police and fire protection, the construction and maintenance of local streets and infrastructure, and recreational and cultural activities and events. The City also maintains and operates water and sewer utilities. Garbage collection and disposal services are provided by way of an exclusive franchise agreement with Waste Management Inc.

The annual budget serves as the foundation for the City of Fruitland Park’s financial planning and control. All department heads are required to submit requests for appropriation to the City



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Manager. The City Manager uses these requests as a basis for developing a proposed budget and then presents the proposed budget to the City Commission for review. The City Commission is required to hold two public hearings, one on the proposed budget and a second to adopt a final budget by no later than September 30th, the close of the fiscal year. The City Manager and Department Heads may transfer resources within a department as necessary; however transfers between departments require special approval (budget amendment by resolution) from the City Commission. The City of Fruitland Park utilizes an encumbrance accounting system to maintain budgetary control. These encumbrances lapse at year-end.

Local economy

Fruitland Park, which is located in northwest Lake County, is essentially residential in character and its economy is primarily centered in retail trade and service industries. Fruitland Park is located in the triangle between Leesburg, Lady Lake and The Villages, the largest residential retirement community in the state.

Evidence of growth has begun to show all over the City of Fruitland Park. One of the most visible signs of this event is taking place on the north western boundaries of the City. In 2008, approximately 989 acres of property was annexed into the City of Fruitland Park. This development is referred to as the "Pine Ridge Dairy". In May 2014, 780 of those acres were purchased by The Villages and approved for development as the "Villages of

Fruitland Park". The approved plan will include 2,074 residential homes, 3 recreation centers, and an 18-hole golf course. The residential home values will range from \$225,000 to over \$2,000,000. There were 352 certificate of occupancy issued in the Villages of Fruitland Park in FY2015, 935 issued in FY2016, for a total of 1,287 certificate of occupancy issued in the Villages of Pine Ridge Dairy.

The Villages is known for causing an economic domino effect to all of its surrounding areas. The City of Fruitland Park should experience a growth pattern similar to Lady Lake over the next 5-8 years. Several other parcels in Fruitland Park are making plans because of the growth brought by The Villages to develop commercial infrastructures such as warehouses, retail shops, apartments, family housing, and restaurants.

Lake County made a three phase expansion design for the City's second major thorough fare, County Road 466A, from two to four lanes in 2012. However, due to budget constraints the project was placed on hold. The County has now teamed up with the City of Fruitland Park and the Villages to get this roadway completed. Lake County started construction on Phase I (from US Highway 27/441 to Sunny Court) in Feb 2016. The estimated cost of Phase 1 is \$2.3 million plus \$374,094 to relocate the utilities. The Villages handled all of the road construction in Phase 2 (from Windy Acres to the Sumter County Line) in 2016, with an estimated cost of \$5.32 million. The City of Fruitland Park along with Lake County is currently soliciting the help of



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the State of Florida for Phase 3a, at 1.75 million (from Sunny Court to Janice Drive) and Phase 3b at 3.0 million (from Janice Drive to Windy Acres). The County is receiving 2.5 million in state funding to complete the project. There is a total of 3.05 miles of roadway that will be widened once the project is complete.

The Florida Department of Transportation began its construction on U.S. Highway 27/441 in Fruitland Park in 2011. This project expanded the City's main corridor from four to six lanes and was completed in June 2014. This expansion will also facilitate the expected growth.

There are 414 licensed businesses in Fruitland Park as of September 30, 2016. As previously stated, the City of Fruitland Park expects that number to grow because the area will be more attractive for several industries around the country.

Businesses looking to build or relocate in Lake County can take advantage of various incentives. Lake County's Department of Economic Growth and Redevelopment sponsors several Business Incentive programs.

Lake County's Business Opportunity Centers (BOC) offer full-service business support to all businesses in Lake County, regardless of size, industry or business cycle. Whether you are an entrepreneur with the next big idea or a successful business owner looking to take your company to the next level, the Lake County BOC has a program or service designed to help you achieve your economic goals.

High Value Job Creation Program (HVJCP) is a new program designed to encourage and target industry businesses that offer significant economic benefit and create high-value jobs. This program provides a cash award for the creation of jobs that pay a minimum of 115% of the County's average annual wage.

The Artist Relocation Program (ARP) is designed to encourage arts and culture in downtown art districts by providing matching funds to new or relocating art businesses to offset building improvement costs.

Lake County along with Lake-Sumter State College, the Sumter County Economic Development Council, and other local economic development-oriented agencies established the Business Assistance Center; a partnership to help new and nurture existing businesses. This partnership provides small-business mentoring and is a resource when small businesses hit the inevitable bump or hurdle.

Affordable land and a pro-business approach contributes to the areas overall success in attracting new business. Large distributors such as Marriott, Domino's Pizza, Toyota and Goodyear Tire and Rubber Company have located in Lake County because of the central location, which allows for easy and efficient distribution throughout the state.

Lake County's September 2016 unemployment rate was 5.0%. This is down from .4% for the same time period



last year. This rate is slightly higher than the state average of 4.9% and the same as the national average of 4.9% for the same period.

The taxable values for real and personal property has decreased 18.3% since 2008, when property values were at its peak. Amendment 1 was approved in 2008 which limited growth in taxable values. Taxable values finally rose 3% in FY2016.

Major Initiatives

The City of Fruitland Park is taking a proactive stance to promote the economic development in the area. The Commission is revitalizing the City for residents of all ages to enjoy. There were several properties acquired that will be used for recreational purposes in the future. Additionally, Community Redevelopment Agency funds were utilized to relocate utilities for the widening of 466a in Phase 1.

The City purchased two Police vehicles, a Gator, a F250 truck, and a storage building with Sales Surtax funds in FY2016, and also leased 3 PD vehicles. Veterans Park was renovated and an outfield fence was purchased.

Long Term Financial Planning

Lake County voters renewed a One-Cent Discretionary Infrastructure Surtax on November 6, 2002 and again on November 3, 2015. The original tax, was authorized through December 31, 2017 and is now authorized through December 31, 2032, provides a funding source for infrastructure and capital projects. These

funds were used to construct City Hall. The City would like to undertake one of several major Capital Improvement Projects which includes the construction of two major sewer lines along 466a and Shiloh plus a sewer line to Lady Lake.

At September 30, 2016 the unassigned fund balance in the General Fund was \$13,880 (\$259,413 is obligated in prepaid invoices), .1 month of current General Fund expenditures. This figure is under the "no less than one to two months of regular general fund operating expenditures" provided for in the Government Finance Officers Association's Appropriate Level of Unreserved Fund Balance recommendation. Also, it is less than the minimum range of the 3 months of operating expenditures informally established by the City for budgetary and planning purposes.

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 Fruitland Park for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending September 30, 2013 but the City did not apply for the award for FY2015 and FY2016 due to a several month vacancy and changes for the Finance Director position. The City of Fruitland Park had received this prestigious award for fourteen consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized



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comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

This report represents numerous hours of preparation and it would not have been possible without the dedicated efforts of the finance department staff. We would like to express our appreciation to staff members who assisted and contributed to the preparation of this report. Special recognition is given to finance department employees who worked diligently to ensure the timeliness and accuracy of this report. We also thank the Mayor and Commission Members for their interest and support in planning and conducting the operations of the City in a responsible and professional manner.

Respectfully Submitted,

Gary La Venia

Gary La Venia, City Manager

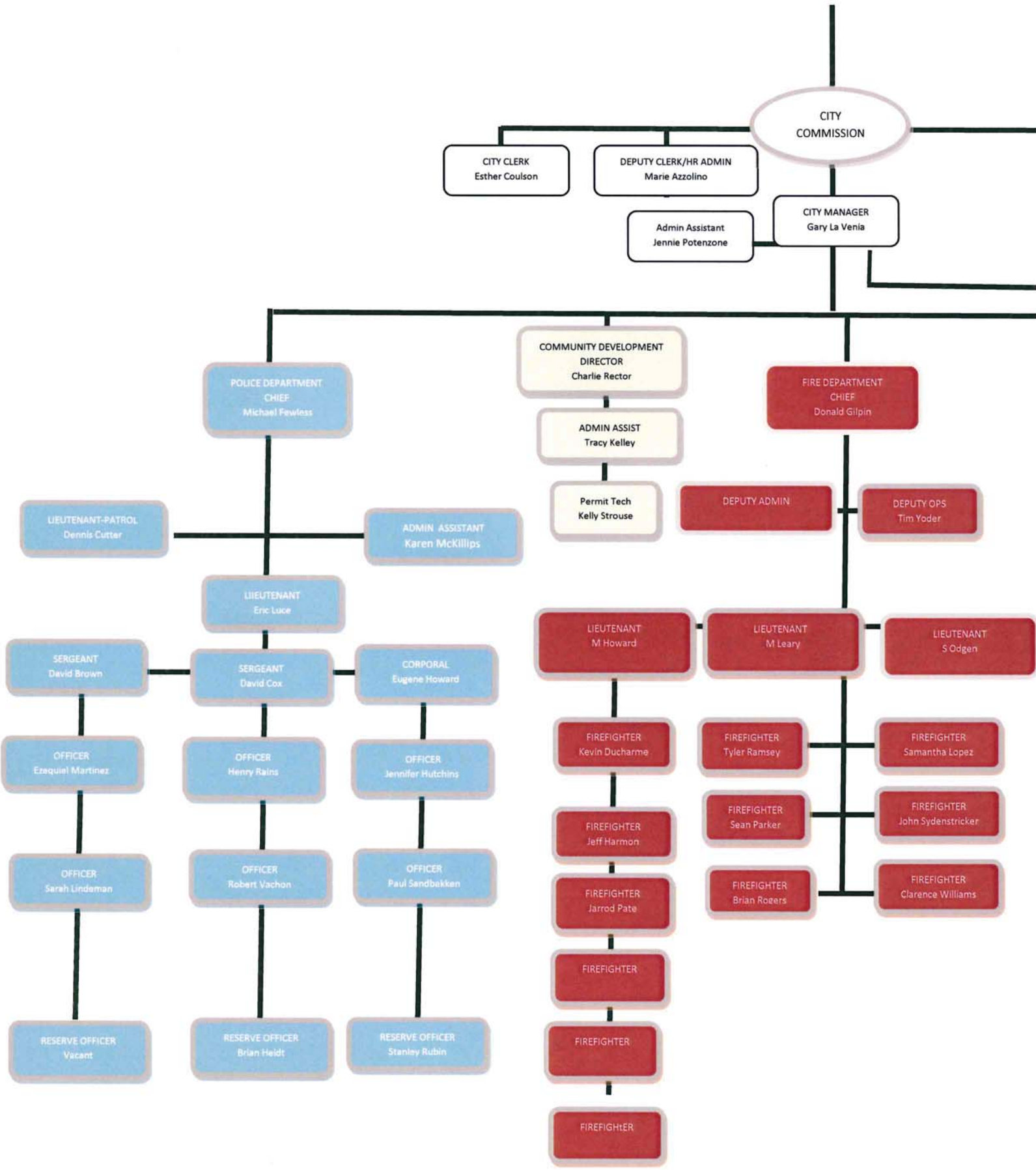
Jeannine Racine

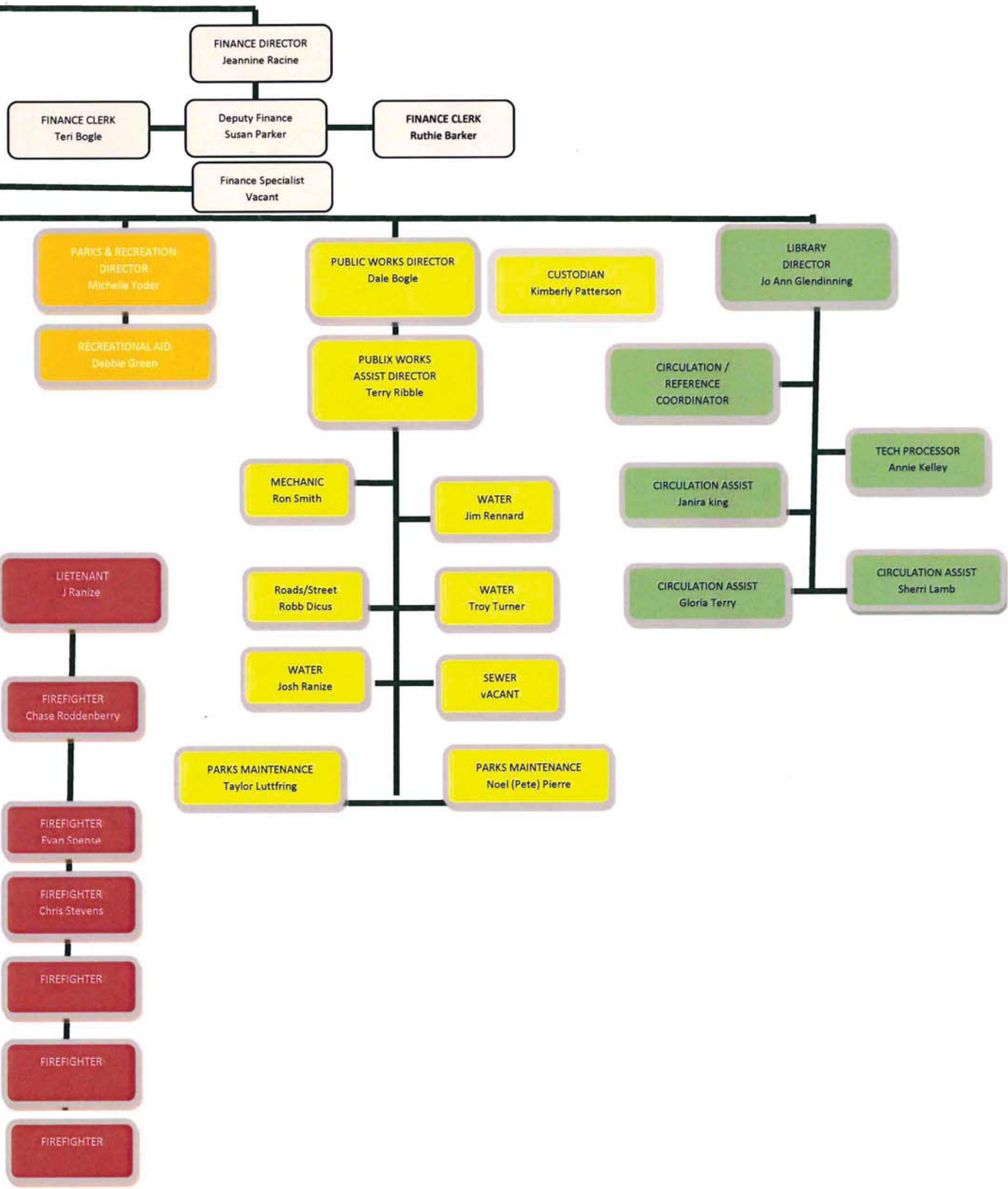
Jeannine Racine, City Finance Director

CITY COMMISSION AND OFFICIALS

September 30, 2016

| | |
|-------------------------------------|------------------------------|
| Mayor | Christopher "Chris" Bell |
| Vice Mayor-Commissioner..... | John Gunter |
| Commissioner..... | Raymond "Ray" Lewis |
| Commissioner..... | Richard "Rick" Ranize |
| Commissioner..... | Christopher "Chris" Cheshire |
| | |
| City Manager..... | Gary La Venia |
| City Finance Director..... | Jeannine Racine |
| City Clerk..... | Esther Lewin-Coulson |
| Police Chief..... | Michael Fewless |
| Community Development Director..... | Charles "Charlie" Rector |
| Public Works Director..... | Allen "Dale" Bogle |
| Library Director..... | Jo-Ann D. Glendinning |
| Recreation Director..... | C. Michelle Yoder |
| City Attorney..... | Anita Geraci-Carver |





FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
City of Fruitland Park, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the *City of Fruitland Park, Florida*, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

City of Fruitland Park's 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 principles 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, each major fund, and the aggregate remaining fund information of City of Fruitland Park, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, and community redevelopment fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

MCDIRMIT DAVIS & COMPANY, LLC

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TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the pension disclosures on page 3 through 12, and 64 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise *City of Fruitland Park's* basic financial statements. The introductory section, and individual fund financial schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated July 14, 2017 on our consideration of *City of Fruitland Park's* internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 *City of Fruitland Park's* internal control over financial reporting and compliance.

McDiernit Davis & Company, LLC

Orlando, Florida
July 14, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the *City of Fruitland Park, Florida* we offer readers of the *City of Fruitland Park's* financial statements this narrative overview and analysis of the financial activities of the *City of Fruitland Park* for the fiscal year ended September 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets of the *City of Fruitland Park* exceeded its liabilities at the close of the most recent fiscal year by \$12,404,973 (net position). Of this amount, \$211,460 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$2,005,571.
- As of the close of the current fiscal year, the *City of Fruitland Park's* governmental funds reported combined ending fund balances of \$4,346,263, an increase of \$1,785,520 in comparison with the prior year. Approximately (1%) of this total amount, (\$13,880), is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was (\$13,880), or (1%) of total general fund expenditures.

Overview of the Financial Statements

The financial statements focus on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the City's accountability.

This discussion and analysis are intended to serve as an introduction to the *City of Fruitland Park's* (the City) 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 of Fruitland Park's* financial position, in a manner similar to a private-sector business. They include a *Statement of Net Position* and a *Statement of Activities*.

The *Statement of Net Position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows 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 government'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 vacation leave).

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Both of the government-wide financial statements distinguish functions of the *City of Fruitland Park* 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 of Fruitland Park* include general government, public safety, transportation, sanitation and culture and recreation services. The business-type activities of the *City of Fruitland Park* include Utility Services and recreation programs.

The government-wide financial statements include only the *City of Fruitland Park* itself (known as the *primary government*) and one blended component unit (The Community Redevelopment Fund).

The government-wide financial statements can be found on pages 13 - 14 of this report.

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 of Fruitland Park*, 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 of Fruitland Park* 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*.

The *City of Fruitland Park* maintains three individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Community Redevelopment Fund, and Capital Projects Fund which are considered to be major funds.

The *City of Fruitland Park* adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for the General Fund, and the Community Redevelopment Fund to demonstrate compliance with this budget at pages 19 - 20. Budgetary comparison schedule for the Capital Projects fund is at page 66.

The basic governmental fund financial statements can be found on pages 15 - 18 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Proprietary Funds - *City of Fruitland Park* maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The *City of Fruitland Park* uses enterprise funds to account for Utility management and Recreation programs.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Utility management and Recreation programs.

The basic proprietary fund financial statements can be found on pages 21 - 25 of this report.

Fiduciary Funds - 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 statement 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. The basic fiduciary fund financial statements can be found on pages 26-27 of this report.

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. The notes to financial statements can be found on pages 28 - 63 of this report.

Required Supplementary Information (RSI) - RSI can be found on pages 64 - 65 of this report.

Government-Wide Financial Analysis

Statement of Net Position - 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 of Fruitland Park*, assets exceeded liabilities by \$12,404,973 at the close of the most recent fiscal year. The following table reflects the condensed statement of net position for the current and prior year. For more detail see the Statement of Net Position on page 13.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

City of Fruitland Park
Statement of Net Position

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|----------------------------------|-------------------------|---------------------|--------------------------|---------------------|--------------------------|----------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Assets: | | | | | | |
| Current and other assets | \$ 5,003,005 | \$ 3,139,028 | 3,301,693 | \$ 1,034,641 | \$ 8,304,698 | \$ 4,173,669 |
| Capital Assets | 4,381,326 | 4,297,491 | 5,129,089 | 4,548,744 | 9,510,415 | 8,846,235 |
| Net Pension Obligation | - | 71,166 | - | - | - | 71,166 |
| Total Assets | <u>9,384,331</u> | <u>7,507,685</u> | <u>8,430,782</u> | <u>5,583,385</u> | <u>17,815,113</u> | <u>13,091,070</u> |
| Deferred Outflows | 1,236,567 | - | 101,078 | - | 1,337,645 | - |
| Liabilities: | | | | | | |
| Long term liabilities | 1,733,105 | 105,979 | 4,176,376 | 1,550,718 | 5,909,481 | 1,656,697 |
| Other liabilities | 657,556 | 636,210 | 168,513 | 282,987 | 826,069 | 919,197 |
| Total Liabilities | <u>2,390,661</u> | <u>742,189</u> | <u>4,344,889</u> | <u>1,833,705</u> | <u>6,735,550</u> | <u>2,575,894</u> |
| Deferred inflows: | 11,311 | - | 924 | - | 12,235 | - |
| Net Position: | | | | | | |
| Net investment in capital assets | 4,177,487 | 4,183,155 | 3,329,022 | 3,055,102 | 7,506,509 | 7,238,257 |
| Restricted | 4,072,970 | 2,251,021 | 614,034 | 305,774 | 4,687,004 | 2,556,795 |
| Unrestricted | (31,531) | 331,320 | 242,991 | 388,804 | 211,460 | 720,124 |
| Total Net Position | <u>\$ 8,218,926</u> | <u>\$ 6,765,496</u> | <u>\$ 4,186,047</u> | <u>\$ 3,749,680</u> | <u>\$ 12,404,973</u> | <u>\$ 10,515,176</u> |

\$7,506,509 (61%) of the City's net position reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the *City of Fruitland Park'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.

Net position that are subject to external restrictions as to how they may be used total \$4,687,004 (38%). The remaining balance of *unrestricted net position* (\$211,460 or 2%) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's net position increased by \$2,005,571 during the current fiscal year. The following table reflects the condensed Statement of Activities for the current year. For more detail see the Statement of Activities on page 14.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

City of Fruitland Park
Changes in Net Position

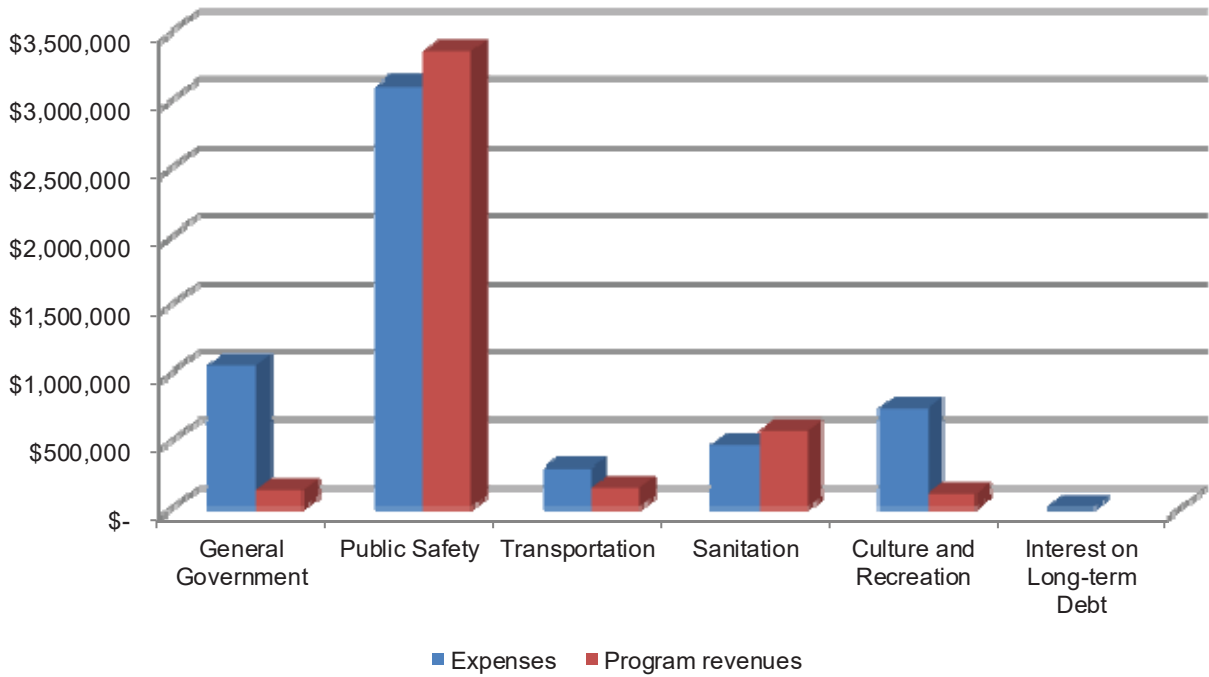
| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total Primary Government</u> | |
|---|--------------------------------|---------------------|---------------------------------|---------------------|---------------------------------|----------------------|
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| Revenues: | | | | | | |
| Program revenues - | | | | | | |
| Charges for services | \$ 3,092,756 | \$ 1,923,416 | \$ 811,870 | \$ 770,004 | \$ 3,904,626 | \$ 2,693,420 |
| Operating grants and contributions | 225,174 | 68,394 | - | - | 225,174 | 68,394 |
| Capital grants and contributions | 996,949 | 466,669 | 433,074 | 140,976 | 1,430,023 | 607,645 |
| General revenues - | | | | | | |
| Property taxes | 1,013,799 | 896,623 | - | - | 1,013,799 | 896,623 |
| Franchise and utility Taxes | 1,124,153 | 993,463 | - | - | 1,124,153 | 993,463 |
| Intergovernmental | 773,165 | 916,768 | - | - | 773,165 | 916,768 |
| Investment income and miscellaneous | 180,720 | 5,272 | 14,911 | 10,456 | 195,631 | 15,728 |
| Total revenues | <u>7,406,716</u> | <u>5,270,605</u> | <u>1,259,855</u> | <u>921,436</u> | <u>8,666,571</u> | <u>6,192,041</u> |
| Expenses: | | | | | | |
| General government | 1,043,212 | 898,643 | - | - | 1,043,212 | 898,643 |
| Public safety | 3,097,472 | 2,110,533 | - | - | 3,097,472 | 2,110,533 |
| Transportation | 291,644 | 324,333 | - | - | 291,644 | 324,333 |
| Sanitation | 462,909 | 475,618 | - | - | 462,909 | 475,618 |
| Culture and recreation | 726,059 | 577,976 | - | - | 726,059 | 577,976 |
| Interest on long-term debt | 3,658 | 4,118 | - | - | 3,658 | 4,118 |
| Utility | - | - | 1,003,485 | 930,169 | 1,003,485 | 930,169 |
| Recreation programs | - | - | 32,561 | 37,712 | 32,561 | 37,712 |
| Total expenses | <u>5,624,954</u> | <u>4,391,221</u> | <u>1,036,046</u> | <u>967,881</u> | <u>6,661,000</u> | <u>5,359,102</u> |
| Increase (Decrease) in Net Position Before Transfers | 1,781,762 | 879,384 | 223,809 | (46,445) | 2,005,571 | 832,939 |
| Transfers | <u>(302,389)</u> | <u>119,120</u> | <u>302,389</u> | <u>(119,120)</u> | <u>-</u> | <u>-</u> |
| Increase (Decrease) in Net Position | 1,479,373 | 998,504 | 526,198 | (165,565) | 2,005,571 | 832,939 |
| Net Position - October 1 | <u>6,765,496</u> | <u>5,766,992</u> | <u>3,749,680</u> | <u>3,915,245</u> | <u>10,515,176</u> | <u>9,682,237</u> |
| Restatement of Net Position | <u>(25,943)</u> | <u>-</u> | <u>(89,831)</u> | <u>-</u> | <u>(115,774)</u> | <u>-</u> |
| Net Position - September 30 | <u>\$ 8,218,926</u> | <u>\$ 6,765,496</u> | <u>\$ 4,186,047</u> | <u>\$ 3,749,680</u> | <u>\$ 12,404,973</u> | <u>\$ 10,515,176</u> |

Governmental Activities - Governmental activities increased the *City of Fruitland Park's* net position by \$1,479,373. This was due to increases in charges for services related to increased permitting revenues.

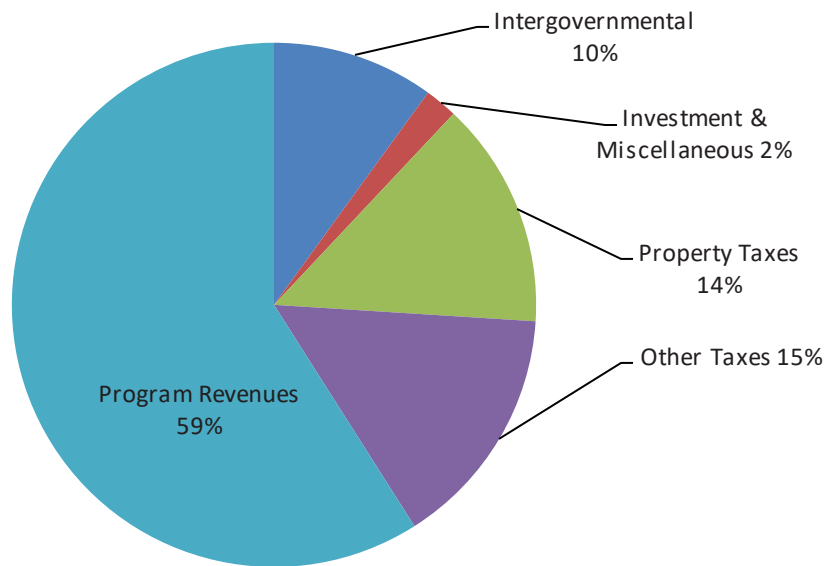
Business-Type Activities - Business-type activities increased the *City of Fruitland Park's* net position by \$526,198 primarily due to increased impact fee revenue.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Expenses and Program Revenues - Governmental Activities

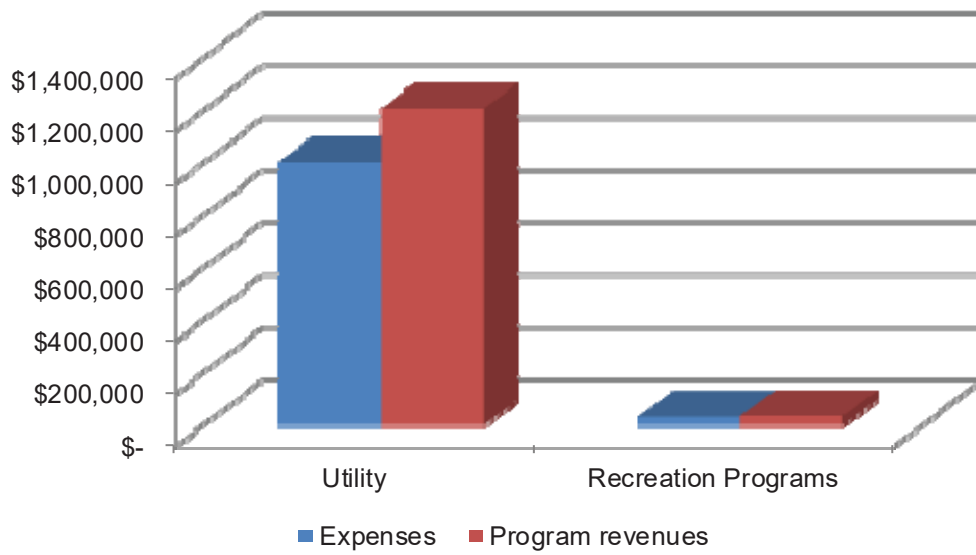


Revenue by Source - Governmental Activities

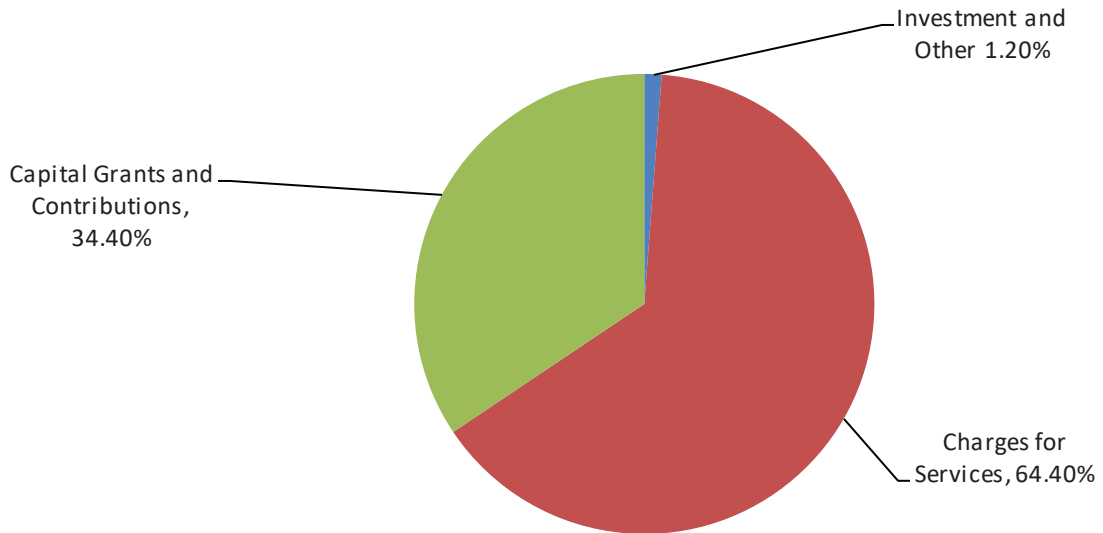


MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Expenses and Program Revenues - Business-Type Activities



Revenue by Source - Business-Type Activities



MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Financial Analysis of the Government's Funds

As noted earlier, the *City of Fruitland Park* used fund accounting to ensure and demonstrate compliance with finance-related 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 of Fruitland Park's* financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the *City of Fruitland Park's* governmental funds reported combined ending fund balances of \$4,346,263, an increase of \$1,785,520 in comparison with the prior year. However, most of the fund balances are restricted or committed, so there is only \$13,880 available for spending at the City's discretion.

The general fund is the chief operating fund of the *City of Fruitland Park*. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$13,880, while total fund balance was \$3,436,431. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represent less than 1% while total fund balance is 66% of total General Fund expenditures.

The fund balance of the general fund increased by \$1,864,864 during the current fiscal year.

Proprietary Funds - The *City Fruitland Park's* proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary funds at the year-end amounted to \$242,991. The total increase in net position for these funds was \$526,198. Other factors concerning the finances of these two funds have already been addressed in the discussion of the *City of Fruitland Park's* business-type activities.

General Fund Budgetary Highlights

During the year, actual revenues were \$979,783 more than budgeted revenues and actual expenditures were \$933,216 less than budgeted expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Capital Asset and Debt Administration

Capital Assets - The *City of Fruitland Park's* investment in capital assets for its governmental and business-type activities as of September 30, 2016, amounts to \$4,934,060 (net of accumulated depreciation), for an increase of \$256,310 from the prior year. This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was 5.48% (a .6% increase for governmental activities, and 10.03% increase for business-type activities).

City of Fruitland Park
Capital Assets
(Net of Depreciation)

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|--------------------------|--------------------------------|---------------------|---------------------------------|---------------------|---------------------------------|---------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Land | \$ 1,313,703 | \$ 1,313,703 | \$ 339,699 | \$ 339,699 | \$ 1,653,402 | \$ 1,653,402 |
| Construction in Progress | - | - | 342,533 | 110,677 | 342,533 | 110,677 |
| Buildings | 1,630,885 | 1,677,350 | 81,237 | 87,733 | 1,712,122 | 1,765,083 |
| Improvements | 214,060 | 214,060 | - | - | 214,060 | 214,060 |
| Machinery and Equipment | 722,834 | 621,684 | 147,707 | 132,698 | 870,541 | 754,382 |
| Infrastructure | 499,844 | 522,552 | 4,076,511 | 3,814,660 | 4,576,355 | 4,337,212 |
| Intangibles | - | 4,114 | 141,402 | 176,032 | 141,402 | 180,146 |
| Total | \$ 4,381,326 | \$ 4,353,463 | \$ 5,129,089 | \$ 4,661,499 | \$ 9,510,415 | \$ 9,014,962 |

Additional information on the *City of Fruitland Park's* capital assets can be found in Note 8 of this report.

Long-Term Debt - At the end of the current fiscal year, the *City of Fruitland Park* had total debt outstanding of \$4,253,614. This debt includes bonds payable and notes payable. Additional information on long-term debt can be found in Note 10 of this report.

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|----------------|--------------------------------|-------------------|---------------------------------|---------------------|---------------------------------|---------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Capital Leases | \$ 203,839 | \$ 114,336 | \$ - | \$ - | \$ 203,839 | \$ 114,336 |
| Notes Payable | - | - | 4,049,775 | 1,669,674 | 4,049,775 | 1,669,674 |
| | \$ 203,839 | \$ 114,336 | \$ 4,049,775 | \$ 1,669,674 | \$ 4,253,614 | \$ 1,784,010 |

The *City of Fruitland Park's* total debt increased by \$2,469,604 (138%) during the current fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

Next Year's Budget and Rates

At September 30, 2016, the unassigned fund balance in the General Fund is only \$13,880 so none was budgeted for appropriations in 2017. The City is expecting to incur enough revenues in 2017 to cover expenditures.

Requests for Information

This financial report is designed to provide a general overview of the *City of Fruitland Park's* finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the office of the Finance Director, *City of Fruitland Park*, 506 W. Berkman Street, Fruitland Park, Florida 34731.

BASIC FINANCIAL STATEMENTS

CITY OF FRUITLAND PARK, FLORIDA

STATEMENT OF NET POSITION

September 30, 2016

| | Governmental Activities | Business-type Activities | Total |
|--|------------------------------------|-------------------------------------|----------------------|
| ASSETS: | | | |
| Cash and cash equivalents | \$ 1,217,846 | \$ 5,891 | \$ 1,223,737 |
| Investments | 3,179,879 | - | 3,179,879 |
| Receivables, net | 106,347 | 104,617 | 210,964 |
| Due from other governments | 239,520 | - | 239,520 |
| Inventories | 2,735 | 51,868 | 54,603 |
| Prepays | 256,678 | 1,296 | 257,974 |
| Restricted cash and cash equivalents | - | 3,138,021 | 3,138,021 |
| Capital Assets: | | | |
| Capital assets not being depreciated | 1,313,703 | 682,232 | 1,995,935 |
| Capital assets being depreciated, net of accumulated depreciation | 3,067,623 | 4,446,857 | 7,514,480 |
| Total assets | <u>9,384,331</u> | <u>8,430,782</u> | <u>17,815,113</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflow of pension earnings | <u>1,236,567</u> | <u>101,078</u> | <u>1,337,645</u> |
| LIABILITIES: | | | |
| Accounts payable and accrued expenses | 394,303 | 30,920 | 425,223 |
| Due to other governmental agencies | 12,150 | - | 12,150 |
| Accrued interest | 814 | 4,113 | 4,927 |
| Deposits payable | 1,850 | 133,480 | 135,330 |
| Unearned revenue | 248,439 | - | 248,439 |
| Noncurrent liabilities: | | | |
| Due within one year | 70,003 | 124,271 | 194,274 |
| Due in more than one year | 1,663,102 | 4,052,105 | 5,715,207 |
| Total liabilities | <u>2,390,661</u> | <u>4,344,889</u> | <u>6,735,550</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflow of pension earnings | <u>11,311</u> | <u>924</u> | <u>12,235</u> |
| NET POSITION: | | | |
| Net investment in capital assets | 4,177,487 | 3,329,022 | 7,506,509 |
| Restricted for: | | | |
| Capital Improvements | 2,384,630 | 549,313 | 2,933,943 |
| Community redevelopment | 215,355 | - | 215,355 |
| Debt service | - | 64,721 | 64,721 |
| Cemetery care | 68,766 | - | 68,766 |
| Police | 8,787 | - | 8,787 |
| Stormwater | 251,781 | - | 251,781 |
| Building Inspections | 1,049,582 | - | 1,049,582 |
| Police/Fire fee refunds | 94,069 | - | 94,069 |
| Unrestricted | (31,531) | 242,991 | 211,460 |
| Total net position | <u>\$ 8,218,926</u> | <u>\$ 4,186,047</u> | <u>\$ 12,404,973</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF FRUITLAND PARK, FLORIDA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2016

| Functions/Programs | Program Revenue | | | | Net (Expense) Revenue and Changes in Net Position | | |
|---------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | |
| | | | | | Governmental Activities | Business-type Activities | Total |
| Primary Government | | | | | | | |
| Governmental Activities | | | | | | | |
| General Government | \$ 1,043,212 | \$ 133,506 | \$ - | \$ - | \$ (909,706) | \$ - | \$ (909,706) |
| Public Safety | 3,097,472 | 2,337,768 | 23,133 | 996,949 | 260,378 | - | 260,378 |
| Transportation | 291,644 | 6,884 | 142,796 | - | (141,964) | - | (141,964) |
| Sanitation | 462,909 | 569,969 | - | - | 107,060 | - | 107,060 |
| Culture and Recreation | 726,059 | 44,629 | 59,245 | - | (622,185) | - | (622,185) |
| Interest on Long-term debt | 3,658 | - | - | - | (3,658) | - | (3,658) |
| Total governmental activities | <u>5,624,954</u> | <u>3,092,756</u> | <u>225,174</u> | <u>996,949</u> | <u>(1,310,075)</u> | <u>-</u> | <u>(1,310,075)</u> |
| Business-type activities: | | | | | | | |
| Water | 1,003,485 | 775,528 | - | 433,074 | - | 205,117 | 205,117 |
| Recreation Programs | 32,561 | 36,342 | - | - | - | 3,781 | 3,781 |
| Total business-type activities | <u>1,036,046</u> | <u>811,870</u> | <u>-</u> | <u>433,074</u> | <u>-</u> | <u>208,898</u> | <u>208,898</u> |
| Total primary government | <u>\$ 6,661,000</u> | <u>\$ 3,904,626</u> | <u>\$ 225,174</u> | <u>\$ 1,430,023</u> | <u>(1,310,075)</u> | <u>208,898</u> | <u>(1,101,177)</u> |
| General Revenues: | | | | | | | |
| Property taxes | | | | | 1,013,799 | - | 1,013,799 |
| Franchise and utility taxes | | | | | 374,596 | - | 374,596 |
| Intergovernmental | | | | | 773,165 | - | 773,165 |
| Public service taxes | | | | | 749,557 | - | 749,557 |
| Unrestricted investment earnings | | | | | 15,210 | 13,289 | 28,499 |
| Miscellaneous | | | | | 165,510 | - | 165,510 |
| Gain on sale of asset | | | | | - | 1,622 | 1,622 |
| Transfers | | | | | (302,389) | 302,389 | - |
| Total general revenues and transfers | | | | | <u>2,789,448</u> | <u>317,300</u> | <u>3,106,748</u> |
| Change in net position | | | | | 1,479,373 | 526,198 | 2,005,571 |
| Net Position - beginning, as restated | | | | | 6,739,553 | 3,659,849 | 10,399,402 |
| Net Position - ending | | | | | <u>\$ 8,218,926</u> | <u>\$ 4,186,047</u> | <u>\$ 12,404,973</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF FRUITLAND PARK, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2016

| | General Fund | Community Redevelopment Fund | Capital Projects | Total Governmental Funds |
|-------------------------------------|---------------------|---|-------------------------|---|
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 3,323,398 | \$ 118,322 | \$ 556,005 | \$ 3,997,725 |
| Investments | 200,000 | 100,000 | 100,000 | 400,000 |
| Accounts receivable, net | 106,347 | - | - | 106,347 |
| Due from other governments | 201,048 | - | 38,472 | 239,520 |
| Inventories | 2,735 | - | - | 2,735 |
| Prepaid costs | 256,678 | - | - | 256,678 |
| Total assets | <u>\$ 4,090,206</u> | <u>\$ 218,322</u> | <u>\$ 694,477</u> | <u>\$ 5,003,005</u> |
| LIABILITIES: | | | | |
| Accounts payable | \$ 327,190 | \$ 2,217 | \$ - | \$ 329,407 |
| Accrued liabilities | 64,896 | - | - | 64,896 |
| Due to other governments | 12,150 | - | - | 12,150 |
| Deposits payable | 1,100 | 750 | - | 1,850 |
| Unearned revenue | 248,439 | - | - | 248,439 |
| Total liabilities | <u>653,775</u> | <u>2,967</u> | <u>-</u> | <u>656,742</u> |
| FUND BALANCES: | | | | |
| Nonspendable | 259,413 | - | - | 259,413 |
| Restricted | 2,842,591 | 215,355 | 694,477 | 3,752,423 |
| Committed | 320,547 | - | - | 320,547 |
| Unassigned | 13,880 | - | - | 13,880 |
| Total fund balances | <u>3,436,431</u> | <u>215,355</u> | <u>694,477</u> | <u>4,346,263</u> |
| Total Liabilities and Fund Balances | <u>\$ 4,090,206</u> | <u>\$ 218,322</u> | <u>\$ 694,477</u> | <u>\$ 5,003,005</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF FRUITLAND PARK, FLORIDA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION**

September 30, 2016

| | |
|---|---------------------|
| Total Fund Balance, governmental funds | \$ 4,346,263 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. | 4,381,326 |
| Deferred inflows and outflows of resources related to pension earning are not recognized in the governmental funds, however, they are recorded in net position under full accrual accounting | 1,225,256 |
| Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds | <u>(1,733,919)</u> |
| Net Position of Governmental Activities in the Statement of Net Position | <u>\$ 8,218,926</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF FRUITLAND PARK, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended September 30, 2016

| | <u>General Fund</u> | <u>Community Redevelopment Fund</u> | <u>Capital Projects</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|---|-------------------------|---|
| REVENUES: | | | | |
| Taxes: | | | | |
| Property | \$ 786,546 | \$ 227,253 | \$ - | \$ 1,013,799 |
| Franchise and utility | 1,045,498 | - | - | 1,045,498 |
| Fees and fines | 14,927 | - | - | 14,927 |
| Licenses and permits | 2,352,455 | - | - | 2,352,455 |
| Intergovernmental | 624,814 | - | 400,285 | 1,025,099 |
| Impact fees | 996,949 | - | - | 996,949 |
| Charges for services | 694,371 | - | - | 694,371 |
| Investment earnings | 10,470 | 1,255 | 3,485 | 15,210 |
| Miscellaneous | 183,860 | - | - | 183,860 |
| Total revenues | <u>6,709,890</u> | <u>228,508</u> | <u>403,770</u> | <u>7,342,168</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 944,916 | 20,029 | - | 964,945 |
| Public safety | 2,917,663 | - | - | 2,917,663 |
| Transportation | 239,397 | - | - | 239,397 |
| Sanitation/ other utility | 462,909 | - | - | 462,909 |
| Culture and recreation | 643,306 | - | - | 643,306 |
| Debt service: | | | | |
| Principal | - | - | 27,033 | 27,033 |
| Interest | - | - | 4,266 | 4,266 |
| Capital Outlay | - | 396,319 | 186,134 | 582,453 |
| Total expenditures | <u>5,208,191</u> | <u>416,348</u> | <u>217,433</u> | <u>5,841,972</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,501,699</u> | <u>(187,840)</u> | <u>186,337</u> | <u>1,500,196</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Capital Lease | 116,536 | - | - | 116,536 |
| Transfers in | 167,974 | - | - | 167,974 |
| Transfers out | - | (43,914) | (33,927) | (77,841) |
| Total other financing sources (uses) | <u>284,510</u> | <u>(43,914)</u> | <u>(33,927)</u> | <u>206,669</u> |
| Net change in fund balances | 1,786,209 | (231,754) | 152,410 | 1,706,865 |
| Fund balances - beginning | 1,571,567 | 447,109 | 542,067 | 2,560,743 |
| Fund balances - ending | <u>\$ 3,357,776</u> | <u>\$ 215,355</u> | <u>\$ 694,477</u> | <u>\$ 4,267,608</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF FRUITLAND PARK, FLORIDA

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

For the Year Ended September 30, 2016

Net Change in Fund Balances - total governmental funds: \$ 1,785,520

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays were less than depreciation in the current period. 31,645

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and disposals) is to decrease net position (282)

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds. (89,503)

Unavailable revenues reported in prior year are reported as revenues only in the fund statements in the current year. (14,107)

Cash pension contributions reported in the funds were more than the calculated pension expense on the statement of activities, and therefore increased net position (217,571)

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds. (16,329)

Change in net position of governmental activities \$ 1,479,373

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF FRUITLAND PARK, FLORIDA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended September 30, 2016

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|-------------------------|---------------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Taxes: | | | | |
| Property taxes | \$ 813,566 | \$ 813,566 | \$ 786,546 | \$ (27,020) |
| Franchise and utility | 1,139,550 | 1,094,987 | 1,124,153 | 29,166 |
| Fees and Fines | 39,200 | 16,060 | 14,927 | (1,133) |
| Licenses and Permits | 481,300 | 1,354,301 | 2,352,455 | 998,154 |
| Intergovernmental | 597,001 | 1,621,040 | 624,814 | (996,226) |
| Impact fees | 35,000 | 35,000 | 996,949 | 961,949 |
| Charges for Services | 635,910 | 675,733 | 694,371 | 18,638 |
| Investment Earnings | 1,200 | 1,200 | 10,470 | 9,270 |
| Miscellaneous | 163,440 | 196,875 | 183,860 | (13,015) |
| Total revenues | <u>3,906,167</u> | <u>5,808,762</u> | <u>6,788,545</u> | <u>979,783</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 934,232 | 963,778 | 944,916 | 18,862 |
| Public safety | 1,860,944 | 2,775,208 | 2,801,127 | (25,919) |
| Transportation | 264,263 | 264,263 | 239,397 | 24,866 |
| Sanitation/ other utility | 433,690 | 433,690 | 462,909 | (29,219) |
| Culture and recreation | 582,412 | 1,587,932 | 643,306 | 944,626 |
| Total expenditures | <u>4,075,541</u> | <u>6,024,871</u> | <u>5,091,655</u> | <u>933,216</u> |
| Excess (deficiency) of revenues over expenditures | <u>(169,374)</u> | <u>(216,109)</u> | <u>1,696,890</u> | <u>1,912,999</u> |
| OTHER FINANCING SOURCES: | | | | |
| Transfers In | <u>169,374</u> | <u>216,109</u> | <u>167,974</u> | <u>(48,135)</u> |
| Total other financing sources | <u>169,374</u> | <u>216,109</u> | <u>167,974</u> | <u>(48,135)</u> |
| Net change in fund balances | - | - | 1,864,864 | 1,864,864 |
| Fund Balance - beginning | <u>1,571,567</u> | <u>1,571,567</u> | <u>1,571,567</u> | - |
| Fund Balance - ending | <u>\$ 1,571,567</u> | <u>\$ 1,571,567</u> | <u>\$ 3,436,431</u> | <u>\$ 1,864,864</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF FRUITLAND PARK, FLORIDA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT SPECIAL REVENUE FUND**

For the Year Ended September 30, 2016

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|-------------------|--|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes: | | | | |
| Property Taxes | \$ 229,817 | \$ 229,817 | \$ 227,253 | \$ (2,564) |
| Investment Earnings | 1,000 | 1,000 | 1,255 | 255 |
| Total revenues | <u>230,817</u> | <u>230,817</u> | <u>228,508</u> | <u>(2,309)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 35,282 | 24,588 | 20,029 | 4,559 |
| Capital Outlay | <u>352,000</u> | <u>408,128</u> | <u>396,319</u> | <u>11,809</u> |
| Total expenditures | <u>387,282</u> | <u>432,716</u> | <u>416,348</u> | <u>16,368</u> |
| Excess (deficiency) of revenues over expenditures | <u>(156,465)</u> | <u>(201,899)</u> | <u>(187,840)</u> | <u>14,059</u> |
| OTHER FINANCING USES: | | | | |
| Transfers In | 200,379 | 245,813 | - | (245,813) |
| Transfers Out | <u>(43,914)</u> | <u>(43,914)</u> | <u>(43,914)</u> | <u>-</u> |
| Total other financing uses | <u>156,465</u> | <u>201,899</u> | <u>(43,914)</u> | <u>(245,813)</u> |
| Net change in fund balances | - | - | (231,754) | (231,754) |
| Fund Balance - beginning | <u>447,109</u> | <u>447,109</u> | <u>447,109</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 447,109</u> | <u>\$ 447,109</u> | <u>\$ 215,355</u> | <u>\$ (231,754)</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF FRUITLAND PARK, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

September 30, 2016

| | Enterprise Funds | | |
|---------------------------------------|-------------------------|-------------------------------------|------------------|
| | Utility Fund | Recreation Programs Fund | Total |
| ASSETS: | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 400 | \$ 5,491 | \$ 5,891 |
| Accounts receivable, net | 104,617 | - | 104,617 |
| Prepaid items | 1,296 | - | 1,296 |
| Inventories | 51,868 | - | 51,868 |
| Restricted cash and cash equivalents | 339,001 | - | 339,001 |
| Total current assets | <u>497,182</u> | <u>5,491</u> | <u>502,673</u> |
| Noncurrent assets: | | | |
| Restricted cash and cash equivalents | 2,799,020 | - | 2,799,020 |
| Capital assets: | | | |
| Land | 339,699 | - | 339,699 |
| Construction in progress | 342,533 | - | 342,533 |
| Buildings | 243,408 | - | 243,408 |
| Infrastructure | 6,549,464 | - | 6,549,464 |
| Intangible assets | 346,296 | - | 346,296 |
| Machinery and equipment | 492,625 | - | 492,625 |
| Less accumulated depreciation | (3,184,936) | - | (3,184,936) |
| Net Capital assets | <u>5,129,089</u> | <u>-</u> | <u>5,129,089</u> |
| Total noncurrent assets | <u>7,928,109</u> | <u>-</u> | <u>7,928,109</u> |
| Total assets | <u>8,425,291</u> | <u>5,491</u> | <u>8,430,782</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflow of pension earnings | <u>101,078</u> | <u>-</u> | <u>101,078</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

| | Enterprise Funds | | |
|--------------------------------------|-------------------------|-------------------------------------|---------------------|
| | Utility Fund | Recreation Programs Fund | Total |
| LIABILITIES: | | | |
| Current Liabilities: | | | |
| Accounts payable | 17,138 | 700 | 17,838 |
| Salaries payable | 13,082 | - | 13,082 |
| Accrued interest payable | 4,113 | - | 4,113 |
| Customer deposits payable | 133,480 | - | 133,480 |
| Compensated absences | 1,614 | - | 1,614 |
| Notes and loans payable - current | 122,657 | - | 122,657 |
| Total current liabilities | <u>292,084</u> | <u>700</u> | <u>292,784</u> |
| Noncurrent Liabilities: | | | |
| Compensated absences | 6,457 | - | 6,457 |
| Net pension liability | 118,530 | - | 118,530 |
| Notes and loans payable | 3,927,118 | - | 3,927,118 |
| Total noncurrent liabilities | <u>4,052,105</u> | <u>-</u> | <u>4,052,105</u> |
| Total liabilities | <u>4,344,189</u> | <u>700</u> | <u>4,344,889</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflow of pension earnings | 924 | - | 924 |
| NET POSITION: | | | |
| Net investment in capital assets | 3,329,022 | - | 3,329,022 |
| Restricted for capital improvements | 549,313 | - | 549,313 |
| Restricted for debt service | 64,721 | - | 64,721 |
| Unrestricted | 238,200 | 4,791 | 242,991 |
| Total net position | <u>\$ 4,181,256</u> | <u>\$ 4,791</u> | <u>\$ 4,186,047</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF FRUITLAND PARK, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS**

For the Year Ended September 30, 2016

| | Enterprise Funds | | |
|---|-------------------------|-------------------------------------|---------------------|
| | Utility Fund | Recreation Programs Fund | Total |
| REVENUES: | | | |
| Charges for Services | \$ 720,074 | \$ 36,342 | \$ 756,416 |
| Other Operating Revenues | 55,454 | - | 55,454 |
| Total operating revenues | <u>775,528</u> | <u>36,342</u> | <u>811,870</u> |
| OPERATING EXPENSES: | | | |
| Personal Services | 413,802 | - | 413,802 |
| Other Operating Expenses | 288,141 | 32,561 | 320,702 |
| Depreciation | 249,846 | - | 249,846 |
| Total operating expenses | <u>951,789</u> | <u>32,561</u> | <u>984,350</u> |
| Operating income (loss) | <u>(176,261)</u> | <u>3,781</u> | <u>(172,480)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | |
| Interest and Investment Income | 13,222 | 67 | 13,289 |
| Gain on Disposal of Capital Assets | 1,622 | - | 1,622 |
| Interest Expense | (51,696) | - | (51,696) |
| Total nonoperating revenue (expenses) | <u>(36,852)</u> | <u>67</u> | <u>(36,785)</u> |
| Income (loss) before transfers | (213,113) | 3,848 | (209,265) |
| Capital Contributions | 407,022 | - | 407,022 |
| Impact Fees | 418,574 | - | 418,574 |
| Transfers In | 42,191 | - | 42,191 |
| Transfers Out | <u>(120,000)</u> | <u>(12,324)</u> | <u>(132,324)</u> |
| Change in net position | 534,674 | (8,476) | 526,198 |
| Total Net Position - beginning, as restated | 3,646,582 | 13,267 | 3,659,849 |
| Total Net Position - ending | <u>\$ 4,181,256</u> | <u>\$ 4,791</u> | <u>\$ 4,186,047</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF FRUITLAND PARK, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended September 30, 2016

| | <u>Utility</u> | <u>Recreation Programs</u> | <u>Total</u> |
|--|---------------------|--------------------------------|---------------------|
| Cash Flows from Operating Activities: | | | |
| Receipts from customers | \$ 779,754 | \$ 36,342 | \$ 816,096 |
| Payments to suppliers | (286,547) | (32,381) | (318,928) |
| Payments to employees | (390,571) | - | (390,571) |
| Net cash provided (used) by operating activities | <u>102,636</u> | <u>3,961</u> | <u>106,597</u> |
| Cash Flows from Noncapital Financing Activities: | | | |
| Net operating transfers out | (120,000) | (12,324) | (132,324) |
| Net operating transfers in | 42,191 | - | 42,191 |
| Net cash provided (used) by noncapital financing activities | <u>(77,809)</u> | <u>(12,324)</u> | <u>(90,133)</u> |
| Cash Flows from Capital and Related Financing Activities: | | | |
| Purchase of capital assets | (286,846) | - | (286,846) |
| Proceeds from sale of capital assets | 1,622 | - | 1,622 |
| Impact Fees | 418,574 | - | 418,574 |
| Debt proceeds | 2,500,000 | - | 2,500,000 |
| Principal paid on long-term debt | (119,899) | - | (119,899) |
| Interest paid on long-term debt | (51,696) | - | (51,696) |
| Net cash provided (used) by capital and related financing activities | <u>2,461,755</u> | <u>-</u> | <u>2,461,755</u> |
| Cash Flows from Investing Activities: | | | |
| Investment income | 213,222 | 67 | 213,289 |
| Net cash provided by investing activities | <u>213,222</u> | <u>67</u> | <u>213,289</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 2,699,804 | (8,296) | 2,691,508 |
| Cash and Cash Equivalents - beginning | 438,617 | 13,787 | 438,617 |
| Cash and Cash Equivalents - ending | <u>\$ 3,138,421</u> | <u>\$ 5,491</u> | <u>\$ 3,143,912</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

| | <u>Utility</u> | <u>Recreation Programs</u> | <u>Total</u> |
|---|-------------------|--------------------------------|-------------------|
| Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities | | | |
| Operating income (loss) | \$ (176,261) | \$ 3,781 | \$ (172,480) |
| Adjustments Not Affecting Cash: | | | |
| Depreciation and amortization | 249,846 | - | 249,846 |
| Change in Assets and Liabilities: | | | |
| Decrease (increase) in accounts receivable | (1,104) | - | (1,104) |
| Increase (decrease) in accounts payable | 1,594 | 180 | 1,774 |
| Increase (Decrease) in accrued liabilities | 3,588 | - | 3,588 |
| Increase in compensated absences | 1,861 | - | 1,861 |
| Increase in net pension liability | 88,576 | - | 88,576 |
| Increase in deferred outflows | (66,283) | - | (66,283) |
| Decrease in deferred inflows | (4,511) | - | (4,511) |
| Increase in customer deposits | 5,330 | - | 5,330 |
| Total adjustments | <u>278,897</u> | <u>180</u> | <u>279,077</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 102,636</u> | <u>\$ 3,961</u> | <u>\$ 106,597</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF FRUITLAND PARK, FLORIDA

STATEMENT OF FUDICIARY NET POSITION
FIDUCIARY FUNDS

September 30, 2016

| | Firemen's Retirement Trust Fund |
|--------------------------------------|--|
| ASSETS: | |
| Cash and Cash Equivalents | \$ 155,320 |
| Investments: | |
| Mutual funds | 334,078 |
| Total Investments | <u>334,078</u> |
| Total assets | <u>\$ 489,398</u> |
| LIABILITIES: | |
| Accounts Payable | \$ - |
| Total liabilities | <u>-</u> |
| NET POSITION: | |
| Net position restricted for pensions | <u>\$ 489,398</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF FRUITLAND PARK, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended September 30, 2016

| | Firemen's Retirement Trust Fund |
|---|--|
| | <u> </u> |
| ADDITIONS: | |
| Contributions: | |
| Employer | \$ 2,710 |
| Plan Members | 2,710 |
| State of Florida | 16,257 |
| Total contributions | <u> 21,677</u> |
| Investment Earnings: | |
| Net increase in fair value of investments | 24,645 |
| Interest/dividend income | 8,998 |
| Total net investment earnings | <u> 33,643</u> |
| Total additions | <u> 55,320</u> |
| | |
| DEDUCTIONS: | |
| Benefits | 4,950 |
| Refunds of Contributions | 5,391 |
| Total deductions | <u> 10,341</u> |
| | |
| Change in net position | 44,979 |
| | |
| Net position - beginning | 444,419 |
| Net position - ending | <u><u> \$ 489,398</u></u> |

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

Note 1 - Summary of Significant Accounting Policies:

A. Reporting Entity

The *City of Fruitland Park*, Florida ("the City") is a political subdivision of the state of Florida located in Lake County. The *City of Fruitland Park* was created by charter in 1927. The operates under a Commission-Manager form of government and provides the following services as authorized by its charter: public safety (police, fire and building inspections), roads and streets, culture (library) and recreation, planning and zoning, and water, sewer and garbage utility service. Except for a few customers, utility services are provided only within the incorporated boundaries of the City

In evaluating how to define the government, for financial reporting purposes, the City has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organizations' resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, the City has one blended component unit as follows:

The *City of Fruitland Park* Community Redevelopment Fund

The *City of Fruitland Park* created the Community Redevelopment Agency in March of 1995. This is a dependent taxing district established in accordance with Chapter 163, Part III, Florida Statutes. Notification to affected taxing agency was done in compliance with Chapter 163.346, Part III, Florida Statutes. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the described area. The City Commission, being the duly elected governmental body for the designated area, passed Resolution 95-012, which established the *City of Fruitland Park* as the Redevelopment Agency for the purpose of carrying out the community redevelopment programs and plans within the area and adopted a community development redevelopment plan. Through Ordinance 95-001 the City established the Community Redevelopment Trust Fund to account for all transactions generated by this special revenue fund. In September 2006, the City adopted Resolution 2006-022 to expand the CRA boundaries, and modified the redevelopment plan.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 1 - Summary of Significant Accounting Policies (Continued):

B. Government-Wide and 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 City. For the most part, the effect of interfund activity has been removed from these statements. *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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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*.

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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 1 - Summary of Significant Accounting Policies (Continued):

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued):

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The government reports the following funds:

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 Fund* was established as a dependent taxing district. The incremental annual increase in tax over the base years will be used to fund projects designed to enhance and improve the described area.

The *Capital Projects Fund* is a capital projects fund used to account for the acquisition or construction of major capital facilities. The fund also accounts for discretionary sales surtax revenues that are legally restricted for expenditure on infrastructure and related debt.

Major Proprietary Funds

Utility Fund is used to account for the operations of the City's water and sewer utility operations, which are financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

Recreation Programs Fund is used for the receipt of recreation program fees and related direct costs associated with each recreation program (except for activities of the City's municipal swimming pool) sponsored by the City.

Fiduciary Funds

Firemen's Retirement Trust Fund is a pension trust fund that accounts for the accumulation of resources for pension benefit payments to qualified City volunteer firefighters.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 1 - Summary of Significant Accounting Policies (Continued):

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued):

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the City's water 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.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sanitation funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating 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.

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance:

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments of the City are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The City's investments consist of investments authorized per their investment policy, adopted in accordance with Section 218.415, Florida Statutes.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 1 - Summary of Significant Accounting Policies (Continued):

***D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance
(Continued):***

2. Receivables and Payables

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 interfund 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".

Advances between funds, as reported in the fund financial statements, are offset by a non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are shown net of an allowance for uncollectibles. The County bills and collects property taxes and remits them to the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

All property is reassessed according to its fair value on the lien date, or January 1 of each year. Taxes are levied on October 1 of each year. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. On or around May 31 following the tax year, certificates are sold for all delinquent taxes on real property.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 1 - Summary of Significant Accounting Policies (Continued):

***D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance
(Continued):***

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. 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.

4. Restricted Assets

The use of certain assets of the Utility fund may be restricted by specific provisions of bond resolutions, city ordinances and/or agreements with various parties. Assets so designated are identified as restricted assets on the balance sheet.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City's capitalization policy as assets with an initial, individual cost of \$500 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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. No interest was capitalized for the year ended September 30, 2016.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (Continued):

5. Capital Assets (Continued):

Property, plant, and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-------------------|--------------|
| Buildings | 30-40 |
| Improvements | 10-20 |
| Infrastructure | 20-50 |
| Equipment | 5-10 |
| Intangible Assets | 10 |

6. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits. Since the City's policy is to pay all vacation benefits when employees separate from service, these amounts are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For governmental activities, compensated absences are generally liquidated by the general fund.

7. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (Continued):

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that that qualifies for reporting in this category, which is the deferred outflows of pension earnings.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows of pension earnings reported in the enterprise and government-wide statement of net position.

9. Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

10. Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to use restricted resources before any unrestricted resources are applied.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 1 - Summary of Significant Accounting Policies (Continued):

***D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance
(Continued):***

11. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the city's highest level of decision-making authority. The Commission is the highest level of decision-making authority for the city that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the city for specific purposes but do not meet the criteria to be classified as committed. The commission has maintained authority to assign fund balance. The commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

12. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities as of the financial statement date and the reported amounts of revenues and expenses or expenditures during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 1 - Summary of Significant Accounting Policies (Continued):

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (Continued):

13. New GASB Statements Implemented

In fiscal year 2016, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements replace the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, and Statement No. 50, *Pension Disclosures*, as they related to pension plans that are provided through pension plans administered as trusts or equivalent arrangement that meet certain criteria. GASB Statement No. 71 addresses the issue of the transition provisions in Statement No. 68. Beginning net position of governmental activities and business-type activities have been restated as discussed in Note 2 below.

In Fiscal year 2016, the City implemented GASB Statement No. 72, *Fair Value Measurement and Application*. This statement updates the disclosure requirements for investments. There was no effect on beginning balances of the City.

Note 2 - Prior Period Adjustments:

In fiscal year 2016, the City recorded prior period adjustments for the effects of GASB 65, GASB 68, as well as correcting an error on accumulated depreciation.

| | <u>Utility Fund</u> | <u>Business- Type</u> | <u>Governmental Activities</u> |
|--|---------------------|---------------------------|------------------------------------|
| Net Position - October 1, as previously stated | \$ 3,736,413 | \$ 3,749,680 | \$ 6,765,496 |
| Write Off Loan Costs, GASB 65 | (25,960) | (25,960) | - |
| Pension Adjustment, GASB 68 | (594) | (594) | (78,415) |
| Fixed Asset, adjustment of error | (63,277) | (63,277) | 52,472 |
| Net Position, beginning as restated | <u>\$ 3,646,582</u> | <u>\$ 3,659,849</u> | <u>\$ 6,739,553</u> |

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 3 - Reconciliation of Government-Wide and Fund Financial Statements:

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Positions

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

| | |
|---|-----------------------|
| Capital Lease | \$ (203,839) |
| Accrued Interest Payable | (814) |
| Compensated Absences | (79,190) |
| Net Pension Liability | <u>(1,450,076)</u> |
| Net Adjustment to Reduce Fund Balance - <i>total governmental funds</i> to arrive at <i>net position - governmental activities</i> | <u>\$ (1,733,919)</u> |

B. 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 governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net positions of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “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 and reported as depreciation expense.” The details of this difference are as follows:

| | |
|---|------------------|
| Capital Outlay | \$ 353,164 |
| Depreciation Expense | <u>(321,519)</u> |
| Net Adjustment to Increase Net Changes in Fund Balances - <i>total governmental funds</i> to arrive at changes in <i>net position of</i> <i>governmental activities</i> | <u>\$ 31,645</u> |

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 3 - Reconciliation of Government-Wide and Fund Financial Statements (Continued):

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

Another element of that reconciliation states that “the issuance of long-term debt (e.g., notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

| | |
|--|---------------------------|
| Capital Lease | \$ (116,536) |
| Principal repayment | <u>27,033</u> |
| Net Adjustment to Decrease Net Changes in Fund Balances - <i>total governmental funds to arrive at changes in net position of governmental activities</i> | <u><u>\$ (89,503)</u></u> |

Another element of that reconciliation states that “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 governmental funds.” The details of this difference are as follows:

| | |
|--|---------------------------|
| Compensated Absences | \$ (16,937) |
| Accrued Interest Payable | <u>608</u> |
| Net Adjustment to Decrease Net Changes in Fund Balances - <i>total governmental funds to arrive at changes in net position of governmental activities</i> | <u><u>\$ (16,329)</u></u> |

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 4 - Stewardship, Compliance, and Accountability

A. *Budgetary Information*

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to the end of the fiscal year, 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.
- (2) Public workshops are held where the Commission, City Manager and department heads refine budget detail items. Public hearings are held to obtain taxpayer comments. The budget is then enacted through passage of a resolution no later than September 30.
- (3) Appropriations are authorized by resolution at the major department level. These are the legal levels of budgetary control. Administrative control is maintained through the establishment of more detailed line-item budgets.
- (4) The City Manager is authorized to transfer budgeted amounts between line items within any department; however, any revisions that alter the total expenditures of a department must be approved by a majority vote of the City Commission.
- (5) Formal budgetary integration is employed as a management control device during the year for governmental funds. Total budgeted appropriations within a governmental fund type may not be exceeded legally.
- (6) Encumbrance accounting is currently employed by the City. Encumbrances outstanding at year end do not constitute expenditures or liabilities and are not reported as committed or assigned fund balances. All appropriations and encumbrances lapse at year end.

B. *Expenditures in Excess of Appropriations*

Expenditures in various departments of the General Fund exceeded appropriations. These over expenditures were funded by greater than anticipated revenues and available fund balance.

CITY OF FRUITLAND PARK, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 5 - Budget Basis of Accounting:

The General Fund, Community Redevelopment Fund, and the Capital Projects fund budgets are prepared on a budgetary basis, whereby encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase. In addition, the city includes a portion of the prior year's fund balance represented by unappropriated liquid assets remaining in the fund as budgeted revenue in the succeeding year. The results of operations on a GAAP basis do not recognize the fund balance allocation as revenue as it represents prior periods' excess of revenues over expenditures. Also, the City does not budget for capital outlay expenditures and other financing sources related to the acquisition of assets through capital leases.

For the 2016 fiscal year, the following adjustments were necessary to convert General Fund expenditures on the GAAP basis to the budgetary basis:

| | <u>Expenditures</u> | <u>Other Financing Sources (Uses)</u> |
|--|---------------------|---|
| General Fund: | | |
| GAAP Basis | \$ 5,208,191 | \$ 284,510 |
| Nonbudgeted Capital Lease Transactions | <u>(116,536)</u> | <u>(116,536)</u> |
| Budgetary Basis | <u>\$ 5,091,655</u> | <u>\$ 167,974</u> |

Note 6 - Deposits and Investments:

Deposits

At year-end, the carrying amount of the City's deposits was \$1,352,126 and the bank balance was \$1,769,474. Petty cash funds of \$980 are not on deposit with a financial institution.

All bank deposits were covered by Federal Depository Insurance or by collateral held in banks that are members of the State of Florida's Collateral Pool as specified under Florida law. Florida Statutes provide for collateral pooling by banks and savings and loans. This limits local government deposits to "authorized depositories".

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 6 - Deposits and Investments (Continued):

Investments

The City's investment policies are governed by State Statutes and City ordinances. City ordinance allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280 of the Florida Statutes. Authorized investments are:

1. U.S. Government obligations, U.S. Government agency obligations, and U.S. Government instrumentality obligations;
2. Canadian Government obligation (payable in local currency);
3. Certificates of Deposit;
4. Savings and loan association deposits;
5. Prime bankers acceptances;
6. Prime commercial paper;
7. Investment-grade obligations of state, provincial and local governments and public authorities;
8. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of domestic securities;
9. Statewide investment pools;
10. Mutual funds;
11. The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida interlocal Cooperation Act, as provided as provided in F.S. § 163.01;
12. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
13. Savings accounts in state-certified qualified public depositories, as defined in F.S. § 280.02;
14. Certificates of deposit in state-certified qualified public depositories, as defined in F.S. § 280.02;
15. Direct obligations of the U.S. Treasury;
16. Federal agencies and instrumentalities.

Interest Rate Risk. Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The City's investment policy does not specifically address interest rate risk.

Credit Risk. The City's investment policy limits its investments to the State Board of Administration investment pool, certificates of deposit, highly rated money market funds, government obligation, and mutual funds. The City's mutual bond fund investments are not rated. The State Board of Administration investment pool is not rated by any nationally recognized statistical rating agency.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 6 - Deposits and Investments (Continued):

Investments (Continued):

Custodial Credit Risk. Custodial risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2016, none of the Trust investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

The State Board of Administration (SBA) Local Government Investment Pool (LGIP), operated by the Florida State Board of Administration, is a "2a-7 like" pool in accordance with GASB 31; therefore, it is not presented at fair value but at its actual pooled share price which approximates fair value. The LGIP is not a registrant with the SEC; however, the State of Florida does provide regulatory oversight.

Investments held by the City at September 30, 2016 are detailed below:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Credit Rating</u> | <u>Weighted Avg. Maturity</u> |
|----------------------------|---------------------|----------------------|-------------------------------|
| LGIP: | | | |
| Florida Prime | \$ 5,789,512 | AAAm | 29 days |
| Florida Prime-Pension Fund | 155,320 | AAAm | 29 days |
| Certificates of deposit | 400,000 | N/A | N/A |
| | <u>\$ 6,344,832</u> | | |

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The City uses a market approach in measuring fair value that uses prices and other relevant information generated by market transaction involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that not active. Level 3 is the least reliable, and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the City's own data in measuring unobservable inputs.

CITY OF FRUITLAND PARK, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 6 - Deposits and Investments (Continued):

The City has the following recurring fair value measurements as of September 30, 2016:

| <u>Investments Valued by Fair Value Level</u> | <u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> |
|---|---|--|
| Pension Mutual Funds | \$ 334,078 | \$ 334,078 |
| | <u>\$ 334,078</u> | <u>\$ 334,078</u> |

Note 7 - Receivables:

Receivables as of year end for the City's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

| | <u>General Fund</u> | <u>Utility Fund</u> | <u>Total</u> |
|---|-------------------------|-------------------------|-------------------|
| Receivables: | | | |
| Accounts | \$ 106,347 | \$ 112,372 | \$ 218,719 |
| Less allowance for uncollectible accounts | - | (7,755) | (7,755) |
| | <u>106,347</u> | <u>\$ 104,617</u> | <u>\$ 210,964</u> |

CITY OF FRUITLAND PARK, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 8 - Capital Assets:

Capital asset activity for the year ended September 30, 2016 was as follows:

| | Beginning Balance, as restated | Increases | Decreases | Ending Balance |
|--|---|------------------|------------------|-----------------------|
| Governmental Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 1,313,703 | \$ - | \$ - | \$ 1,313,703 |
| Total capital assets, not being depreciated | <u>1,313,703</u> | <u>-</u> | <u>-</u> | <u>1,313,703</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 2,590,160 | 21,133 | (940) | 2,610,353 |
| Improvements | 848,675 | 37,537 | (5,812) | 880,400 |
| Machinery and equipment | 2,102,455 | 294,494 | (351,930) | 2,045,019 |
| Infrastructure | 681,226 | - | - | 681,226 |
| Total capital assets, being depreciated | <u>6,222,516</u> | <u>353,164</u> | <u>(358,682)</u> | <u>6,216,998</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (912,810) | (67,316) | 658 | (979,468) |
| Improvements | (634,001) | (38,151) | 5,812 | (666,340) |
| Machinery and equipment | (1,480,771) | (193,344) | 351,930 | (1,322,185) |
| Infrastructure | (158,674) | (22,708) | - | (181,382) |
| Total accumulated depreciation | <u>(3,186,256)</u> | <u>(321,519)</u> | <u>358,400</u> | <u>(3,149,375)</u> |
| Total capital assets, being depreciated, net | <u>3,036,260</u> | <u>31,645</u> | <u>(282)</u> | <u>3,067,623</u> |
| Government activities capital assets, net | <u>\$ 4,349,963</u> | <u>\$ 31,645</u> | <u>\$ (282)</u> | <u>\$ 4,381,326</u> |

CITY OF FRUITLAND PARK, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 8 - Capital Assets (Continued):

| | Beginning Balance, as restated | Increases | Decreases | Ending Balance |
|--|---|-------------------|---------------------|-----------------------|
| Business-type Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | 339,699 | \$ - | \$ - | \$ 339,699 |
| Construction in progress | 110,677 | 646,062 | (414,206) | 342,533 |
| Total capital assets, not being depreciated | <u>450,376</u> | <u>646,062</u> | <u>(414,206)</u> | <u>682,232</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 243,408 | - | - | 243,408 |
| Infrastructure | 6,111,690 | 437,774 | - | 6,549,464 |
| Machinery and equipment | 509,879 | 47,806 | (65,060) | 492,625 |
| Intangible assets | 346,296 | - | - | 346,296 |
| Total capital assets, being depreciated | <u>7,211,273</u> | <u>485,580</u> | <u>(65,060)</u> | <u>7,631,793</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (155,675) | (6,496) | - | (162,171) |
| Improvements/Infrastructure | (2,297,030) | (175,923) | - | (2,472,953) |
| Machinery and equipment | (377,181) | (32,797) | 65,060 | (344,918) |
| Intangible assets | (170,264) | (34,630) | - | (204,894) |
| Total accumulated depreciation | <u>(3,000,150)</u> | <u>(249,846)</u> | <u>65,060</u> | <u>(3,184,936)</u> |
| Total capital assets, being depreciated, net | <u>4,211,123</u> | <u>235,734</u> | <u>-</u> | <u>4,446,857</u> |
| Business-type activities capital assets, net | <u>\$ 4,661,499</u> | <u>\$ 881,796</u> | <u>\$ (414,206)</u> | <u>\$ 5,129,089</u> |

CITY OF FRUITLAND PARK, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 8 - Capital Assets (Continued):

Depreciation expense was charged to functions/programs as follows:

| | |
|---|-------------------|
| Governmental Activities: | |
| General government | \$ 57,483 |
| Public safety | 146,449 |
| Transportation | 50,614 |
| Culture and recreation | 66,973 |
| Total Depreciation Expense - governmental activities | <u>\$ 321,519</u> |
| Business-type Activities: | |
| Utility | \$ 249,846 |
| Total Depreciation Expense - business type activities | <u>\$ 249,846</u> |

Note 9 - Leases:

Capital Leases - The City has entered into lease agreements as lease for financing the acquisition of vehicles and equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> |
|--------------------------------|------------------------------------|-------------------------------------|
| Assets | | |
| Machinery and equipment | \$ 259,475 | \$ - |
| Less: Accumulated depreciation | (54,353) | - |
| Total | <u>\$ 205,122</u> | <u>\$ -</u> |

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2016 were as follows:

| <u>Year Ending September 30</u> | <u>Governmental Activities</u> | <u>Business-type Activities</u> |
|------------------------------------|------------------------------------|-------------------------------------|
| 2017 | \$ 64,839 | \$ - |
| 2018 | 64,839 | - |
| 2019 | 64,839 | - |
| 2020 | 33,540 | - |
| Total Minimum Lease Payments | 228,057 | - |
| Less: Amount representing interest | (24,218) | - |
| | <u>\$ 203,839</u> | <u>\$ -</u> |

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 10 - Long-Term Debt:

State Revolving Fund Loans

On September 17, 2001, the City entered into a loan agreement with the State of Florida Department of Environmental Protection under the Clean Water State Revolving Fund (SRF) loan program. The purpose of the loan was to provide funding for preconstruction planning and engineering activities for a sewer utility system for the City's highway commercial corridor. Maximum borrowing under this agreement was \$237,108. All preconstruction activities have been completed, and all loan disbursements have been received.

Interest accrues on the outstanding balance at a rate of 3.16% per year. Semi-annual loan payments of \$8,165 are due each February 15 and August 15 through February 15, 2026. Total principal and interest remaining to be paid on this series is \$155,135. For the year ended September 30, 2016, principal and interest paid on this series was \$16,331. The net revenue of the water and sewer utility is pledged as security for repayment and totaled \$329,994 in 2016.

On March 29, 2005, the City entered into a second loan agreement with the State under the Clean Water SRF loan program. The purpose of the loan was to provide funding for construction of a sewer utility system, consisting of a 98,000 gallons per day wastewater treatment plant and a low-pressure sewer collection system along the City's highway commercial corridor. Maximum borrowing under this agreement is \$2,393,745. All loan disbursements have been received. The total amount borrowed was \$1,937,529.

Semi-annual loan payments of \$76,589 began on August 15, 2006. Beginning February 15, 2010, the semi-annual loan payments were reduced to \$60,669, and continue each February 15 and August 15 thereafter through February 15, 2026. Total principal and interest remaining to be paid on this series is \$1,141,715. For the year ended September 30, 2016, principal and interest paid on this series was \$121,338. The net revenue of the water and sewer utility is pledged as security for repayment and totaled \$329,994 in 2016.

Florida Department of Transportation Note

On May 2, 2011 the City Signed a promissory note with the State of Florida Department of Transportation (FDOT) in the amount of \$913,460. In exchange the City agreed to have FDOT move water and sewer utility lines out of State highway right-of-way in order to allow FDOT to complete a highway widening project. The note carries a 0% interest rate and is payable in 30 equal annual installments beginning October 15, 2014. The amount of the note was an estimate of the utility construction cost, and the note states that in the event that the actual cost of the utility relocation work is different, that a new promissory note will be executed for the actual cost amount. The note is secured by gross revenues of the water and sewer utility.

At September 30, 2013, the utility work was complete, and the City recorded estimated costs of \$619,882. The highway project was completed in June 2014, and FDOT adjusted the note to the actual costs of \$425,588.

Total principal and interest remaining to be paid on this series is \$397,215. For the fiscal year, principal paid on this series was \$14,187 and total pledged revenue was \$1,151,937.

CITY OF FRUITLAND PARK, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 10 - Long-Term Debt (Continued):

2016 Capital Improvement Revenue Note

In January 2016, the City issued a Capital Improvement Revenue Note Series 2016 in the amount of \$2,500,000, at an interest rate of 2.33 percent, provided for the cost of acquitting and constructing improvements to the City's Wastewater System and related improvements. The note is secured by infrastructure sales surtax received by the City and recorded in the Capital Projects Fund.

Total principal and interest remaining to be paid on this series is \$3,184,204. For the fiscal year, principal and interest paid on this series was \$58,250 and total pledged revenue was \$400,285.

Annual debt service requirements to maturity for notes payable are as follows:

| Year Ending September 30, | Business-Type Activities | |
|------------------------------|--------------------------|-------------------|
| | Principal | Interest |
| 2017 | \$ 122,657 | \$ 134,698 |
| 2018 | 268,532 | 142,868 |
| 2019 | 419,501 | 129,926 |
| 2020 | 429,304 | 113,301 |
| 2021 | 439,345 | 96,278 |
| 2022-2026 | 2,115,085 | 211,424 |
| 2027-2031 | 70,931 | - |
| 2032-2036 | 70,931 | - |
| 2037-2041 | 70,931 | - |
| 2042-2044 | 42,558 | - |
| Total | <u>\$ 4,049,775</u> | <u>\$ 828,495</u> |

CITY OF FRUITLAND PARK, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 10 - Long-Term Debt (Continued):

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2016 was as follows:

| | Beginning Balance, as restated | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---------------------|---------------------|---------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| Capital Lease | \$ 114,336 | \$ 116,536 | \$ (27,033) | \$ 203,839 | \$ 54,165 |
| Compensated Absences | 62,253 | 53,793 | (36,856) | 79,190 | 15,838 |
| Net pension liability | 365,033 | 1,085,043 | - | 1,450,076 | - |
| Governmental activity long-term liabilities | <u>\$ 541,622</u> | <u>\$ 1,255,372</u> | <u>\$ (63,889)</u> | <u>\$ 1,733,105</u> | <u>\$ 70,003</u> |
| Business-Type Activities | | | | | |
| Notes payable - | | | | | |
| SRF Loan- Preconstruction | \$ 144,957 | \$ - | \$ (11,842) | \$ 133,115 | \$ 12,219 |
| SRF Loan- Construction | 1,113,315 | - | (93,870) | 1,019,445 | 96,251 |
| FDOT Note | 411,402 | - | (14,187) | 397,215 | 14,187 |
| Capital Improvement Note | - | 2,500,000 | - | 2,500,000 | - |
| Total notes payable | <u>1,669,674</u> | <u>2,500,000</u> | <u>(119,899)</u> | <u>4,049,775</u> | <u>122,657</u> |
| Compensated absences | 6,210 | 5,200 | (3,339) | 8,071 | 1,614 |
| Net pension liability | 29,954 | 88,576 | - | 118,530 | - |
| Business-type activity long-term liabilities | <u>\$ 1,705,838</u> | <u>\$ 2,593,776</u> | <u>\$ (123,238)</u> | <u>\$ 4,176,376</u> | <u>\$ 124,271</u> |

Note 11 - Interfund Receivables, Payables and Transfers:

Interfund transfers for the year ended September 30, 2016 are summarized below:

| Transfers Out: | Transfers In | | |
|-------------------------|---------------------|---------------------|-------------------|
| | General Fund | Utility Fund | Total |
| Community Redevelopment | \$ 35,650 | \$ 8,264 | \$ 43,914 |
| Capital Projects | - | 33,927 | 33,927 |
| Utility Fund | 120,000 | - | 120,000 |
| Recreation Programs | 12,324 | - | 12,324 |
| | <u>\$ 167,974</u> | <u>\$ 42,191</u> | <u>\$ 210,165</u> |

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 12 - Retirement Plan:

Florida Retirement System

Effective February 1, 2015, the City joined the State of Florida Retirement System (FRS) for the covered groups of Police and General Employees. The FRS is a cost-sharing multiple employer public employee retirement system administered by the State of Florida Department of Management Services, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions.

Early retirement benefits may also be provided; however, there is a reduction in benefits for each year prior to normal retirement. Generally, membership was compulsory for all full-time and part-time employees. There is a 3% requirement for employees to contribute to FRS effective July 1, 2011.

The 2007 Florida Legislature continued the uniform contribution rate system under which participating employers make uniform contributions to support the FRS Pension Plan and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.405, Florida Statutes, FRS also provides a defined contribution plan (Investment Plan) alternative to the FRS defined benefit pension plan. Employers contribute based upon blended rates determined as a percentage of the total payroll for each class or subclass of FRS membership, regardless of which retirement plan individuals elect.

The State of Florida issues a report that includes financial statements and required supplementary information for FRS. That report may be obtained by writing to Florida Retirement System, Tallahassee, Florida 32399-1560.

Funding Policy:

The FRS has ten (10) classes of membership. Only two (2) classes are applicable to the City's eligible employees. These two (2) classes, with descriptions and contribution rates in effect during the period ended September 30, 2016 are as follows:

Regular Class - Members not qualifying for other classes (10.52% [includes 3% employee contribution] from July 1, 2016 through September 30, 2016 and 10.26% [includes 3% employee contribution] from October 1, 2015 through June 30, 2016.)

Special Risk Class - Members employed as law enforcement officers, firefighters, or correctional officers and meet the criteria set to qualify for this class (25.57% [includes 3% employee contribution] from July 1, 2016 through September 30, 2016 and 25.04 [included 3% employee contribution] from October 1, 2015 through June 30, 2016.)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 12 - Retirement Plan (Continued):

Pension Plan (FRS)

Plan Description - The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the period from October 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016, respectively, were as follows: Regular- 7.26% and 7.52%; Special Risk- 22.04% and 22.57%; and DROP participants – 18.75% and 12.99%.

These employer contribution rates include 1.26% and 1.66% HIS Plan subsidy for the periods October 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016, respectively.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 12 - Retirement Plan (Continued):

Pension Plan (FRS) (Continued)

The City's contributions, including employee contributions, to the Pension Plan totaled \$125,279 for the fiscal year ended September 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2016, the City reported a liability of \$1,231,606 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The City's proportionate share of the net pension liability was based on the City's 2015-16 fiscal year contributions relative to the 2014-15 fiscal year contributions of all participating members. At June 30, 2016, the City's proportionate share was .004878 percent, which was an increase of .002768 percent from its proportionate share measured as of June 30, 2015.

For the fiscal year ended September 30, 2016, the City recognized pension expense of \$185,689. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description | Deferred Outflow of Resources | Deferred Inflows of Resources |
|---|-------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience | \$ 94,301 | \$ 11,467 |
| Change of Assumptions | 74,506 | - |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 318,356 | - |
| Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions | 553,560 | - |
| Pension Plan Contributions Subsequent to the Measurement Date | 24,916 | - |
| | \$ 1,065,639 | \$ 11,467 |

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 12 - Retirement Plan (Continued):

Pension Plan (FRS) (Continued)

The deferred outflows of resources related to the Pension Plan, totaling \$45,770 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

| <u>Year Ended September 30,</u> | |
|---------------------------------|------------|
| 2017 | \$ 178,699 |
| 2018 | 178,699 |
| 2019 | 302,814 |
| 2020 | 242,962 |
| 2021 | 95,621 |
| Thereafter | 30,461 |

Actuarial Assumptions - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

| | |
|---------------------------|--|
| Inflation | 2.60 % |
| Salary Increases | 3.25%, average, including inflation |
| Investment Rate of Return | 7.60%, net of pension plan investment expense, including inflation |

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

CITY OF FRUITLAND PARK, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 12 - Retirement Plan (Continued):

Pension Plan (FRS) (Continued)

| <u>Asset Class</u> | <u>Target Allocation (1)</u> | <u>Annual Arithmetic Return</u> | <u>Compound Annual (Geometric) Return</u> | <u>Standard Deviation</u> |
|--------------------------|------------------------------|---------------------------------|---|---------------------------|
| Cash | 1.00% | 3.00% | 3.00% | 1.70% |
| Fixed Income | 18.00% | 4.70% | 4.60% | 4.60% |
| Global Equities | 53.00% | 8.10% | 6.80% | 17.20% |
| Real Estate | 10.00% | 6.40% | 5.80% | 12.00% |
| Private equity | 6.00% | 11.50% | 7.80% | 30.00% |
| Strategic investments | 12.00% | 6.10% | 5.60% | 11.10% |
| Total | <u>100.00%</u> | | | |
| Assumed Inflation - Mean | | 2.60% | | 2.00% |

(1) As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 7.60%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 7.60%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.60%) or one percentage point higher (8.60%) than the current rate:

| | <u>Discount Rate Minus 1%</u> | <u>Current Discount Rate</u> | <u>Discount Rate Plus 1%</u> |
|---|-------------------------------|------------------------------|------------------------------|
| | 6.60% | 7.60% | 8.60% |
| City's Proportionate Share of Net Pension Liability (FRS) | \$ 2,267,471 | \$ 1,231,606 | \$ 369,386 |

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 12 - Retirement Plan (Continued):

Pension Plan (FRS) (Continued)

Payables to the Pension Plan - At September 30, 2016, the City does not have any payables for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2016.

HIS Plan

Plan Description - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended September 30, 2016, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2015, the HIS contribution for the period October 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016 was 1.26% and 1.66%, respectively. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's contributions to the HIS Plan totaled \$15,422 for the fiscal year ended September 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2016, the City reported a liability of \$337,000 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The City's proportionate share of the net pension liability was based on the City's 2015-16 fiscal year contributions relative to the 2014-15 fiscal year contributions of all participating members. At June 30, 2016, the City's proportionate share was .00289 percent, which was an increase of .001694 percent from its proportionate share measured as of June 30, 2015.

CITY OF FRUITLAND PARK, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 12 - Retirement Plan (Continued):

HIS Plan (Continued)

For the fiscal year ended September 30, 2016, the City recognized pension expense of \$49,664. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description | Deferred Outflow of Resources | Deferred Inflows of Resources |
|---|-------------------------------------|-------------------------------------|
| Change of Assumptions | \$ 52,884 | \$ - |
| Differences Between Expected and Actual Experience | - | 768 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 170 | - |
| Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions | 214,966 | - |
| Pension Plan Contributions Subsequent to the Measurement Date | 3,983 | - |
| | \$ 272,003 | \$ 768 |

The deferred outflows of resources related to the HIS Plan, totaling \$5,241 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

| Year Ended September 30, | |
|---------------------------------|-----------|
| 2017 | \$ 46,449 |
| 2018 | 46,449 |
| 2019 | 46,416 |
| 2020 | 46,401 |
| 2021 | 45,145 |
| Thereafter | 36,392 |

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 12 - Retirement Plan (Continued):

HIS Plan (Continued)

Actuarial Assumptions - The total pension liability in the July 1, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------|---|
| Inflation | 2.60 % |
| Salary Increases | 3.25%, average, including inflation |
| Municipal Bond Rate | 2.85 % net of pension plan investment expense |

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2016, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 2.85%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 2.85%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.85%) or one percentage point higher (3.85%) than the current rate:

| | Discount Rate Minus 1% 1.85% | Current Discount Rate 2.85% | Discount Rate Plus 1% 3.85% |
|--|------------------------------------|-----------------------------------|-----------------------------------|
| City's Proportionate Share of Net Pension Liability (FRS) | \$ 386,615 | \$ 337,000 | \$ 295,822 |

Pension Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 12 - Retirement Plan (Continued):

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2015-16 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and City Elected Officers class 11.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2016, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 12 - Retirement Plan (Continued):

Investment Plan (Continued)

The City did not have any employees who participated in the Investment Plan during 2016.

Municipal Firemen's Retirement Plan

The Municipal Firemen's Retirement Plan was established to conform to provisions of the Florida Statutes for all sworn firefighters. The Plan is a single-employer, defined benefit pension plan, and is administered by the City. There is no separately issued report on the Plan.

Firefighters attaining the age of 55 who have completed 10 or more creditable years of service or attaining the age of 52 who have completed 25 years of creditable service are entitled to annual benefits of 3% of their average final compensation times years of credited service. The Plan permits early retirement at the completion of 10 years of continuous service and attaining the age of 50 years. Active firefighters who retire disabled receive not less than 42% of their average monthly earnings at the time of disability.

Disability benefits are paid for ten years certain or life or recovery from disability. If a firefighter dies prior to retirement but has at least 10 years of contributing service, his or her beneficiary is entitled to the benefits payable to the firefighter at early or normal retirement age.

As of September 30, 2016, there was one retiree currently receiving benefits, and 1 terminated firefighter was entitled to benefits but not yet receiving them. Out of the 21 active volunteer firefighters, none have vested retirement benefits. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Effective January 1, 1995, each firefighter is required by local ordinance to contribute five percent of his/her compensation to the plan. The City also contributes five percent of each plan member's compensation to the Plan. Additionally, the Plan is funded by a 1% state excise tax on all fire insurance premiums collected from policyholders insuring property within City limits. For the year ended September 30, 2016, the City collected \$16,257 in fire insurance premium taxes, which are reported as revenue in the General Fund. The City is required by State statute to contribute these taxes to the plan within 5 days of receipt. The corresponding contribution to the pension fund is reported as a fire department expenditure in the General Fund.

The City's contribution requirements are not actuarially determined, and the actuarial implication of the City's funding policy has also not been determined. There were not changes during the year ended September 30, 2016 in the method used to calculate or establish contribution requirements. Most administrative costs of the Plan are absorbed by the General Fund.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 12 - Retirement Plan (Continued):

Municipal Firemen's Retirement Plan (Continued)

Actuarial valuations for the Plan are provided and paid for by the State of Florida Division of Retirement on a triennial basis. City management and the pension board of trustees do not believe the cost, which would have to be paid by the pension fund, of obtaining more frequent actuarial valuations or updates, is worth the benefit provided by current funding status information for this small pension fund. The latest actuarial valuation was performed as of October 1, 2013.

ICMA 401a Retirement Plan

Effective January 1, 1997, the city established, by resolution, a money purchase plan and trust called "the City of Fruitland Park 401-a Plan" in the form of the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust. The plan is a defined contribution pension plan administered by the ICMA Retirement Corporation. The City Commission must authorize plan amendments to benefit provisions or the obligation to make contributions.

All full-time employees at least 18 years of age are eligible to participate in this plan once they have completed a 90-day period of service. An employee does not become vested in any benefits until the completion of five years of service, at which time the employee becomes 100% vested. At September 30, 2016 there were 12 members in the plan, 8 of which had vested benefits.

Contributions to the plan are made only by the City. The City will contribute a minimum of 2% of a participant's earnings, not including overtime or bonuses, into the plan. The City will contribute up to 5% into the plan, depending upon (and matching) a participant's contribution into the City's ICMA 457 deferred compensation plan.

Participant's separating from service with the City before the five year vesting period of service is complete forfeit their entire account balance in the plan. The City may use forfeited amounts to reduce the City's required payment of contributions for current plan participants. During the year ended September 30, 2016, the city did not use any forfeited amounts for payment of contributions for current plan participants. At September 30, 2016, the City has \$1,884 in forfeited amounts included in plan assets that could be used toward future contributions.

During the year ended September 30, 2016, the City's payroll for the employees covered by this plan was \$639,597. The City contributed \$23,091 to the plan for the year ended September 30, 2016.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 13 - ICMA 457 Deferred Compensation Plan:

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by ICMA Retirement Corporation. The plan permits participants to defer a portion of their salary until future years.

All of the City's employees are eligible to participate in the ICMA deferred compensation plan after completion of a three month probationary period upon their first date of employment. Participation is strictly on a voluntary basis. Participants become immediately 100% vested in contributions credited to their account.

The City does not make any contributions to this plan for participants who entered the plan after January 1, 1997. For those employees (1 as of September 30, 2016) participating in the plan on January 1, 1997, the City contributes a minimum of 2% and will match up to 5% of a participant's contribution into the plan.

Because the Plan Assets are held in trust for the exclusive benefit of plan participants and their beneficiaries, the Plan is not accounted for in the City's fund financials.

Note 14 - Other Post-Employment Benefits:

In accordance with Florida Statutes Section 112.0801, the City makes continued group health insurance through the City's current provider available to retirees and eligible dependents provided certain service requirements and normal age retirement requirements have been met. This benefit has no cost to the City, other than the implicit cost of including retirees in the group calculation. All premiums are paid by the retiree. The City has no retirees currently receiving benefits, and therefore no liability has been recorded.

Note 15 - Commitments and Contingencies:

Litigation - The City is engaged in various liability claims incidental to the conduct of its general government operations at September 30, 2016. While the ultimate outcome of the litigation cannot be determined at this time, management believes that any amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the City.

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; and natural disasters for which the City carries commercial insurance. There have been no significant reductions in insurance coverage from the prior year and settlements have not exceeded insurance coverage during the past three years.

CITY OF FRUITLAND PARK, FLORIDA

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2016

Note 16 - Fund Balance:

At September 30, 2016 the City's governmental fund balances were as follows:

| | <u>General Fund</u> | <u>Community Redevelopment</u> | <u>Capital Projects</u> | <u>Total</u> |
|------------------------------------|---------------------|------------------------------------|-------------------------|---------------------|
| Fund Balances | | | | |
| Nonspendable | | | | |
| Inventory | \$ 2,735 | \$ - | \$ - | \$ 2,735 |
| Prepaid | 256,678 | - | - | 256,678 |
| Spendable | | | | |
| Restricted for: | | | | |
| Police Education | 4,049 | - | - | 4,049 |
| Police drug forfeiture | 3,323 | - | - | 3,323 |
| Police donations | 1,416 | - | - | 1,416 |
| Public safety capital improvements | 1,690,152 | - | - | 1,690,152 |
| Building Inspections | 1,049,582 | - | - | 1,049,582 |
| Police and fire fee refunds | 94,069 | - | - | 94,069 |
| Community redevelopment | - | 215,355 | - | 215,355 |
| Infrastructure | - | - | 694,477 | 694,477 |
| Committed to: | | | | |
| Cemetery care | 68,766 | - | - | 68,766 |
| Stormwater utility | 251,781 | - | - | 251,781 |
| Unassigned | 13,880 | - | - | 13,880 |
| | <u>\$ 3,436,431</u> | <u>\$ 215,355</u> | <u>\$ 694,477</u> | <u>\$ 4,346,263</u> |

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FRUITLAND PARK, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2016

Schedule of the City's Proportionate Share of Net Pension Liability
Florida Retirement System (FRS)
Last 10 Fiscal Years*

| | 2016 | 2015 |
|---|--------------|--------------|
| City's Proportion of the Net Pension Liability | 0.004877634% | 0.002113934% |
| City's Proportionate Share of the Net Pension Liability | \$ 1,231,606 | \$ 273,043 |
| City's Covered-employee Payroll | \$ 929,056 | \$ 815,906 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-employee Payroll | 132.57% | 33.47% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 84.88% | 92.00% |

Schedule of the City's Proportionate Share of Net Pension Liability
Health Insurance Subsidy (HIS)
Last 10 Fiscal Years*

| | 2016 | 2015 |
|---|--------------|--------------|
| City's Proportion of the Net Pension Liability | 0.002891564% | 0.001195718% |
| City's Proportionate Share of the Net Pension Liability | \$ 337,000 | \$ 121,944 |
| City's Covered-employee Payroll | \$ 929,056 | \$ 815,906 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-employee Payroll | 36.27% | 14.95% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 0.97% | 0.50% |

*Information for prior years not available.

CITY OF FRUITLAND PARK, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2016

Schedule of City Contributions
Florida Retirement System (FRS)
Last 10 Fiscal Years*

| | <u>2016</u> | <u>2015</u> |
|-------------------------------------|------------------|-----------------|
| Contractually Required Contribution | \$ 125,279 | \$ 80,126 |
| Contributions in Relation to the | | |
| Contractually Required Contribution | <u>(125,279)</u> | <u>(80,126)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> |
| | | |
| City's Covered-employee Payroll | \$ 929,056 | \$ 815,906 |
| | | |
| Contributions as a Percentage of | | |
| Covered-employee Payroll | 13.48% | 9.82% |

Schedule of City Contributions
Health Insurance Subsidy (HIS)
Last 10 Fiscal Years*

| | <u>2016</u> | <u>2015</u> |
|-------------------------------------|-----------------|----------------|
| Contractually Required Contribution | \$ 15,422 | \$ 7,953 |
| Contributions in Relation to the | | |
| Contractually Required Contribution | <u>(15,422)</u> | <u>(7,953)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> |
| | | |
| City's Covered-employee Payroll | \$ 929,056 | \$ 815,906 |
| | | |
| Contributions as a Percentage of | | |
| Covered-employee Payroll | 1.66% | 0.97% |

*Information for prior years not available.

INDIVIDUAL FUND SCHEDULES

CITY OF FRUITLAND PARK, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND**

For the Year Ended September 30, 2016

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|-------------------|--|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental | \$ 1,377,076 | \$ 386,376 | \$ 400,285 | \$ 13,909 |
| Investment Earnings | 1,000 | 1,000 | 3,485 | 2,485 |
| Total revenues | <u>1,378,076</u> | <u>387,376</u> | <u>403,770</u> | <u>16,394</u> |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal | - | - | 27,033 | (27,033) |
| Interest | - | - | 4,266 | (4,266) |
| Capital Outlay | <u>1,388,040</u> | <u>397,340</u> | <u>186,134</u> | <u>211,206</u> |
| Total expenditures | <u>1,388,040</u> | <u>397,340</u> | <u>217,433</u> | <u>179,907</u> |
| Excess (deficiency) of revenues over expenditures | <u>(9,964)</u> | <u>(9,964)</u> | <u>186,337</u> | <u>196,301</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers In | 84,151 | 84,151 | - | (84,151) |
| Transfers Out | <u>(74,187)</u> | <u>(74,187)</u> | <u>(33,927)</u> | <u>40,260</u> |
| Total other financing sources and uses | <u>9,964</u> | <u>9,964</u> | <u>(33,927)</u> | <u>(43,891)</u> |
| Net change in fund balances | - | - | 152,410 | 152,410 |
| Fund Balance - beginning | <u>542,067</u> | <u>542,067</u> | <u>542,067</u> | <u>-</u> |
| Fund Balance - ending | <u>\$ 542,067</u> | <u>\$ 542,067</u> | <u>\$ 694,477</u> | <u>\$ 152,410</u> |

OTHER 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**

The Honorable Mayor and City Council
City of Fruitland Park, Florida

We have audited, 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, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the *City of Fruitland Park, Florida*, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 14, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the *City of Fruitland Park, 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 *City of Fruitland Park's* internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in Appendix A and Appendix B to the Management Letter, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in Appendix A to be a material weakness.

MCDIRMIT DAVIS & COMPANY, LLC

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

A *significant deficiency* is a deficiency, or 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. We consider the deficiencies described in Appendix B to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether *City of Fruitland Park's* financial statements are free from 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 result 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.

McDiernit Davis & Company, LLC

Orlando, Florida
July 14, 2017

MANAGEMENT LETTER

Honorable Mayor and City Council
City of Fruitland Park, Florida

Report on the Financial Statements

We have audited the financial statements of the *City of Fruitland Park, Florida*, as of and for the fiscal year ended September 30, 2016, and have issued our report thereon dated July 14, 2017.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements accordance with Chapter 10.550, rules of the Auditor General. Disclosures in those reports, which are dated July 14, 2017, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i).1., Rules of the Auditor General, require that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such findings in the preceding annual financial audit report.

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. This information has been disclosed in the notes to the financial statements.

MCDIRMIT DAVIS & COMPANY, LLC

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Financial Condition

Section 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 Fruitland Park, Florida* has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the *City of Fruitland Park, 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 Fruitland Park, 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.

Annual Financial Report

Section 10.554(1)(i)5.b. 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 the annual financial report for the *City of Fruitland Park, Florida* for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

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. These recommendations are listed in Appendix C.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the council members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

McDiarmid Davis & Company, LLC

Orlando, Florida
July 14, 2017

APPENDIX A – MATERIAL WEAKNESSES

For the Year Ended September 30, 2016

ML 16-1 - Approve and Review Adjustments Made to Customer Utility Billing Accounts

Finding - During our audit, it was noted that adjustments were being made to customer accounts by one of the cashiers, but there was no review or approval of this by the Finance Director.

Criteria - Management oversight of adjustments to customer utility billing accounts is key to maintaining adequate control over the City's cash.

Cause - Due to changes in management positions during the year, oversight and approval was forgotten about.

Effect - Material misstatements, whether due to fraud or error, could go undetected if management is not reviewing the MUNIS reports which show adjustments.

Recommendation - We recommend that cashiers be required to complete a form for adjustments which must be approved by the Finance Director. Copies of these forms should be compared to MUNIS utility billing reports each month. This recommendation was implemented in October 2016 after the Finance Director attended an FGFOA conference that recommended this.

APPENDIX B – SIGNIFICANT DEFICIENCIES

For the Year Ended September 30, 2016

ML 16-2 - Pension Trust Fund

Finding - During our audit, it was noted that not all investments of the Firemen's Retirement Trust Fund were kept in a separate trust fund, and these funds were not invested in a qualified public depository.

Criteria - Florida Statutes Section 175.301 requires funds of the firefighter's pension trust fund to be deposited into a separate trust, or with the municipality in a qualified public depository.

Cause - Pension fund activity is not being appropriately transferred to the separate pension investment account.

Effect - City is not in compliance with Florida Statutes, and pension funds are not properly being segregated from City assets.

Recommendation - We recommend that the City appropriately deposit all contributions to the pension trust fund, as well as make payments to retirees from the pension trust fund.

ML 16-3 - Pension Actuarial Valuations

Finding - During our audit, it was noted that the Firemen's Retirement Trust obtains only triennial actuarial valuations.

Criteria - Governmental accounting standards require valuations to be done every two years. Additionally, GASB Statement No. 68, requires the City to report the net pension asset or liability on the City's financial statements.

Cause - The State funds the actuarial valuations of the plan, and has not performed a valuation on the updated pension accounting standards.

Effect - City is not in compliance with governmental accounting standards.

Recommendation - We recommend that the City consider obtaining a separate actuarial valuation to be in compliance with governmental accounting standards.

APPENDIX C – OTHER COMMENTS

For the Year Ended September 30, 2016

ML 16-4 - Inventory Counts

Finding - During our audit, it was noted that annual inventory counts and adjustments are not being done at year end.

Criteria - Procedures should be in place to monitor and adjust inventory values based on usage at the end of each fiscal year.

Cause - Procedures were not in place to perform an annual inventory count and adjust inventory balances at year end.

Effect - Inventory balances have not been adjusted to reflect current inventory levels.

Recommendation - We recommend that the City perform annual inventory counts to monitor inventory usage, and appropriately adjust the balances at year end.

ML 16-5 - Account Reconciliations

Finding - During our audit, it was noted that several accounts, including deposits and accounts payable were not reconciled to the general ledger.

Criteria - All account supporting schedules should reconcile to the general ledger.

Cause - Due to adjustments made during the year, year end supporting schedules did not agree to the general ledger.

Effect - Errors and misstatements could go undetected.

Recommendation - We recommend that the City implement procedures to reconcile all balance sheet accounts to the general ledger, at least annually.



506 W. Berckman Street
Fruitland Park, FL 34731

Tel. (352) 360-6727
Fax. (352) 360-6686

August 10, 2017

Auditor General
State of Florida
401 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Re: City of Fruitland Park FYE September 30, 2016

Dear Auditor General,

The management comments related to fiscal year ending September 30, 2016 were received by both the City Manager and the Finance Director. The comments represent an opportunity for improvement which will be corrected in Fiscal Year Ending 2017.

ML 16-1 – Approve and Review Adjustment Made to Customer Utility Billing Accounts

Response: The City had found this deficiency and implemented procedures to insure cashiers get proper approval before issuing credit and implemented controls to insure procedures are being followed.

ML 16-2 Pension Trust Fund

City is looking into segregating the pension from the city assets via a separate State Board of Administration account or putting all funds into our current pension trust and having them administer the pension program.

ML 16-3 Pension Actuarial Valuations


This pension is a very small pension for volunteer firefighters. It was decided that we would use the actuarial reports from the state that are produced triennial. The cost of an annual actuarial report would place a financial burden on this small trust.

ML-4 Inventory Counts

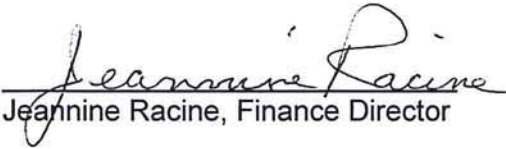
We have always done annual inventory counts and adjustment. We were changing auditors this year and our previous auditor told our Public Works director that he did not need to complete an inventory this year. This is the only year one was not completed.

ML 16.5 – Accounts Reconciliations

We have account reconciliation processes in place for our month end. We had an employee who would not balance at the end of the month but reported that it was balanced. She no longer works here.



Gary La Venia, City Manager



Jeannine Racine, Finance Director

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

The Honorable Mayor and City Council
City of Fruitland Park, Florida

We have examined City of Fruitland Park's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2016. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States 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, City of Fruitland Park complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

MCDIRMIT DAVIS & COMPANY, LLC

Orlando, Florida
July 14, 2017

Honorable Mayor and City Council
City of Fruitland Park, Florida

We have audited the financial statements of *City of Fruitland Park* as of and for the year ended September 30, 2016, and have issued our report thereon dated July 14, 2017. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 13, 2017, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of *City of Fruitland Park* solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

MCDIRMIT DAVIS & COMPANY, LLC

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803

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MEMBERS: PRIVATE COMPANIES PRACTICE SECTION AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Fruitland Park is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, City of Fruitland Park changed accounting policies related to the adoption of Statement of Governmental Accounting Standards (GASB Statement) No. 68, *Accounting and Financial Reporting for Pension Plans*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Accordingly, the cumulative effect of the accounting change as of the beginning of the year has been reported in the Statement of Activities. Also described in Note 1 to the financial statements, during the year, the District adopted GASB No. 72, *Fair Value Measurement and Application*. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate for the allowance for doubtful accounts is based on historical loss levels, and an analysis of the individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimation for the allowance for depreciation is based on the estimated useful lives of the capital assets. We evaluated the reasonableness of the useful lives as well as the depreciation methods in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's allocation of the net pension liability, deferred inflows/outflows and pension expense is based on the FRS contributions made. We evaluated the reasonableness of the allocation methods in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting City of Fruitland Park's financial statements relate to revenue recognition as described in Note 1.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all such misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by management:

- Reverse prior year revenue accruals of \$37,019
- Accrue additional accounts payable of \$41,532.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to City of Fruitland Park's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated July 14, 2017.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with City of Fruitland Park, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Fruitland Park's auditors.

This report is intended solely for the use of management, the City Council and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

McDiernit Davis & Company, LLC

Orlando, Florida
July 14, 2017



**AGENDA ITEM
NUMBER
6e**

AGENDA ITEM SUMMARY SHEET

| | | | |
|--------------------------------|---|-----|------|
| ITEM TITLE: | Resolution 2017-031 Texting While Driving – Primary Offense | | |
| For the Meeting of: | September 14, 2017 | | |
| Submitted by: | City Manager/Police Chief/City Attorney | | |
| Date Submitted: | August 29, 2017 | | |
| Are Funds Required: | | Yes | X No |
| Account Number: | N/A | | |
| Amount Required: | N/A | | |
| Balance Remaining: | N/A | | |
| Attachments: | Yes | | |
| Description of Item: | The Florida Police Chief’s Association is requesting support encouraging our lawmakers to make texting while driving a primary offense. | | |
| Action to be Taken: | Adopt Resolution 2017-031. | | |
| Staff’s Recommendation: | N/A | | |
| Additional Comments: | N/A | | |

Reviewed by: _____
City Manager

Authorized to be placed on the Regular agenda: _____
Mayor

RESOLUTION 2017-031

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, FLORIDA URGING THE FLORIDA LEGISLATURE TO ENACT LEGISLATION THAT WOULD MAKE TEXTING WHILE DRIVING A PRIMARY OFFENSE; PROVIDING FOR DIRECTIONS AND AN EFFECTIVE DATE.

WHEREAS, according to the [National Highway Traffic Safety Administration \(NHTSA\)](#), in 2015 there were an estimated 30,000 injuries related to **texting** while driving in the United States, and

WHEREAS, texting while driving is a form of distracted driving, and;

WHEREAS, distracted driving claimed 3,477 lives in 2015, according to the NHTSA, and;

WHEREAS, according to the Florida Department of Highway Safety and Motor Vehicles, texting while driving includes three types of driver distraction: visual, manual, and cognitive distraction, and;

WHEREAS, the National Safety Council reports that the risk of a crash is four times more likely when a cell phone is in use, and;

WHEREAS, the NHTSA reports that texting drivers take their eyes off the road for an average of 4.6 seconds, which at the speed of 55mph is equivalent to driving the length of driving football field, and;

WHEREAS, drivers who text endanger not only themselves but other motorists, bicyclists, and pedestrians in their proximity, and;

WHEREAS, the degree of cognitive distraction associated with mobile phone use is so high that drivers using mobile phones exhibit greater impairment than legally intoxicated drivers, according to a University of Utah study, and;

WHEREAS, of the 47 states that have banned texting while driving, all but four have made texting while driving a primary offense, while Florida is among the four states that do not enforce texting while driving as a primary offense, but instead as a secondary offense, and;

WHEREAS, a secondary offense is an infraction for which a law enforcement officer can issue a ticket **only** if a driver has been pulled over for committing another traffic violation, and;

WHEREAS, the concern of the American public over distracted driving has grown exponentially, resulting in the first-ever national distracted driving enforcement and advertising campaign as well as the recognition designating April as *Distracted Driving Awareness Month* each year by the United States Department of Transportation, and;

WHEREAS, Florida citizens' concerns over distracted driving has grown considerably, leading to the Florida Department of Transportation unveiling two campaigns: the *Put It Down Campaign* to raise awareness of the problem of distracted driving and *Safe Phone Zones* which designate 64 spots throughout the state where drivers are encouraged to pull in to in order to safely use their cellphones.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, FLORIDA.

Section 1. The City of Fruitland Park urges the Florida Legislature to enact legislation that would make texting while driving a primary offense.

Section 2. The City of Fruitland Park hereby directs the city clerk to transmit a certified copy of this resolution to the Governor of Florida, President of the Florida Senate, Speaker of the Florida House of Representatives, and the Lake County State Legislative Delegation.

Section 3. This resolution shall take effect immediately upon adoption.

PASSED AND RESOLVED this 14th day of September, 2017, by the City Commission of the City of Fruitland Park, Florida.

City of Fruitland Park
Chris Cheshire, Mayor

Attest:

Esther B. Coulson, City Clerk

| | | | | | | | | |
|---------------------|-------|--------|-------|-------|-------|--------------|-------|----------|
| Commissioner Bell | _____ | (Yes), | _____ | (No), | _____ | (Abstained), | _____ | (Absent) |
| Vice Mayor Gunter | _____ | (Yes), | _____ | (No), | _____ | (Abstained), | _____ | (Absent) |
| Commissioner Lewis | _____ | (Yes), | _____ | (No), | _____ | (Abstained), | _____ | (Absent) |
| Commissioner Ranize | _____ | (Yes), | _____ | (No), | _____ | (Abstained), | _____ | (Absent) |
| Mayor Cheshire | _____ | (Yes), | _____ | (No), | _____ | (Abstained), | _____ | (Absent) |

Approved as to form and legality:

Anita Geraci-Carver, City Attorney



AGENDA ITEM
NUMBER

6f

AGENDA ITEM SUMMARY SHEET

| | | | |
|---|--|---|-----------------------------|
| ITEM TITLE: | Resolution 2017-032 Budget Amendment BT2017-020 | | |
| For the Meeting of: | September 14, 2017 | | |
| Submitted by: | City Treasurer | | |
| Date Submitted: | September 7, 2017 | | |
| Are Funds Required: | <input type="checkbox"/> | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Account Number: | See Attached | | |
| Amount Required: | See Attached | | |
| Balance Remaining: | See Attached | | |
| Attachments: | Yes | | |
| Description of Item: Budget Amendment BT17-20 will increase the budget revenues for donations - \$1300 and will increase the Library DVDs - \$1000 and Fire Dept. equipment - \$300. | | | |
| Action to be Taken: Review Budget Amendment BT17-20 and adopt or deny Resolution 2017-032. | | | |
| Staff's Recommendation: Approve Budget Amendment BT17-20 | | | |
| Additional Comments: | | | |

Reviewed by: _____

City Manager

Authorized to be placed on the Regular Consent agenda: _____

Mayor

RESOLUTION 2017-032

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, FLORIDA, AMENDING THE 2016/2017 FISCAL YEAR BUDGET PURSUANT TO SEC. 6.07 OF THE CITY CHARTER TO TRANSFER FUNDS FROM GENERAL FUND DONATIONS TO THE GENERAL FUND LIBRARY DVDS AND FIRE DEPARTMENT EQUIPMENT BUDGET FOR EXPENDITURES IN THE LIBRARY AND FIRE DEPARTMENT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Fiscal Year 2016-2017 budget of the City of Fruitland Park was adopted on September 22, 2016; and

WHEREAS, donations for the Library (\$1000) and for the Fire Department (\$300) which has created excess revenues of those estimated in the budget for donations; and

WHEREAS, it is desired for supplemental appropriations to be approved in that the funds be utilized to help purchase AED's in the fire department thereby increasing the fire equipment budget; and purchase DVDs in the library thereby increasing the library DVDs budget; and

WHEREAS, the City Commission desires to amend the 2016-2017 Fiscal Year budget to transfer \$1300 to increase the fire department equipment and library DVD budget.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, FLORIDA:

Section 1. The budget adopted on September 22, 2016; is amended as set forth in Exhibit "A" attached hereto.

Section 2. This resolution shall take effect immediately upon its final adoption by the City Commission of the City of Fruitland Park, Florida.

PASSED AND RESOLVED this ____ day of _____, 2017, by the City Commission of the City of Fruitland Park, Florida.

City of Fruitland Park

Chris Cheshire, Mayor

Attest:

Esther B. Coulson, City Clerk

Mayor Cheshire _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)
Vice Mayor Gunter _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)
Commissioner Lewis _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)
Commissioner Ranize _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)
Commissioner Bell _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)

First Reading _____

Approved as to form and legality:

Anita Geraci-Carver, City Attorney

CITY OF FRUITLAND PARK

Interfund Budget Amendment: #

BT2017-20

To: CITY MANAGER

Date: 23-Aug-2017

Prepared by: Library Director
Department Head

Approved: City Manager

REVENUES:

Object name & # Library Donation 01001-36601 Amount: 1,000 Inc/Dec

Object name & # Fire Dept Donation 01001-36603 Amount: 300 Inc/Dec

Object name & # Amount: Inc/Dec

Object name & # Amount: Inc/Dec

Object name & # Amount: Inc/Dec

Object name & # Amount: Inc/Dec

EXPENDITURES:

Object name & # Library DVDs 01571-60664 Amount: 1,000 Inc/Dec

Object name & # FD Equipment 01522-60640 Amount: 300 Inc/Dec

Object name & # Amount: Inc/Dec

Object name & # Amount: Inc/Dec

Object name & # Amount: Inc/Dec

Object name & # Amount: Inc/Dec

Explanation: Donation to the Library for Children's Dept.

Donation to the Fire Dept. for equipment

Approved by Commission: Date

City Clerk

City Treasurer

Mayor

HOWARD D STEWART
2076 ABER LN
THE VILLAGES, FL 32163

1639

66-21/530 10423

5-9-17

Date

Pay to the
Order of

Fruitland Park Library

\$ 1000.00

ONE THOUSAND & no/100

Dollars



Photo
Safe
Deposit
Details on back

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Wells Fargo Bank, N.A.
North Carolina
wellsfargo.com

For

Donation - Childrens Dept

Howard Stewart



01001-36601

Library
Donation

\$1000

606664 DUBS

01571-



FIREFIGHTERS CHARITABLE FOUNDATION INC

ONE WEST STREET
FARMINGDALE, NY 11735
516-249-0332

FIRST NATIONAL BANK OF LONG ISLAND
50-1133/214

025735

7/31/2017

PAY TO THE ORDER OF FRUITLAND PARK FD

\$ **300.00

Three Hundred and 00/100***** DOLLARS



FRUITLAND PARK FD
ATTN: CHIEF MICHAEL LAMING
506 WEST BERCKMAN STREET
FRUITLAND PARK, FL 34731

MEMO

GRANT DONATION





**AGENDA ITEM
NUMBER**

6g

AGENDA ITEM SUMMARY SHEET

| | | | |
|---|---|-----|------|
| ITEM TITLE: | Change Order #1, COFP Force Main Lift Station | | |
| For the Meeting of: | September 14, 2017 | | |
| Submitted by: | City Manager/Community Development Director | | |
| Date Submitted: | September 5, 2017 | | |
| Are Funds Required: | | Yes | X No |
| Account Number: | N/A | | |
| Amount Required: | N/A | | |
| Balance Remaining: | N/A | | |
| Attachments: | Change Order | | |
| Description of Item: Approve Change Order 1 to COFP Force Main Lift Station contract with McDonough Development Services. | | | |
| Action to be Taken: Approval | | | |
| Staff's Recommendation: Approval. | | | |
| Additional Comments: | | | |

Reviewed by: _____
City Manager

Authorized to be placed on the regular agenda: _____
Mayor

McDONOUGH DEVELOPMENT SERVICES

4450 N.E. 83RD ROAD, WILDWOOD, FLORIDA 34785

PHONE: (352) 753-6219

FAX: (352) 753-6786

CHANGE ORDER #1

Date: August 29,2017

PROJECT:

City of Fruitland Park Force Main Lift Station

OWNER:

The Villages/C.O.F.P.

CONTRACTOR

Rainey Construction, Inc.

General Description of Changes:

Change order is due to renovation work at the treatment plant and additional force main.

The following changes are hereby made to the Contract Documents:

| SECTION I | | General Construction | | | | | |
|---------------------------|--------------------------------------|-----------------------------|------------|-------------|-------------------|-------------|-------------------|
| ITEM #: | DESCRIPTION | | QTY | UNIT | UNIT PRICE | | AMOUNT |
| 1 | Mobilization | ADD | 1 | L.S. | \$ 4,000.00 | \$ | 4,000.00 |
| 2 | Traffic | ADD | 1 | L.S. | \$ 3,725.00 | \$ | 3,725.00 |
| 3 | Clearing & Grubbing | ADD | 1 | L.S. | \$ 95,675.00 | \$ | 95,675.00 |
| 4 | Asphalt Apron Remove & Replace | ADD | 129 | S.Y. | \$ 65.00 | \$ | 8,385.00 |
| 5 | 8" Limerock Remove/Replace | ADD | 129 | S.Y. | \$ 30.00 | \$ | 3,870.00 |
| 6 | Remove & Replace Brick Pavers | ADD | 600 | S.F. | \$ 21.00 | \$ | 12,600.00 |
| 7 | Chain Link Fence Remove & Replace | ADD | 1 | L.S. | \$ 600.00 | \$ | 600.00 |
| 12 | Construction Survey & Layout | ADD | 1 | L.S. | \$ 17,200.00 | \$ | 17,200.00 |
| 13 | Survey As-Builts | ADD | 1 | L.S. | \$ 7,600.00 | \$ | 7,600.00 |
| 14 | Density Testing | ADD | 1 | L.S. | \$ 2,750.00 | \$ | 2,750.00 |
| 15 | Concrete Sidewalk Remove & Replace | ADD | 1000 | S.F. | \$ 9.00 | \$ | 9,000.00 |
| 16 | Concrete Drive Remove & Replace | ADD | 136 | S.Y. | \$ 75.00 | \$ | 10,200.00 |
| 17 | Remove & Replace MES | ADD | 2 | S.Y. | \$ 1,100.00 | \$ | 2,200.00 |
| 18 | Sod - Bahia | ADD | 6100 | S.Y. | \$ 2.50 | \$ | 15,250.00 |
| 19 | Seed & Mulch - WWTP Sites & Easement | ADD | 15600 | S.Y. | \$ 1.00 | \$ | 15,600.00 |
| SECTION 1 - TOTAL: | | | | | | = \$ | 208,655.00 |

| SECTION I | | Sanitary Water | | | | | |
|---------------------------|-------------------------------------|-----------------------|------------|-------------|-------------------|-------------|---------------------|
| ITEM #: | DESCRIPTION | | QTY | UNIT | UNIT PRICE | | AMOUNT |
| 6 | 8" PVC Force Main DR 18 | ADD | 9870 | L.F. | \$ 35.00 | \$ | 345,450.00 |
| 12 | 8" x 22.5 MJDI Bend - Epoxy | ADD | 3 | EA | \$ 370.00 | \$ | 1,110.00 |
| 13 | 8" x 45 MJDI Bend - Epoxy | ADD | 24 | EA | \$ 440.00 | \$ | 10,560.00 |
| 14 | 8" x 90 MJDI Bend | ADD | 4 | EA | \$ 475.00 | \$ | 1,900.00 |
| 15 | 8" x 2" MDJI Tapped Cap - Epoxy | ADD | 2 | EA | \$ 175.00 | \$ | 350.00 |
| 25 | 8" Plug Valve & Box | ADD | 6 | EA | \$ 1,575.00 | \$ | 9,450.00 |
| 26 | 8" Wedge Valve & Box | ADD | 1 | EA | \$ 1,590.00 | \$ | 1,590.00 |
| 28 | Air Release Valve Assembly - Offset | ADD | 4 | EA | \$ 4,900.00 | \$ | 19,600.00 |
| 31 | 8" Mega Lug Fitting Restraint | ADD | 78 | EA | \$ 90.00 | \$ | 7,020.00 |
| 34 | 8" Pipe Joint Restraint | ADD | 36 | EA | \$ 125.00 | \$ | 4,500.00 |
| 38 | 10" HDPE Directional Bore | ADD | 80 | L.F. | \$ 95.00 | \$ | 7,600.00 |
| 41 | Hydrostatic Pressure Test (FM) | ADD | 1 | L.S. | \$ 2,825.00 | \$ | 2,825.00 |
| 45 | WWTP Work - COFP & TOLL Sites | ADD | 1 | L.S. | \$ 1,330,630.00 | \$ | 1,330,630.00 |
| SECTION 1 - TOTAL: | | | | | | = \$ | 1,742,585.00 |

CHANGE ORDER TOTAL: = \$ 1,951,240.00

CHANGE TO CONTRACT PRICE:

| | |
|--|------------------------|
| Original Contract Price: | <u>\$ 1,920,103.10</u> |
| Current Contract Price, as adjusted by previous Change Orders: | <u>\$ 1,920,103.10</u> |
| Due to this Change Order, the Contract Price will be increased by: | <u>\$ 1,951,240.00</u> |
| Due to this Change Order, the New Contract Price will be: | <u>\$ 3,871,343.10</u> |

CHANGE TO CONTRACT TIME

The contact time will be increased to the following date: March 1, 2018

APPROVALS REQUIRED

To be effective, this order must be approved by the Owner if it changes the scope or objective of the project, or as may otherwise be required under the terms of the Supplementary General Conditions of the Contract.

ENGINEER _____ Date _____

OWNER _____ Date _____

CONTRACTOR _____ Date _____

**AGREEMENT FOR THE CONSTRUCTION OF WATER PLANT IMPROVEMENTS
AND THE EXTENSION OF WATER AND WASTEWATER LINES**

THIS AGREEMENT (“Agreement”) is entered into this 8th day of May, 2014, by and between **THE VILLAGES OF LAKE-SUMTER, INC.** (the “Developer”), and **CITY OF FRUITLAND PARK, FLORIDA** (the “City”).

RECITALS

1. Pursuant to the Comprehensive Plan Amendment, Rezoning and Adoption of the Notice of Proposed Change creating the Villages of Fruitland Park, the Developer has agreed to construct and/or provide the initial funding for the construction of water plant improvements and the extension of water and wastewater lines.

2. At this time the City and the Developer wish to set forth their agreements concerning such matters.

NOW, THEREFORE, the parties agree as follows:

1. **Improvements to the City’s Water Treatment Facility No. 1 (“WTF No. 1”)**

(a) **Design.**

The design, civil engineering, permitting and other similar services will be performed by Booth, Ern, Straughan and Holt, Inc. (“BESH”) pursuant to the proposal dated December 27, 2013 (“BESH WTF No. 1 Proposal”). The Developer agrees to reimburse the City for the cost of the work performed pursuant to the BESH WTF No. 1 Proposal up to a total of One Hundred Eighty One Thousand Six Hundred Seventy and 00/100 Dollars (\$181,670.00), plus the actual cost of Reimbursables at the rates set forth in the BESH WTF No. 1 Proposal. The Developer shall reimburse the City within five (5) days of receiving from the City a copy of BESH’s invoice and the City’s proof of payment.

(b) **Construction.**

Pursuant to a contract between the Developer and Garney Companies, Inc. (the “Garney Contract”), Garney shall construct the improvements in accordance with the design engineering plans and specifications prepared by BESH pursuant to the BESH WTF No. 1 Proposal (the “BESH Design Documents”). The City shall be listed as an additional insured party on the Garney Contract. Construction shall commence within sixty (60) days of the later to occur of (i) the City’s approval of the BESH Design Documents, or (ii) the Rezoning, Comprehensive Plan Amendment and Notice of Proposed Change allowing the development of the Villages of Fruitland Park to become final and non-appealable. As Developer is invoiced for work completed pursuant to the Garney Contract, the Developer shall provide the City copies of such invoices and proof of the Developer’s payment. Completion shall be as set forth in the Garney Contract.

2. **Improvements and Extension to the City's Potable Water Main Lines**

(a) **Design.**

(i) **To the Initial Point of Connection.**

The design, civil engineering, permitting and other similar services will be performed by BESH pursuant to the proposal dated December 27, 2013, as amended by Paragraph 3 of the email from Rob Ern on behalf of BESH to Bob Farner dated February 24, 2014 at 1:49 P.M. ("BESH Water Main Proposal"). The Developer agrees to reimburse the City for the cost of the work performed pursuant to the BESH Water Main Proposal up to a total of Eighty Thousand and 00/100 Dollars (\$80,000.00), plus the actual cost of Reimbursables at the rates set forth in the BESH Water Main Proposal. The Developer shall reimburse the City within five (5) days of receiving from the City a copy of BESH's invoice and the City's proof of payment.

(ii) **From the Easement across the First Baptist Church of Leesburg property to an Easement running north over a 20 foot (20') strip of land to CR466A, then west to a point 25' west of the easterly boundary of the parcel adjacent to the Sumter County line.**

Pursuant to a contract between the Developer and Farner, Barley and Associates, Inc. ("FB&A"), FB&A shall provide the design, civil engineering and other similar services related to the design of the Water Main described above (the "FB&A Design Documents #1"). The contract with FB&A shall project the construction costs of the Water Main Line improvements as described in this Section 2.(a)(ii). The Developer shall be responsible for all payments to FB&A for the work performed subject to the reimbursement provisions in Section 4.

(b) **Construction of Water Main Lines to Initial Point of Connection and installation of the Master Meter and Back-flow Preventor.**

Pursuant to a contract between the Developer and Rainey Construction Company (the "Rainey Contract"), Rainey shall construct the improvements in accordance with the design and engineering documents prepared by BESH pursuant to Section 2.(a)(i) above. The City shall be listed as an additional insured party on the Rainey Contract. Construction shall commence within sixty (60) days of the later to occur of (i) the City's approval of the design and engineering documents prepared by BESH pursuant to Section 2.(a)(i) above, or (ii) the Rezoning, Comprehensive Plan Amendment and Notice of Proposed Change allowing the development of the Villages of Fruitland Park to become final and non-appealable. As Developer is invoiced for work completed pursuant to the Rainey Contract, the Developer shall provide the City copies of such invoices and proof of the Developer's payment. Completion shall be as set forth in the Rainey Contract. \$50,000.00 of the actual cost of construction shall be eligible for reimbursement subject to the provisions of Section 4.

If an additional Point of Connection is established to provide redundancy, then CSU shall, at its sole expense, install and maintain the master meters at all Points of Connection. The location of such additional Point of Connection shall be as agreed upon between the City and CSU.

(c) **Construction of the Water Main Lines described in Section 2.(a)(ii) above.**

Pursuant to a contract between the Developer and Rainey Construction Company (the “Rainey Contract”), Rainey shall construct the improvements in accordance with the FB&A Design Documents #1. The City shall be listed as an additional insured party on the Rainey Contract. Construction shall commence within sixty (60) days of the later to occur of (i) the City’s approval of the Rainey Documents, or (ii) the Rezoning, Comprehensive Plan Amendment and Notice of Proposed Change allowing the development of the Villages of Fruitland Park to become final and non-appealable. As Developer is invoiced for work completed pursuant to the Rainey Contract, the Developer shall provide the City copies of such invoices and proof of the Developer’s payment. Completion shall be as set forth in the Rainey Contract. The lesser of 120% of the FB&A projection of the construction cost, or the actual cost of construction shall be subject to the reimbursement provisions of Section 4.

3. **Wastewater Main Line Extension**

(a) **Design.**

(i) From the easterly end of the Villages of Fruitland Park, then west to a point 25’ west of the easterly boundary of the parcel adjacent to the Sumter County Line.

Pursuant to a contract between the Developer and FB&A, FB&A shall provide the design, civil engineering and other similar services related to the design of the Wastewater Main Line Extension (the “FB&A Design Documents #2”). The contract with FB&A shall project the construction costs of the Wastewater Main Line Extension improvements. The Developer shall be responsible for all payments to FB&A for the work performed subject to the reimbursement provisions in Section 4. As Developer is invoiced for work completed pursuant to the contract with FB&A, the Developer shall provide the City copies of such invoices and proof of the Developer’s payment.

(ii) From the easterly end of the Villages of Fruitland Park, east to the existing City wastewater main.

The City, as its sole cost, shall be responsible for the design, engineering and all such similar costs of the design of this segment.

(b) **Construction from the east end of the Villages of Fruitland Park, then west to a point 25' west of the easterly boundary of the parcel adjacent to the Sumter County Line.**

Pursuant to a contract between the Developer and Rainey Construction Company (the "Rainey Contract"), Rainey shall construct the improvements in accordance with the FB&A Design Documents #2. The City shall be listed as an additional insured party on the Rainey Contract. Construction shall commence within sixty (60) days of the later to occur of (i) the City's approval of the FB&A Design Documents #2, or (ii) the Rezoning, Comprehensive Plan Amendment and Notice of Proposed Change allowing the development of the Villages of Fruitland Park to become final and non-appealable. As Developer is invoiced for work completed pursuant to the Rainey Contract, the Developer shall provide the City copies of such invoices and proof of the Developer's payment. Completion shall be as set forth in the Rainey Contract. The lesser of 120% of the FB&A projection of the construction cost, or the actual cost of construction shall be subject to the reimbursement provisions of Section 4.

(c) **Contribution to the City for Wastewater Main Line extension east of the east end of the Villages of Fruitland Park.**

At the time the City issues a Building Permit for a residential dwelling to be constructed within the Villages of Fruitland Park, the Developer shall pay to the City the sum of \$795,000.00 which will be subject to the reimbursement provisions of Section 4.

4. **City's Cost Participation in Infrastructure Improvements.**

(a) Since the Developer has committed to:

(i) the design and construction of Water Main Lines from WTF No. 1 to the Point of Connection with \$50,000.00 of such costs subject to the reimbursement of this Section 4;

(ii) the design and construction of Water Main Lines and Wastewater Main Lines and improvements that are not necessary to serve the Villages of Fruitland Park as set forth in Sections 2.(a)ii, 2.(c), 3.(a) and 3.(b); and

(iii) contribute \$795,000.00 towards the constructions of the Wastewater Main Line extension and the lift stations from the east end of the Villages of Fruitland Park, the Developer shall be entitled to reimbursement for design and construction as set forth in this Section 4.

(b) As additional users reserve or hook-up to the improvements described in Section 4.(a) above, whether directly or through sub-main lines, the City shall collect its Water Impact Fees and Wastewater Impact Fees. For a period of twelve (12) years commencing with the date the Water Main Line described in Section 2.(c) is completed and accepted by the City, the City shall pay to the Developer seventy-five percent (75%) of all Water Impact Fees collected outside of

the Villages of Fruitland Park, and fifty percent (50%) of all Wastewater Impact Fees collected from users outside of the Villages of Fruitland Park connecting to such lines. Such impact fees shall be remitted to the Developer on a monthly basis.

(c) The City hereby covenants to (i) take no action to reduce the amount of Water Impact Fees or Wastewater Impact Fees during the term of this Agreement, and (ii) if the City conducts a Water and Wastewater Impact Fee rate study, the City agrees to include all of the appropriate costs of the design and construction of the improvements set forth in this Agreement to determine if an increase in the City's Water Impact Fees and Wastewater Impact Fees are appropriate.

5. **Easements.** The Developer, at its sole cost and expense, shall provide an easement across the southwest portion of the First Baptist Church of Leesburg's property from Pine Ridge Dairy Road to a point on an Easement running north along the most easterly twenty foot (20') strip of land owned by the Developer. Developer covenants to convey to the City without charge, a twenty foot (20') easement along the easterly boundary from the Church Easement, north to the southerly right-of-way of CR466A.

6. **Assistance with Consumptive Use Permit Matters.** The Developer agrees to assist the City in the amendment of its existing Consumptive Use Permit (CUP) with the St. Johns River Water Management District (SJRWMD). The subject CUP is permit number 2-069-2482-5 dated February 13, 2012 and expiring on November 10, 2020. Assistance regarding this amendment will be governed by the following:

(a) After issuance of the latter of the FDEP permit for the expansion of the City's WTF No. 1 and the SWFWMD ERP for the Villages of Fruitland Park, the Developer and its consultants will provide the necessary consulting services to modify the City's CUP for the relocation of Well No. 1. Should any support be required from the City's CUP consultant, such services will be based on a scope and budget prepared by the City's consultant and approved by the City and the Developer;

(b) Resulting from the development of the Villages of Fruitland Park and through the end of calendar year 2017, the Developer and its consultants will provide the necessary consulting services to modify the allocation schedule of the City's CUP. The allocation schedule is to be amended to accelerate the allocation of water in the current CUP such tht the amount of water allocated for year 2020 is adjusted or allocated to year 2016 and that same amount of water is allocated each year thereafter through the end of the Permit, 2020. Should any support be required from the City's CUP consultant, such services will be based on a scope and budget prepared by the City's consultant and approved by the City and the Developer;

(c) After final clearance by FDEP of the expansion to WTF No. 1, assistance to modify the allocation of the City's CUP will be provided by the Developer;

(d) Demonstration of need and justification for the increased allocation to serve its other water needs anticipated in the current permit that are inside the current service area and outside of the boundary of the Villages of Fruitland Park will be the responsibility of the City or the City's consultants. Such demonstration and justification will not be part of the scope of work for which the Developer will assist;

(e) Assistance to modify the allocation of the City's CUP will be provided by the Developer paying the cost of services from the City's CUP consultant. Costs shall be limited to the scope of services related to the acceleration of allocation for the change in demand generated by the development of the Villages of Fruitland Park. Assistance provided by the Developer to pay for such services will be limited to a scope of services prepared by the City's CUP consultant and agreed to by the City and the Developer; and

(f) The CUP modification shall be permissible in accordance with Chapter 373, F.S. and Chapter 40C-2, F.A.C. The proposed amendment shall meet the Conditions for Issuance of Permits described in Chapter 40C-2.301, F.A.C. for such additional withdrawal within the limits of the City.

The City and the Developer agree that should the proposed modification not be permissible as described in paragraphs 6.(c) through 6.(f) above then the obligation of the Developer to the City has been met and no additional CUP assistance will be required.

7. **Timing When Developer's Obligations Become Final.** The Developer's obligation to pay for the design of improvements to the City's WTF No. 1 and the design of the Extension of the Potable Water Main Lines from the WTF No. 1 to the Initial Point of Connection shall become the binding obligation of the Developer upon full execution of this Agreement. Notwithstanding any other term or provision of this Agreement, the City acknowledges and agrees that the balance of the Developer's obligations set forth in this Agreement will not become binding and effective until the Comprehensive Plan Amendment, Rezoning and Notice of Proposed Change allowing the development of the Villages of Fruitland Park become final.

8. **Bill of Sale and Related Matters.** As the Developer completes construction of various portions of the work contemplated in the Agreement, Developer covenants to convey such improvements to the City by Bill of Sale free and clear of all liens and encumbrances. Additionally, the Developer agrees to assign to the City all warranties related to such work and provide the City with copies of all contracts and invoices for such work.

9. **Force Majeure.** Except as otherwise expressly set forth in this Agreement, in the event either party hereto shall be delayed or hindered in, or prevented from, the performance of any act (other than the payment of money) required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, geotechnical issues, subsurface issues, environmental matters, failure of power, restrictive governmental laws or regulations, riots, insurrection, adverse weather conditions (including but not limited to tropical storms and hurricanes), war or other reasons of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement, then performance of such acts shall be excused for the period of the

delay, and the period within which the performance of such act may be required hereunder shall be extended by a period equivalent to the period of such delay. If such matter results in that portion of the work effected to be impossible to complete, then the Developer and the City agree to work together to develop an alternative approach.

10. **Notices.** Any notice or demand that must or may be given or made in connection with this Agreement must be in writing and unless receipt is expressly required, will be delivered by personal delivery or regular US mail, addressed to the parties as follows:

TO CITY:

City of Fruitland Park
Attn: City Manager
506 W. Berckman Street
Fruitland Park, FL 34731

with a copy to:

Stone & Gerken, P.A.
Attn: Scott Gerken, Esq.
4850 N. Hwy. 19A
Mt. Dora, FL 32757

TO DEVELOPER:

The Villages of Lake-Sumter, Inc.
Attn: Kelsea Manly
1020 Lake Sumter Landing
The Villages, FL 32162

with a copy to:

McLin & Burnsed P.A.
Attn: Steven M. Roy, Esq.
P.O. Box 1299
The Villages, FL 32162

Such addresses may be changed by notice pursuant to this paragraph, but notice of change of addresses is effective only upon receipt.

11. **General Provisions.**

11.1 **Entire Agreement.** This Agreement embodies the entire agreement of the parties hereto, and supersedes all prior negotiations, agreements and understandings. Unless specifically allowed otherwise by the terms hereof, this Agreement, and any exhibits, schedules or addenda hereto, shall not be amended, altered, changed, or modified in any respect, or any provision hereof waived or discharged, except by an instrument in writing, signed by the parties hereto, and witnessed and notarized in the same manner as this Agreement. The terms of this Agreement shall not entitle any party to cancel, rescind, or otherwise terminate this Agreement. However, such limitations shall not affect in any manner any other rights or remedies which a party may have hereunder or under applicable law by reason of any such breach.

11.2 **Default.** No party shall be entitled to pursue any action for specific performance, injunctive, relief, or any other available remedy arising out of a default under this Agreement until the non-defaulting party has provided to the party alleged to be in default a written Default Notice (with, if applicable, a copy to any other party to this Agreement) specifying the specific nature of the default, and the alleged defaulting party has failed to cure the default within thirty (30) days of the effective date of the Default Notice. In the event the cure of a default reasonably requires greater than the thirty (30) day time period specified, the grace period granted

herein shall, if the defaulting party has initiated cure of the default within the thirty (30) day time period and is continuing to pursue completion of the cure with due diligence, extend the reasonable time period required for the cure of the default. In the event of a material default by the Developer with respect to its obligations to the City under this Agreement, and failure of the Developer to cure the default within the grace period as set forth in this Section 11.2, in addition to any other remedies available to them under the terms of this Agreement the City shall be entitled to withhold issuance of additional development permits or authorizations until the default is cured. If the Developer has, prior to the occurrence of the default, conveyed some or all of the property to unrelated third parties (such parcel or parcels then becoming a "Third Party Parcel") and the default of the owner is not with respect to, or impact the City's obligations regarding, a Third Party Parcel, the right of the City to hold Permits upon a default by the owner shall not extend to City Permits pending or to be issued with respect to a successor owner of such Third Party.

11.3 Waiver. Failure by either party to enforce any of the provisions hereof for any length of time shall not be deemed a waiver of its rights set forth in this Agreement. Such a waiver may be made only by an instrument in writing signed by the party sought to be charged with the waiver.

11.4 Severability. If any covenant or provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such holding shall not affect the validity of the remaining covenants and provisions, it being the intention of the parties that this Agreement be so construed as to render enforceable that portion of this Agreement unaffected by such holding. The contractual provisions shall be deemed severable.

11.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

11.6 Successors. It is agreed that the respective rights and obligations hereunder shall inure to, and be binding upon, the respective heirs, devisees, legal and personal representatives, assigns, grantees and successors in interest of the City and CSU.

11.7 Waiver of Jury Trial. Each party hereto hereby irrevocably waives any and all rights it may have to demand that any action, proceeding or counterclaim arising out of or in any way related to this Agreement or the relationship of the parties be tried by jury. This waiver extends to any and all rights to demand a trial by jury arising from any source, including but not limited to the Constitution of the United States, the Constitution of any state, common law or any applicable statute or regulation. Each party hereby acknowledges that it is knowingly and voluntarily waiving the right to demand trial by jury.

11.8 Governing Law and Venue. This Agreement shall be governed by the laws of the State in which the Land is located without regard to its conflict of laws provision. Venue for any actions arising in connection with this Agreement shall be Lake County, Florida.

11.9 Authority. The execution and performance of this Agreement by each party has been duly authorized by all applicable laws and regulations and all necessary corporate action, and this Agreement constitutes the valid and binding obligation of such party, enforceable in accordance with its terms.

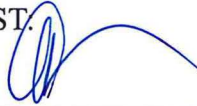
11.10 Captions. The captions of this Agreement are for convenience only, are not a part of this Agreement, and do not in any way limit or amplify the terms and provisions hereof.

11.11 Attorney's Fees. All easements, rights and covenants contained herein shall be enforceable by suit for specific performance and mandatory injunctive relief, in addition to any other remedy provided by law or equity. In the event any litigation ensues with respect to the rights, duties and obligations of the parties under this Agreement, the unsuccessful party in any such action or proceeding shall pay for all costs, expenses and reasonable attorney's fees and paralegal's fees incurred by the prevailing party in enforcing the covenants and agreements of this Agreement, whether incurred out of court, at trial, on appeal or in any bankruptcy or administrative proceeding. The term "prevailing party," as used herein, shall include, without limitation, a party who obtains legal counsel and brings action against the other party by reason of the other party's breach or default and obtains substantially the relief sought, whether by compromise, settlement or judgment.

11.12 Rights Cumulative. Unless expressly provided to the contrary in this Agreement, each and every one of the rights, remedies, and benefits provided by this Agreement shall be cumulative and shall not be exclusive of any other such rights, remedies, and benefits allowed by law.

11.13 Time is of the Essence. Time is of the essence of this Agreement.


IN WITNESS WHEREOF, the parties hereby execute this Agreement as of the date first set forth above.

ATTEST. 

Print Name Esther Coulson
Title City Clerk

CITY OF FRUITLAND PARK, FLORIDA
By: 

Name: Christopher Bell
Title: Mayor

APPROVED AS TO FORM 

City Attorney

WITNESSES:

Doris A. Pardo

Print Name: Doris A. Pardo

Laurie B. Mark

Print Name: Laurie B. Mark

THE VILLAGES OF LAKE-SUMTER, INC.,
a Florida corporation

By: *Gary L. Moyer*

Gary L. Moyer, Vice President



**AGENDA ITEM
NUMBER
6h**

AGENDA ITEM SUMMARY SHEET

| | | | |
|--|------------------------------------|-----|--|
| ITEM TITLE: | First Reading – Ordinance 2017-027 | | |
| For the Meeting of: | September 14, 2017 | | |
| Submitted by: | City Treasurer | | |
| Date Submitted: | September 7, 2017 | | |
| Are Funds Required: | | Yes | <input checked="" type="checkbox"/> No |
| Account Number: | N/A | | |
| Amount Required: | N/A | | |
| Balance Remaining: | N/A | | |
| Attachments: | Yes | | |
| Description of Item: | | | |
| First reading amending Chapter 99.60, Wastewater Rates. The second reading will be held on October 12, 2017. Increase wastewater rates by 2.5%, the CPI-U. | | | |
| Action to be Taken: Approval | | | |
| Staff's Recommendation: Approval | | | |
| Additional Comments: | | | |

Reviewed by: _____
City Manager

Authorized to be placed on the Regular agenda: _____
Mayor

ORDINANCE 2017-027

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, FLORIDA, AMENDING CHAPTER 99, SECTION 99.60 (B) OF THE CODE OF ORDINANCES TO PROVIDE FOR AN INCREASE IN WASTERWATER RATES; PROVIDING FOR SEVERABILITY, PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Florida Statute Chapter 180 provides local municipalities with the authority to establish and operate water utility systems; and

WHEREAS, Florida Statute Chapter 180.13 provides the City Commission with the authority to establish just and equitable rates or chares to be paid to the municipality for the use of the utility by each person; and

WHEREAS, the City Commission has determine that it is necessary to amend the ordinance governing the wastewater systems for the City of Fruitland Park to meet the cost of providing wastewater service to the customers of the wastewater system; and

WHEREAS, the City Commission enacted Ordinance 2005-031, which allowed for adjustment of water and wastewater rates in accordance with changes in the cost of living; and

WHEREAS, the City Commission of the City of Fruitland Park has accordingly determined it is necessary to uniformly increase the wastewater base rate by \$.38 (2.5%) to be effective October 1, 2017; and

WHEREAS, the City of Fruitland Park has provided notice of the proposed increase as well as the date at which this ordinance will be considered for adoption to each customer through the utility's billing process as is required by 180.136, Florida Statutes.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, FLORIDA

Section 1. In Chapter 99, Section 99.60(B) relating to Wastewater Rates shall be amended to read as follows:

(1) Wastewater Rates

Single-Family:

| | Inside City 10/1/2017 | Outside City 10/1/2017 |
|------------------------|--------------------------|---------------------------|
| Monthly base Charge | \$15.39 | \$19.23 |
| Plus per 1,000 gallons | \$1.78 | \$2.23 |

Section 4. If any section, sentence, clause, or phrase of this ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction, then said holding shall in no way affect the validity of the remaining portion of this ordinance.

Section 5. This ordinance shall be effective beginning October 1, 2017.

PASSED AND ORDAINED this 12TH day of October, 2017 by the City Commission of the City of Fruitland Park, Florida.

Christopher Cheshire, Mayor

Attest:

Esther Coulson, City Clerk

| | | | | | | | | |
|---------------------|-------|--------|-------|-------|-------|--------------|-------|----------|
| Commissioner Bell | _____ | (Yes), | _____ | (No), | _____ | (Abstained), | _____ | (Absent) |
| Vice Mayor Gunter | _____ | (Yes), | _____ | (No), | _____ | (Abstained), | _____ | (Absent) |
| Commissioner Lewis | _____ | (Yes), | _____ | (No), | _____ | (Abstained), | _____ | (Absent) |
| Commissioner Ranize | _____ | (Yes), | _____ | (No), | _____ | (Abstained), | _____ | (Absent) |
| Mayor Cheshire | _____ | (Yes), | _____ | (No), | _____ | (Abstained), | _____ | (Absent) |

First Reading

Second Reading

Approved as to form and legality:

Anita Geraci-Carver, City Attorney

CONSUMER PRICE MOVEMENTS JANUARY 2017

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.6 percent in January on a seasonally adjusted basis, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index rose 2.5 percent before seasonal adjustment.

The January increase was the largest seasonally adjusted all items increase since February 2013. A sharp rise in the gasoline index accounted for nearly half the increase, and advances in the indexes for shelter, apparel, and new vehicles also were major contributors.

The energy index increased 4.0 percent in January as the gasoline index advanced 7.8 percent and the index for natural gas also increased. The food index, which had been unchanged for 6 consecutive months, increased 0.1 percent. The food at home index was unchanged, while the index for food away from home rose 0.4 percent.

The index for all items less food and energy rose 0.3 percent in January. Most of the major component indexes increased in January, with the indexes for apparel, new vehicles, motor vehicle insurance, and airline fares all rising 0.8 percent or more. The shelter index rose 0.2 percent, a smaller increase than in recent months.

The all items index rose 2.5 percent for the 12 months ending January, the largest 12-month increase since March 2012. The index for all items less food and energy rose 2.3 percent over the last 12 months, and the energy index increased 10.8 percent, its largest 12-month increase since November 2011. In contrast, the food index declined 0.2 percent over the last 12 months.

Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average

| | Seasonally adjusted changes from preceding month | | | | | | | Un- adjusted 12-mos. ended Jan. 2017 |
|---|--|--------------|--------------|--------------|--------------|--------------|--------------|--|
| | July 2016 | Aug. 2016 | Sep. 2016 | Oct. 2016 | Nov. 2016 | Dec. 2016 | Jan. 2017 | |
| All items | .0 | .2 | .3 | .3 | .2 | .3 | .6 | 2.5 |
| Food | .0 | .0 | .0 | .0 | .0 | .0 | .1 | -.2 |
| Food at home | -.2 | -.2 | -.2 | -.2 | -.1 | -.2 | .0 | -1.9 |
| Food away from home ¹ | .2 | .2 | .2 | .1 | .1 | .2 | .4 | 2.4 |
| Energy | -1.1 | .0 | 2.4 | 2.5 | 1.0 | 1.2 | 4.0 | 10.8 |
| Energy commodities | -3.1 | -.7 | 4.4 | 4.8 | 2.0 | 2.4 | 7.6 | 20.0 |
| Gasoline (all types) | -3.3 | -.8 | 4.6 | 5.1 | 2.1 | 2.4 | 7.8 | 20.3 |
| Fuel oil ¹ | -1.3 | -2.5 | 2.4 | 5.9 | -1.2 | 6.0 | 3.5 | 24.8 |
| Energy services | .8 | .6 | .6 | .4 | .0 | .0 | .3 | 2.9 |
| Electricity | .4 | .3 | .5 | .3 | .0 | .0 | .0 | 1.0 |
| Utility (piped) gas service | 2.5 | 1.5 | .8 | .9 | .2 | .1 | 1.5 | 10.1 |
| All items less food and energy | .1 | .3 | .1 | .1 | .2 | .2 | .3 | 2.3 |
| Commodities less food and energy commodities | -.1 | .1 | -.1 | .0 | -.2 | .0 | .4 | -.2 |
| New vehicles | .2 | .0 | .0 | .2 | .0 | .1 | .9 | .9 |
| Used cars and trucks | -.7 | -.5 | -.2 | -.1 | .2 | -.2 | -.4 | -3.7 |
| Apparel | .0 | .2 | -.5 | .2 | -.3 | -.4 | 1.4 | 1.0 |
| Medical care commodities | .5 | 1.1 | .6 | .2 | -.4 | .5 | .3 | 4.7 |
| Services less energy services | .2 | .3 | .2 | .2 | .3 | .3 | .3 | 3.1 |
| Shelter | .2 | .3 | .3 | .3 | .3 | .3 | .2 | 3.5 |
| Transportation services | .1 | .2 | .0 | -.1 | .5 | .5 | .6 | 3.2 |
| Medical care services | .5 | .8 | .1 | .1 | .2 | .2 | .2 | 3.6 |

¹ Not seasonally adjusted.

CITY OF FRUITLAND PARK
WASTEWATER RATE COMPARISON

| | | | | | | | | | | |
|------------------|--------|--------|--------|--------|-----------|-----------|-----------|-----------|---------|---------|
| EFFECTIVE DATE | Oct-05 | Oct-09 | Oct-10 | Oct-11 | Oct-11 | Oct-11 | Oct-11 | Oct-11 | Oct-16 | Oct-17 |
| FISCAL YEAR | FY2006 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
| INCREASE | | | | | No Change | No Change | No Change | No Change | 1.40% | 2.50% |
| BASE RATE | 0.00 | 1.00 | 0.50 | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$ 0.21 | \$ 0.38 |
| THOUSAND GALLONS | 0.00 | 0.00 | 0.10 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | \$ 0.02 | \$ 0.04 |

| | | | | | | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| CITY BASE RATE | \$ 12.30 | \$ 13.30 | \$ 13.80 | \$ 14.80 | \$ 14.80 | \$ 14.80 | \$ 14.80 | \$ 14.80 | \$ 15.01 | \$ 15.38 |
| COUNTY BASE RATE | \$ 15.37 | \$ 16.38 | \$ 17.25 | \$ 18.50 | \$ 18.50 | \$ 18.50 | \$ 18.50 | \$ 18.50 | \$ 18.76 | \$ 19.23 |
| CITY RATE per 1000 gals | \$ 1.62 | \$ 1.62 | \$ 1.72 | \$ 1.72 | \$ 1.72 | \$ 1.72 | \$ 1.72 | \$ 1.72 | \$ 1.74 | \$ 1.79 |
| COUNTY RATE(125% CITY) | \$ 2.03 | \$ 2.03 | \$ 2.15 | \$ 2.15 | \$ 2.15 | \$ 2.15 | \$ 2.15 | \$ 2.15 | \$ 2.18 | \$ 2.23 |



**AGENDA ITEM
NUMBER
6i**

AGENDA ITEM SUMMARY SHEET

| | | | |
|--|------------------------------------|-----|------|
| ITEM TITLE: | First Reading – Ordinance 2017-028 | | |
| For the Meeting of: | September 14, 2017 | | |
| Submitted by: | City Treasurer | | |
| Date Submitted: | September 7, 2017 | | |
| Are Funds Required: | | Yes | X No |
| Account Number: | N/A | | |
| Amount Required: | N/A | | |
| Balance Remaining: | N/A | | |
| Attachments: | Yes | | |
| Description of Item: | | | |
| First reading amending Chapter 50.30, Water Rates. The second reading will be held October 12, 2017. Increase wastewater rates by 2.5%, the CPI-U. | | | |
| Action to be Taken: Approval | | | |
| Staff's Recommendation: Approval | | | |
| Additional Comments: | | | |

Reviewed by: _____
City Manager

Authorized to be placed on the Regular agenda: _____
Mayor

ORDINANCE 2017-028

AN ORDINANCE OF THE CITY OF FRUITLAND PARK, LAKE COUNTY, FLORIDA ADJUSTING THE WATER UTILITY RATES BASED ON THE CIP IN ACCORDANCE WITH SECTION 50.30(N) IN CHAPTER 50 OF THE CODE OF ORDINANCES; TO BE EFFECTIVE OCTOBER 1, 2017; PROVIDING FOR CODIFICATION; PROVIDING FOR REPEAL OF ALL CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Fruitland Park owns, operates and maintains a potable water services utility; and

WHEREAS, the City of Fruitland Park provides potable water within its utility district and charges its customers a water utility rate for providing such service; and

WHEREAS, Sec. 50.30(N) in Chapter 50 of the Code of Ordinances of the City of Fruitland Park provides in part that the water rates may adjust annually effective October 1 in accordance with the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index of All Urban Consumers (CPI-U); “All Items”, U.S. Cities Average (1982-1984-100), and that the adjustment will be presented to the city commission; and

WHEREAS, a CPI adjustment will result in an increase in the water rates; and

WHEREAS, the City Commission of the City of Fruitland Park, Lake County, Florida hereby finds and declares that the adoption of this ordinance is necessary, appropriate, and in the public interest of the citizens of this community.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, LAKE COUNTY, FLORIDA AS FOLLOWS:

Section 1. Recitals.

The above recitals are true and correct and, by this reference, are hereby incorporated into and made an integral part of this ordinance.

Section 2. Water Rates.

That Sections 50.30(A) and (B) in Chapter 50, of the Fruitland Park Code of Ordinances are hereby amended to read as follows:

Sec. 50.30. Charge or rate for water service.

Any user for the services of the waterworks system of the city shall pay therefore the following rates for water services which rates shall be applicable to all customers of the waterworks system, except as otherwise provided hereafter:

(A) Water rates within the city.

1. Except as provided in subsection 2. water rates within the city shall be calculated by adding the base rate to the tier based charge per 1,000 gallons of actual consumptive use. Effective October 1, ~~2016~~2017, the base rate shall be ~~\$16.34~~ \$16.74 and the charge per 1,000 gallons of actual use shall be as follows:

| Tier | Minimum (in gallons) | Maximum (in gallons) | Rate per 1,000 gallons |
|------------------|----------------------|----------------------|---------------------------------|
| <u>Base Rate</u> | 0 | 3,000 | No additional charge |
| 1 | 3,001 | 5,000 | \$0.95 <u>\$0.98</u> |
| 2 | 5,001 | 9,000 | \$1.33 <u>\$1.36</u> |
| 3 | 9,001 | 14,000 | \$1.74 <u>\$1.79</u> |
| 4 | 14,001 | 18,000 | \$2.32 <u>\$2.38</u> |
| 5 | Above 18,001 | | \$2.85 <u>\$2.92</u> |

2. Effective October 1, 2017, ~~The~~ bulk potable water rate within the city for water provided to Central Sumter Utility Company, LLC, shall ~~initially~~ be ~~\$0.81~~ \$0.79 per 1,000 gallons. ~~Thereafter, commencing on October 1, 2016,~~ ~~The~~ initial rate will be adjusted any time the city adjusts the base rate for residential water by the same percentage increase or decrease in the city's base rate for residential water.

(B) Water service outside the city.

Users receiving service outside the city limits shall pay a charge of 125 percent of the rates set forth in subsection (A)(1.) above. The water rates shall be calculated by adding the base rate to the tier based charge per 1,000 gallons of actual consumptive use. Effective October 1, ~~2016~~2017, the base rate shall be ~~\$20.93~~ \$20.42 and the charge per 1,000 gallons of actual use shall be as follows:

| Tier | Minimum (in gallons) | Maximum (in gallons) | Rate per 1,000 gallons |
|------------------|----------------------|----------------------|---------------------------------|
| <u>Base Rate</u> | 0 | 3,000 | No additional charge |
| 1 | 3,001 | 5,000 | \$1.20 <u>\$1.23</u> |
| 2 | 5,001 | 9,000 | \$1.66 <u>\$1.70</u> |
| 3 | 9,001 | 14,000 | \$2.18 <u>\$2.23</u> |
| 4 | 14,001 | 18,000 | \$2.91 <u>\$2.98</u> |
| 5 | Above 18,001 | | \$3.56 <u>\$3.65</u> |

Section 3. Conflicts And Ordinances Repealed.

All ordinances or parts of ordinances in conflict are hereby repealed.

Section 4. Severability.

If any section, sentence, phrase, word or portion of this Ordinance is determined to be invalid, unlawful or unconstitutional, said determination shall not be held to invalidate or impair the validity, force or effect of any other section, sentence, phrase, word or portion of this Ordinance not otherwise determined to be invalid, unlawful or unconstitutional.

Section 5. Codification.

It is the intent of the City Commission of the City of Fruitland Park that the provisions of this chapter shall become and made a part of the Fruitland Park Code of Ordinances; and grants authority to the codifier to renumber or re-letter sections, and change the words in this ordinance to section, article, chapter or such other appropriate word or phrase in order to accomplish such intentions.

Section 6. Effective Date.

This Ordinance shall become effective immediately upon adoption; however, the water rate adjustments shall be implemented October 1, 2017.

PASSED AND DULY ADOPTED by the City of Fruitland Park, Lake County, Florida this ____ day of _____, 2017.

City of Fruitland Park

Chris Cheshire, Mayor

Attest:
Esther B. Coulson, City Clerk

| | | | | |
|-------------------------|--------------|-------------|--------------------|----------------|
| _____ Mayor Cheshire | _____ (Yes), | _____ (No), | _____ (Abstained), | _____ (Absent) |
| Vice Mayor Gunter | _____ (Yes), | _____ (No), | _____ (Abstained), | _____ (Absent) |
| Commissioner Lewis | _____ (Yes), | _____ (No), | _____ (Abstained), | _____ (Absent) |
| Commissioner Ranize | _____ (Yes), | _____ (No), | _____ (Abstained), | _____ (Absent) |
| Commissioner Bell | _____ (Yes), | _____ (No), | _____ (Abstained), | _____ (Absent) |

Approved as to form and legality:

Anita Geraci-Carver, City Attorney

WATER RATES-2010-2017 YR_BUDGET FY2018

| FY2017 (10/1/2016 - 09/30/2017) INCREASE at 1.4 CPU | | In City- residential | In City- commercial | County- Residential | County- Commercial |
|--|-------------------|-------------------------|------------------------|------------------------|-----------------------|
| | GALLONS | WATRG 1 | WATRG 2 | WATRG3 | WATRG4 |
| BASE RATE | 0-3,000 | 16.34 | 16.34 | 20.42 | 20.42 |
| TIER 1 (per 1K) | 3,001-5,000 | 0.95 | 0.95 | 1.20 | 1.20 |
| TIER 2 | 5,001-9,000 | 1.33 | 1.33 | 1.66 | 1.66 |
| TIER 3 | 9,001-14,000 | 1.74 | 1.74 | 2.18 | 2.18 |
| TIER 4 | 14,001-18,000 | 2.32 | 2.32 | 2.91 | 2.91 |
| TIER 5 | 18,001-99,999,999 | 2.85 | 2.85 | 3.56 | 3.56 |

1.40%

| FY2018 (10/1/2017 - 09/30/2018) INCREASE at 2.5 CPU | | In City- residential | In City- commercial | County- Residential | County- Commercial |
|--|-------------------|-------------------------|------------------------|------------------------|-----------------------|
| | GALLONS | WATRG 1 | WATRG 2 | WATRG3 | WATRG4 |
| BASE RATE | 0-3,000 | 16.74 | 16.74 | 20.93 | 20.93 |
| TIER 1 (per 1K) | 3,001-5,000 | 0.98 | 0.98 | 1.23 | 1.23 |
| TIER 2 | 5,001-9,000 | 1.36 | 1.36 | 1.70 | 1.70 |
| TIER 3 | 9,001-14,000 | 1.79 | 1.79 | 2.23 | 2.23 |
| TIER 4 | 14,001-18,000 | 2.38 | 2.38 | 2.98 | 2.98 |
| TIER 5 | 18,001-99,999,999 | 2.92 | 2.92 | 3.65 | 3.65 |

2.50%

DOL 01/2017 CPI-U 2.5%

<http://www.bls.gov/news.release/pdf/cpi.pdf>



**AGENDA ITEM
NUMBER**
6j

AGENDA ITEM SUMMARY SHEET

| | | | |
|---|---|-----|-----------------------------|
| ITEM TITLE: | First Budget Public Hearing – Resolution 2017-029 | | |
| For the Meeting of: | September 14, 2017 | | |
| Submitted by: | City Treasurer | | |
| Date Submitted: | September 7, 2017 | | |
| Are Funds Required: | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> No |
| Account Number: | N/A | | |
| Amount Required: | N/A | | |
| Balance Remaining: | N/A | | |
| Attachments: | Yes | | |
| Description of Item: Resolution 2017-029 adopting the tentative millage rate for FY2017-18. | | | |
| The adoption of the millage rate and the budget resolution must be by separate votes. The governing body must adopt the tentative millage before adopting the tentative budget. The City of Fruitland Park is prepared to set the tentative millage rate of 3.9863 which is 8.63% increase to the Roll Back Rate of 3.6696. This is the same millage rate as last year. The gross taxable value has been certified as \$492,231,322 which is 64.08% increase over FY2017 gross taxable value. | | | |
| Action to be Taken: Approve/deny Resolution 2017-029 setting the tentative millage rate. | | | |
| Staff's Recommendation: Approve Resolution 2017-029 setting the tentative millage rate at 3.9863 mills, which is 8.63% increase over the RBR of 3.6696 | | | |
| Additional Comments: | | | |

Reviewed by: _____
City Manager

Authorized to be placed on the Regular Consent agenda: _____
Mayor

RESOLUTION 2017-029

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, LAKE COUNTY, FLORIDA, ADOPTING A TENTATIVE MILLAGE RATE OF 3.9863 LEVYING OF AD VALOREM TAXES FOR LAKE COUNTY FOR FISCAL YEAR 2017-2018; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to section 200.065, Florida Statutes, after proper notice, a public hearing was held at the City of Fruitland Park, Lake County, Florida, on September 14, 2017 at 6:00 p.m., at which time the general public was given an opportunity to comment and ask questions pertaining to the tentative budget and millage rate; and

WHEREAS, pursuant to section 200.065, Florida Statutes, after proper notice a second public hearing will be held at the City of Fruitland Park on September 28, 2017, at 6:00 p.m. at which time the general public will be given an opportunity to comment and ask questions pertaining to the proposed final budget and millage rate; and

WHEREAS, the gross taxable value for operating purposes not exempt from taxation within Lake County has been certified by the Lake County Property Appraiser to the City of Fruitland Park as \$492,231,322.

WHEREAS, after public hearings pursuant to section 200.065, Florida Statutes, the City of Fruitland Park is prepared to set a tentative millage rate of 3.9863 mills; and

WHEREAS, the Fiscal Year 2018 operating tentative millage rate of 3.9863 is an 8.63% increase to the current year rolled-back rate of 3.6696.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, LAKE COUNTY, FLORIDA that:

1. The City Commission of the City of Fruitland Park, Florida does hereby ratify and set the tentative ad valorem millage rate for the City of Fruitland Park, Lake County, Florida, for the fiscal year 2017-2018 at 3.9863 mills, which is greater than the rolled back of 3.6696 mills by 8.63%.
2. This resolution shall take effect immediately upon its final adoption by the City Commission of the City of Fruitland Park, Florida.

PASSED AND RESOLVED at a public hearing this 14th day of September, 2016, at 6:00 p.m., or as soon thereafter, by the City Commission of the City of Fruitland Park, Florida.

City of Fruitland Park
Chris Cheshire, Mayor

Attest:

Esther B. Coulson, CMC, City Clerk

Vice Mayor Gunter _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)
Commissioner Bell _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)
Commissioner Lewis _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)
Commissioner Ranize _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)
Mayor Cheshire _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)
(SEAL)

Approved as to form:

Anita Geraci-Carver, City Attorney

Millage for 2018 7.1.2017

| <u>Taxable Values</u> | FY2018 2017 | FY2017 2016 | FY2016 2015 | FY2015 2014 | FY2014 2013 | FY2013 2012 | FY2012 2011 | FY2011 2010 |
|-----------------------------|------------------|------------------|------------------------------------|----------------|----------------|----------------|-------------------------------------|----------------|
| Taxable Value | 492,231,322 | 299,998,272 | 171,725,009 | 166,509,788 | 155,620,901 | 158,178,786 | 165,400,199 | 181,246,865 |
| Tax Diff fm Last Year | 192,233,050 | 128,273,263 | 5,215,221 | 10,888,887 | -2,557,885 | -7,221,413 | -15,846,666 | -17,103,366 |
| % Change fm Prior Year | 64.08% | 74.70% | 3.13% | 7.00% | -1.62% | -4.37% | -8.74% | -8.62% |
| Millage Rate | 3.9863 | 3.9863 | 4.7371 | 4.7371 | 4.7371 | 4.6442 | 4.3284 | 4.3600 |
| RBR | 3.6696 | 3.2632 | 4.6185 | 4.509 | 4.7371 | 4.6442 | 3.9134 | 3.4969 |
| Percentage of RBR | 8.63% | 45.17% | 2.57% | 11.71% | 0.00% | 14.92% | 42.13% | 41.84% |
| Proposed Millage | 3.9863 | 4.7371 | 4.7371 | 5.0371 | 4.7371 | 5.337 | 5.5620 | 4.9600 |
| Ad Valorem Budgeted | 1,864,073 | 1,136,089 | 797,209 | 772,998 | 722,448 | 719,922 | 701,600 | 774,431 |
| Tax Levied | 1,962,182 | 1,195,883 | 813,479 | 788,774 | 737,192 | 734,614 | 715,918 | 790,236 |
| Collected | | | | 715,895 | 570,258 | 714,578 | 697,391 | 695,759 |
| Delinquent Collected | | | | 49,148 | 146,801 | 2,279 | 896 | 4,639 |
| % Collected | | | | 92.61% | 78.93% | 99.26% | 99.40% | 89.84% |
| % Tax Levied | 1,864,073 | 1,136,089 | 797,209 | 772,998 | 722,448 | 719,922 | 701,600 | 750,724 |
| % Budget/Levied | 0.95 | 0.95 | 0.98 | 0.98 | 0.98 | 0.98 | 0.98 | 0.98 |
| Additional Ad Valorem | 727,984 | 338,880 | 24,211 | 50,550 | 2,526 | 18,322 | -49,124 | -70,842 |
| Value/1000 | 492,231 | 299,998 | 171,725 | 166,510 | 155,621 | 158,179 | 165,400 | 181,247 |
| Millage | 1,962,182 | 1,195,883 | 813,479 | 788,774 | 737,192 | 734,614 | 715,918 | 790,236 |
| Annual Change of Ad Valorem | 766,299 | 382,405 | 24,705 | 51,582 | 2,578 | 18,696 | -74,318 | -74,571 |
| | | | 72,855 | | | | -200,241 | |
| | | | <u>Increase from FY2013-FY2016</u> | | | | <u>Decrease from FY 2010-FY2012</u> | |



**AGENDA ITEM
NUMBER
6k**

AGENDA ITEM SUMMARY SHEET

| | | | |
|---|---|-----|-----------------------------|
| ITEM TITLE: | First Budget Public Hearing – Resolution 2017-030 | | |
| For the Meeting of: | September 14, 2017 | | |
| Submitted by: | City Treasurer | | |
| Date Submitted: | September 7, 2017 | | |
| Are Funds Required: | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> No |
| Account Number: | N/A | | |
| Amount Required: | N/A | | |
| Balance Remaining: | N/A | | |
| Attachments: | Yes | | |
| Description of Item: Resolution 2017-030 adopting the tentative budget for FY2017-2018. | | | |
| The adoption of the millage rate and the budget resolution must be by separate votes. The governing body has adopted the tentative millage and will now adopt the tentative budget. The City of Fruitland Park set the tentative millage rate of 3.9863 which is 8.63% increase to the Roll Back Rate of 3.6696. This is the same millage rate as last year. The total appropriations for the Budget for Fiscal Year 2017-2018 is \$12,919,111. Please see Summary of Funds for the breakdown of each fund. | | | |
| Action to be Taken: Review and approve/deny Resolution 2017-030 setting the tentative budget. | | | |
| Staff's Recommendation: Approve Resolution 2017-030 setting the tentative budget at \$12,919,111. | | | |
| Additional Comments: | | | |

Reviewed by: _____
City Manager

Authorized to be placed on the Regular Consent agenda: _____
Mayor

RESOLUTION 2017-030

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, LAKE COUNTY, FLORIDA, ADOPTING THE TENTATIVE BUDGET FOR FISCAL YEAR 2017-2018; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to section 200.065, Florida Statutes, after proper notice, a public hearing was held at the City of Fruitland Park, Lake County, Florida, on September 14, 2017 at 6:00 p.m., at which time the general public was given an opportunity to comment and ask questions pertaining to the tentative budget and millage rate; and

WHEREAS, the City Commission adopted a tentative millage rate by Resolution 2017-029; and

WHEREAS, pursuant to section 200.065, Florida Statutes, after proper notice a second public hearing will be held at the City of Fruitland Park on September 28, 2017, at 6:00 p.m. at which time the general public will be given an opportunity to comment and ask questions pertaining to the proposed final budget and millage rate; and

WHEREAS, the City of Fruitland Park of Lake County, Florida set forth the appropriations and revenue estimate for the budget for Fiscal Year 2017-2018 in the amount of \$12,919,111.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, LAKE COUNTY, FLORIDA that:

1. The City Commission for the City of Fruitland Park, Florida does hereby ratify and adopt the tentative budget for the 2017-2018 fiscal year for the City of Fruitland Park, Lake County, Florida.
2. This resolution shall take effect immediately upon its final adoption by the City Commission of the City of Fruitland Park, Florida.

PASSED AND RESOLVED at a public hearing this 14th day of September, 2017 at 6:00 p.m. or as soon thereafter, by the City Commission of the City of Fruitland Park, Florida.

City of Fruitland Park
Chris Cheshire, Mayor

Attest:

Esther B. Coulson, CMC, City Clerk

Vice Mayor Gunter _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)
Commissioner Bell _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)
Commissioner Lewis _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)
Commissioner Ranize _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)
Mayor Cheshire _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)

(SEAL)

Approved as to form:

Anita Geraci-Carver, City Attorney

CITY OF FRUITLAND PARK
FISCAL YEAR 2018 BUDGET

The budget was prepared using a millage rate of
3.9863 (same as last year)

SUMMARY OF FUNDS
REVENUES AND EXPENSES

| | Revenues | Expenses |
|-----------------------|---------------|---------------|
| General Fund | \$ 7,635,331 | \$ 7,635,331 |
| Redevelopment Fund | \$ 410,313 | \$ 410,313 |
| Capital Projects Fund | \$ 1,036,558 | \$ 1,036,558 |
| Utility Fund | \$ 3,718,431 | \$ 3,718,431 |
| Fire Pension Fund | \$ 36,312 | \$ 36,312 |
| Recreation Fund | \$ 82,166 | \$ 82,166 |
| Total - All Funds | \$ 12,919,111 | \$ 12,919,111 |



**AGENDA ITEM
NUMBER
61**

AGENDA ITEM SUMMARY SHEET

| | | | | |
|---|--|-----|-------------------------------------|----|
| ITEM TITLE: | Public Hearing – Resolution 2017-019 FY 2017-18 Final Fire Assessment Rates Adoption | | | |
| For the Meeting of: | September 14, 2017 | | | |
| Submitted by: | City Attorney | | | |
| Date Submitted: | September 7, 2017 | | | |
| Are Funds Required: | | Yes | <input checked="" type="checkbox"/> | No |
| Account Number: | N/A | | | |
| Amount Required: | N/A | | | |
| Balance Remaining: | N/A | | | |
| Attachments: | Yes | | | |
| Description of Item: Resolution 2017-019, FY 2017-18 Final Fire Assessment Rates Adoption | | | | |
| Action to be Taken: Adopt Resolution 2017-019 | | | | |
| Staff's Recommendation: Approval | | | | |
| Additional Comments: | | | | |

Reviewed by: _____
City Manager

Authorized to be placed on the Regular agenda: _____
Mayor

RESOLUTION 2017-019

A RESOLUTION OF THE CITY OF FRUITLAND PARK, FLORIDA, RELATING TO THE PROVISION OF FIRE SERVICES THROUGHOUT THE CITY OF FRUITLAND PARK; ESTABLISHING THE ASSESSMENT RATE FOR FIRE SERVICES ASSESSMENT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2017; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, FLORIDA:

SECTION 1. AUTHORITY. This Resolution is adopted pursuant to Ordinance No. 2016-007, Sec. 166.041 and Chapter 197, Florida Statutes, Resolution No. 2017-018 and other applicable provisions of law.

SECTION 2. PURPOSE. This Resolution constitutes the Fire Service Assessment Rate Resolution (hereinafter may be referred to as the “Rate Resolution”) as provided for in the Ordinance. All capitalized words and terms not defined herein shall have the meanings set forth in Ordinance 2016-007. Unless the context indicates otherwise, words imparting the singular number, include the plural number, and vice versa.

SECTION 3. PROVISION AND FUNDING OF FIRE SERVICES.

(A) Upon the imposition of Fire Service Assessment for fire services, facilities, or programs against Assessed Property located with the City of Fruitland Park, the City shall provide fire services to such Assessed Property. A portion of the cost to provide such fire services, facilities, or programs shall be funded from proceeds of the Fire Assessment collected within the City of Fruitland Park. The remaining cost, if any, required to provide fire services, facilities, and

programs shall be funded by legally available City of Fruitland Park revenues other than Fire Assessment proceeds.

(B) It is hereby ascertained, determined, and declared that each parcel of Assessed Property located within the City of Fruitland Park will be specially benefitted by the City of Fruitland Park's provision of fire services, facilities, and programs in an amount not less than the Fire Service Assessment imposed against such parcel, computed in the manner set forth in this Rate Resolution.

SECTION 4. IMPOSITION AND COMPUTATION OF FIRE SERVICE ASSESSMENT. The Fire Service Assessment shall be imposed against all Tax Parcels within the City of Fruitland Park subject to the assessment as set forth in this Rate Resolution. The Fire Service Assessment shall be computed in the manner set forth in this Rate Resolution.

SECTION 5. LEGISLATIVE DETERMINATIONS OF SPECIAL BENEFIT AND FAIR APPORTIONMENT.

(A) The legislative determinations of special benefit embodied in Ordinance 2016-007 is affirmed and incorporated herein by reference.

(B) The City Commission has determined and declares that the fire services assessment being imposed by the City is being fairly and reasonably apportioned among the Parcels receiving the special benefit.

- a. The City Commission relies on and adopts the study prepared by Government Services Group, Inc. on behalf of the City of Fruitland Park entitled City of Fruitland Park, Florida, Fire Assessment Memorandum dated June, 2016.

- (C) Government Property that is owed by federal government entities, such as the VA and HUD, due to foreclosures or government-backed grant programs funding housing rehabilitation are neither serving a governmental purpose nor providing a public benefit but are instead being held by these federal government entities in a proprietary capacity. Accordingly, these properties shall not be exempted from the Fire Service Assessment. Government Property other than as described in the preceding sentence and Institutional wholly Tax Exempt Properties shall be exempted from the Fire Service Assessment.

SECTION 6. COST APPORTIONMENT AND PARCEL APPORTIONMENT METHODOLOGIES.

- (A) The Cost Apportionment and Parcel Apportionment methodologies set forth herein are adopted.
- a. The City has identified the full cost of providing fire services through the development and determination of the assessable costs of providing such services.
 - b. The City analyzed the service delivery data and segregated to property use categories, and found the following.

Calendar Year 2015 Call Data Analysis

| Fixed Property Use | Total Calls | Percentage of Calls |
|---------------------------|--------------------|----------------------------|
| Residential | 427 | 80.41% |
| Non-Residential | 104 | 19.50% |
| TOTAL | 531 | 100% |

- c. A comprehensive analysis of all property use categories within the City was conducted and the Commission has determined the following parcels receive a special benefit from the provision of fire services, residential, non-residential (including commercial and institutional), educational and land.
- d. The following parcel apportionment shall be utilized:

Parcel Apportionment

| Category | Parcel Apportionment |
|---|---|
| Residential | Dwelling Unit |
| Non-Residential Includes Commercial, Industrial/Warehouse and Institutional | Square Footage (capped at 17,400 sq. ft.) |

SECTION 7. DETERMINATION OF FIRE SERVICES COST; ESTABLISHMENT OF ANNUAL FIRE SERVICE ASSESSMENT RATES.

(A) The Fire Services Cost to be assessed and apportioned among benefited parcels pursuant to the Cost Apportionment and the Parcel Apportionment for the Fiscal Year commencing October 1, 2017, is the amount determined in the Fire Service Assessment Rate Schedule, attached hereto as **Appendix A**. The approval of the Fire Service Assessment Rate Schedule by the adoption of this Rate Resolution determines the amount of the Fire Services Cost. The remainder of such Fiscal Year budget for fire services, facilities, and programs shall be funded from available City of Fruitland Park revenue other than Fire Service Assessment proceeds.

(B) The Fire Service Assessments specified in the Fire Service Assessment Rate Schedule are hereby established to fund the specified Fire Services Cost determined to be assessed in the Fiscal Year commencing October 1, 2017. No portion of such Fire Services Cost is

attributable to impact fee revenue that funds capital improvements necessitated by new growth or development. Further, no portion of such Fire Services Cost is attributable to emergency medical services costs.

(C) The Fire Service Assessment established in this Rate Resolution shall be the assessment rates applied by the City Manager to the Fire Assessment Roll for the Fiscal Year commencing October 1, 2017 as provided in Section 8 of this Rate Resolution.

SECTION 8. ANNUAL FIRE ASSESSMENT ROLL.

(A) The City Manager shall apportion the Fire Services Cost to be recovered through Fire Services Assessment in the manner set forth in this Resolution.

(B) A copy of this Rate Resolution, Ordinance 2016-007, Resolution 2017-018, documentation related to the amount of the Fire Services Cost to be recovered through the imposition of Fire Services Assessment, and the updated Fire Assessment Roll shall be maintained on file in the office of the City Clerk and open to public inspection. The foregoing shall not be construed to require that the updated Fire Assessment Roll for the Fiscal Year beginning October 1, 2017 be in printed form if the amount of the Fire Services Assessment for each parcel of property can be determined by the use of a computer terminal available to the public.

(C) It is hereby ascertained, determined, and declared that the method of determining the Fire Services Assessment for fire services as set forth in this Rate Resolution is a fair and reasonable method of apportioning the Fire Services Cost among parcels of Assessed Property located within the City of Fruitland Park.

SECTION 9. NOTICE BY PUBLICATION. The City Manager has published a notice of the public hearing in the manner and time provided in the Uniform Assessment Collection Act. A copy is on file with the City Clerk.

SECTION 10. NOTICE BY TRIM. The City Commission utilizing the Lake County Property Appraiser's services, provided through the TRIM by first class mail, a notice of the public hearing in the form required by the Uniform Assessment Collection Act and Ordinance 2016-007 for the purpose of imposing Fire Service Assessment for the Fiscal Year Beginning October 1, 2017.

SECTION 11. APPLICATION OF ASSESSMENT PROCEEDS. Proceeds derived by the City of Fruitland Park from the Fire Services Assessment will be utilized for the provision of fire services, facilities, and programs within the City of Fruitland Park. In the event there is any fund balance remaining at the end of the Fiscal Year, such balance shall be carried forward and used only to fund fire services, facilities, and programs within the City of Fruitland Park.

SECTION 12. EFFECTIVE DATE. This Rate Resolution shall take effect immediately upon its passage and adoption.

DULY ADOPTED this 14th day of September, 2017.

City of Fruitland Park

Chris Cheshire, Mayor

Attest:
Esther B. Coulson, City Clerk

Mayor Cheshire _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)
Vice Mayor Gunter _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)
Commissioner Lewis _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)
Commissioner Ranize _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)
Commissioner Bell _____ (Yes), _____ (No), _____ (Abstained), _____ (Absent)

Approved as to form and legality:

Anita Geraci-Carver, City Attorney

APPENDIX A

Fire Service Assessment Rate Schedule

1. **Determination of Fire Services Costs.** The Fire Services Cost to be assessed for the Fiscal Year commencing October 1, 2017, is \$688,190.00.
2. **Fire Services Assessment.** The Fire Services Assessment to be assessed and apportioned among benefitted parcels pursuant to the Cost Apportionment and Parcel Apportionment to generate the Fire Services Cost for the Fiscal Year commencing October 1, 2017, are hereby established as follows for the purpose of this Rate Resolution:

FY 2017-18 Preliminary Fire Assessment Rates – City of Fruitland Park Benefit Area

| Category | Rate Per Dwelling Unit |
|---|------------------------|
| Residential | \$213.00 |
| | Rate Per Square Foot |
| Non-Residential | \$0.08 |
| <hr/> | |
| Total Estimated Gross Revenue | \$466,055.00 |
| <hr/> | |
| Total Estimated Government Buy-down | \$12,640.00 |
| <hr/> | |
| Total Estimated Institutional Tax Exempt Buy Down | \$8,628.00 |
| <hr/> | |
| Total Estimated Net Revenue | \$444,788.00 |

FY 2017-18 Preliminary Fire Assessment Rates – Villages of Fruitland Park Benefit Area

| | |
|-------------------------------|----------------------------|
| Residential | \$177.00 per Dwelling Unit |
| <hr/> | |
| Total Estimated Gross Revenue | \$222,135.00 |

- A. No Fire Services Assessment shall be imposed upon a parcel of Government Property, or Institutional wholly Tax Exempt Properties; except Government Property that is owned by federal entities, such as the VA and HUD, and held in a proprietary capacity shall not be exempted from the Fire Services Assessment.
- B. Any shortfall in the expected Fire Services Assessment proceeds due to any reduction or exemption from payment of the Fire Services Assessment required by law or authorized by the Commission shall be supplemented by any legally available funds, or combination of funds, and shall not be paid for by proceeds or funds derived from

the Fire Services Assessments. It is the legislative determination of the Commission that in the event of a court of competent jurisdiction determining any exemption or reduction by the Commission is improper or otherwise adversely affects the validity of the Fire Services Assessment imposed for this Fiscal Year, the sole and exclusive remedy shall be the imposition of a Fire Services Assessment upon each affected Tax Parcel in the amount of the Fire Services Assessment that would have been otherwise imposed save and except for such reduction or exemption afforded to such Tax Parcel by the Commission.



| |
|--|
| AGENDA ITEM NUMBER 6m |
|--|

AGENDA ITEM SUMMARY SHEET

| | | | |
|----------------------------|--|-----|------|
| ITEM TITLE: | Ordinance 2017-022– Moratorium relating to medical cannabis activities | | |
| For the Meeting of: | September 14, 2017 | | |
| Submitted by: | City Attorney | | |
| Date Submitted: | August 7, 2017 | | |
| Are Funds Required: | | Yes | X No |
| Account Number: | | | |
| Amount Required: | | | |
| Balance Remaining: | | | |
| Attachments: | Ordinance 2017- 022 | | |

Description of Item: The City’s moratorium expired. Direction is needed from the commission as to whether it wants to allow marijuana treatments centers within the City of Fruitland Park or ban them or impose a new short-term moratorium to further study the issue in light of the approved legislation. If the City chooses to allow marijuana treatments centers, the City is limited in the regulations it may impose, as regulation is largely preempted to the state. It is reported that there are threats of law suits against local governments who have enacted a ban. If the City does allow this use, then the following regulations apply:

- May not be located within 500’ of the real property that comprises a private or public school, unless the City approves the location through a formal proceeding open to the public and the City determines that the location promotes the public health, safety and general welfare of the community;
- City cannot place specific limits on the number of dispensing facilities that may locate within the City;
- City may determine by ordinance the criteria for the location of and other permitting requirements, provided they do not conflict with state or department rules;
- Any requirements for permitting and location cannot be more restrictive than that for pharmacies (for ex. if drive thru is permitted at a pharmacy, it must also be permitted for these centers); and
- Any license or permit fee imposed cannot exceed that which a pharmacy would be charged; and
- The City may require compliance with the Florida Building Code, the Florida Fire Prevention Code, and any local amendments to the Florida Building Code or Florida Fire Prevention Code.

Direction is requested from the Commission: (1) impose a short-term moratorium, (2) impose a ban or (3) allow, or (4) discuss further at August 10 Commission meeting. An ordinance will be drafted based on the Commission’s direction.

On July 27, 2017 the City Commission gave direction to bring forward an ordinance imposing a moratorium. The attached ordinance imposes a moratorium in order to give time to determine whether regulations pertaining to the location and number of dispensing facilities are justified and appropriate, or whether to ban medical marijuana treatment facilities from the City boundaries.

The moratorium will be in effect until December 14, 2017 or expire upon the earlier of the following:

- (1) On December 14 2017;
- (2) The effective date of an ordinance, adopted by the city commission, to address Medical cannabis activities in the City of Fruitland Park; or
- (3) At such time as the city commissioner receives a report from Staff regarding the impact of Medical cannabis activities in the City of Fruitland Park and recommendation relating to a ban or regulation of medical marijuana treatment centers, and votes by majority vote to repeal this moratorium.

Action to be Taken: Motion to Approve Ordinance 2017-022

Staff's Recommendation:

Additional Comments:

Reviewed by: _____

Authorized to be placed on the Regular Consent agenda: _____
Mayor

ORDINANCE 2017 – 022

AN ORDINANCE OF THE CITY COMMISSIONERS OF THE CITY OF FRUITLAND PARK, LAKE COUNTY, FLORIDA; ESTABLISHING A TEMPORARY MORATORIUM WITHIN THE CORPORATE LIMITS OF THE CITY OF FRUITLAND PARK PROHIBITING MEDICAL CANNABIS ACTIVITIES DURING THE MORATORIUM PERIOD; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR SEVERABILITY; PROVIDING FOR FILING WITH THE DEPARTMENT OF STATE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in 2014, the Florida legislature passed the Compassionate Medical Cannabis Act (“Compassionate Use Act”) legalizing the cultivation, processing and dispensing of low-THC cannabis by a qualified dispensing organization for qualified patients; and

WHEREAS, in 2016, the Florida legislature amended the Right to Try Act, amending the Compassionate Use Act and legalized the cultivation, production and dispensing of medical cannabis, and derived products, by a qualified dispensing organization for eligible patients; and

WHEREAS, future constitutional amendments and legislation may further expand the legal use of medical cannabis in Florida; and

WHEREAS, businesses licensed pursuant to the law have begun cultivating cannabis for processing and dispensing; and

WHEREAS, SB 8A/HB 5A was recently adopted by the Florida legislature which preempts control of cultivation, processing and delivery to the State; however, local governments are empowered to regulate the location and number of medical marijuana treatment centers within its boundaries, or may ban them from their jurisdictions; however, if not banned, then regulations may not be more restrictive than ordinances for pharmacies

WHEREAS, the Commissioners desires to discuss the impacts on city resident of medical cannabis dispensing facilities within the City; and

WHEREAS, the Commission need time in which to evaluate whether or not the City should ban MMTC within the City or adopt regulations pertaining to the location and number of dispensing facilities; and

WHEREAS, the Commissioners finds that a ban or regulation of the dispensing of cannabis will benefit the health, safety and welfare of the residents of Fruitland Park and will reduce adverse impacts on the community; and

WHEREAS, the purpose of this ordinance is to place a temporary moratorium on medical cannabis activities, as defined herein, for a period of time that is reasonably necessary for the Commissioners to determine proper regulations regarding such facilities, if deemed advisable, or to determine whether they should be banned.

NOW, THEREFORE, BE IT ORDAINED by the Commissioners of the City of Fruitland Park, Lake County, Florida, as follows:

Section 1. Recitals. The foregoing recitals are true and correct and incorporated herein by reference.

Section 2. Amendment. The Code of Ordinances of the City of Fruitland Park, Florida, is hereby amended by adding Chapter 104, entitled “Community Protection” which reads as follows:

CHAPTER 104 – COMMUNITY PROTECTION

ARTICLE I. MEDICAL CANNABIS ACTIVITIES.

Sec. 104.01. Definitions.

For the purposes of this article, the following terms, whether appearing in the singular or plural form, shall have the following meanings:

Low-THC cannabis means a plant of the genus Cannabis, the dried flowers of which contain 0.8 percent or less of tetrahydrocannabinol and more than 10 percent of cannabidiol weight for weight; the seeds thereof; the resin extracted from any part of such plant; or any compound, manufacture, salt, derivative, mixture, or preparation of such plant or its seeds or resin that is dispensed only from a dispensing organization.

Medical cannabis activities means the growing, planting, harvesting, drying, processing and wholesale and retail sale of Medical cannabis, including Low-THC cannabis and derivative products, or any subset of such activities, or any related activities, including medical marijuana treatment facilities.

Medical cannabis means the substance defined in section F.S. § 381.986, as may be amended.

Sec. 104.02. Moratorium.

(a) As of the effective date of this article, a moratorium shall exist until December 14, 2017, or sooner as provided herein, during which time the city shall not issue any new local business tax receipt to any person or entity for the purpose of engaging in, operating, or managing a business or facility for Medical cannabis activities.

(b) The moratorium shall expire upon the earlier of the following:

(1) On December 14, 2017;

(2) The effective date of an ordinance, adopted by the city commission, to address Medical cannabis activities in the City of Fruitland Park; or

(3) At such time as the city commissioner receives a report from staff regarding the impact of Medical cannabis activities in the City of Fruitland Park and recommendation relating to a ban or regulation of medical marijuana treatment centers, and votes by majority vote to repeal this moratorium.

(c) The on-site sale, provision, or dispensing of Medical cannabis, Low-THC and cannabis derivative products in incorporated Fruitland Park is prohibited during the moratorium period, except as set forth in applicable federal, state or local law.

Section 3. Inclusion in Code. It is the intent of the Commissioners that the provisions of this Ordinance shall become and be made a part of the City of Fruitland Park Code and that the sections of this Ordinance may be renumbered or relettered and the word "ordinance" may be changed to "section", "article", or such other appropriate word “or phrase in order to accomplish such intentions.

Section 4. Severability. If any section, sentence, clause, phrase or word of this Ordinance is for any reason held or declared to be unconstitutional, inoperative or void, such holding or invalidity shall

not affect the remaining portions of this Ordinance; and it shall be construed to have been the Commissioner's intent to pass this Ordinance without such unconstitutional, invalid or inoperative part therein; and the remainder of this Ordinance, after the exclusion of such part or parts shall be deemed and held to be valid, as if such parts had not been included herein; or if this Ordinance or any provisions thereof shall be held inapplicable to any person, groups of persons, property, kind of property, circumstances or set of circumstances, such holding shall not effect the applicability thereof to any other person, property or circumstances.

Section 5. Filing with the Department of State. The city clerk shall be and is hereby directed forthwith to send a certified copy of this Ordinance to the Secretary of State for the State of Florida.

Section 6. Effective Date. This ordinance shall become effective as provided for by law.

PASSED and ORDAINED this _____ day of _____, 2017, by the City Commission of the City of Fruitland Park, Florida.

City of Fruitland Park

Chris Cheshire, Mayor

Attest:
Esther B. Coulson, City Clerk

| | | | | |
|-------------------------|--------------|-------------|--------------------|----------------|
| _____ Mayor Cheshire | _____ (Yes), | _____ (No), | _____ (Abstained), | _____ (Absent) |
| Vice Mayor Gunter | _____ (Yes), | _____ (No), | _____ (Abstained), | _____ (Absent) |
| Commissioner Lewis | _____ (Yes), | _____ (No), | _____ (Abstained), | _____ (Absent) |
| Commissioner Ranize | _____ (Yes), | _____ (No), | _____ (Abstained), | _____ (Absent) |
| Commissioner Bell | _____ (Yes), | _____ (No), | _____ (Abstained), | _____ (Absent) |

First Reading August 24, 2017

Second Reading _____

Approved as to form and legality:

Anita Geraci-Carver, City Attorney

FILED with the Secretary of State the ____ day of _____, 20____.

The Villages
DAILY SUN

Published Daily
Lady Lake, Florida
State of Florida
County Of Lake

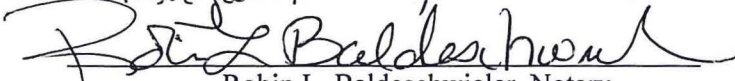
Before the undersigned authority personally appeared **Sheryl Dufour** who on oath says that she is Legal Ad Coordinator of the DAILY SUN, a daily newspaper published at Lady Lake in Lake County, Florida with circulation in Lake, Sumter and Marion Counties; that the attached copy of advertisement, being a **Legal Ad # 00762819** in the matter of **NOTICE OF PUBLIC HEARING ORDINANCE 2017-022** was published in said newspaper in the issues of

AUGUST 10, 2017

Affiant further says that the said Daily Sun is a newspaper published at Lady Lake in said Lake County, Florida, and that the said newspaper has heretofore been continuously published in said Lake County, Florida each week and has been entered as second class mail matter at the post office in Lady Lake, in said Lake County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisements; and affiant further says that he has neither paid nor promised any person, firm, or Corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

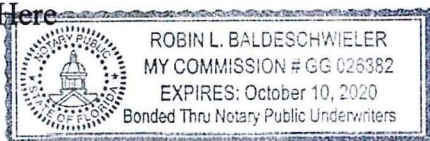

(Signature Of Affiant)

Sworn to and subscribed before me this 10
day August 2017


Robin L. Baldeschwieler, Notary

Personally Known X or
Production Identification _____
Type of Identification Produced _____

Attach Notice Here



**NOTICE OF PUBLIC HEARING
ORDINANCE 2017-022**

AN ORDINANCE OF THE CITY COMMISSIONERS OF THE CITY OF FRUITLAND PARK, LAKE COUNTY, FLORIDA; ESTABLISHING A TEMPORARY MORATORIUM WITHIN THE CORPORATE LIMITS OF THE CITY OF FRUITLAND PARK PROHIBITING MEDICAL CANNABIS ACTIVITIES DURING THE MORATORIUM PERIOD; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR SEVERABILITY; PROVIDING FOR FILING WITH THE DEPARTMENT OF STATE; AND PROVIDING FOR AN EFFECTIVE DATE. (The second reading will be held on September 14, 2017.

This ordinance will be presented for public hearing first reading on August 24, 2017 by the Fruitland Park City Commission at its regular meeting to be held on Thursday, August 24, 2017 at 6:00 p.m. in the commission chambers of city hall, 506 West Berckman Street, Fruitland Park, Florida 34731. This meeting is open to the public. This ordinance may be reviewed or copies obtained from the city clerk's office at city hall.

Any person requiring a special accommodation at this meeting because of disability or physical impairment should contact the City Clerk's Office at City Hall (352) 360-6727 at least forty-eight (48) hours prior to the meeting. (§286.26 F.S.)

If a person decides to appeal any decision made by the City of Fruitland Park with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. The city does not provide verbatim records. (Florida Statutes 286.0105)
#00762819 August 10, 2017

The Villages
DAILY SUN

Published Daily
Lady Lake, Florida
State of Florida
County Of Lake


Before the undersigned authority personally appeared **Sheryl Dufour** who on oath says that she is Legal Ad Coordinator of the DAILY SUN, a daily newspaper published at Lady Lake in Lake County, Florida with circulation in Lake, Sumter and Marion Counties; that the attached copy of advertisement, being a **Legal Ad # 00762820** in the matter of **NOTICE OF PUBLIC HEARING ORDINANCE 2017-022** was published in said newspaper in the issues of

AUGUST 30, 2017

Affiant further says that the said Daily Sun is a newspaper published at Lady Lake in said Lake County, Florida, and that the said newspaper has heretofore been continuously published in said Lake County, Florida each week and has been entered as second class mail matter at the post office in Lady Lake, in said Lake County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisements; and affiant further says that he has neither paid nor promised any person, firm, or Corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

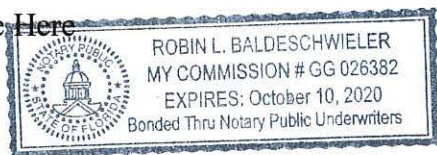

(Signature Of Affiant)

Sworn to and subscribed before me this 14
day September 2017


Robin L. Baldeschwieler, Notary

Personally Known X or
Production Identification _____
Type of Identification Produced _____

Attach Notice Here



**NOTICE OF PUBLIC HEARING
ORDINANCE 2017-022**

AN ORDINANCE OF THE CITY COMMISSIONERS OF THE CITY OF FRUITLAND PARK, LAKE COUNTY, FLORIDA; ESTABLISHING A TEMPORARY MORATORIUM WITHIN THE CORPORATE LIMITS OF THE CITY OF FRUITLAND PARK PROHIBITING MEDICAL CANNABIS ACTIVITIES DURING THE MORATORIUM PERIOD; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR SEVERABILITY; PROVIDING FOR FILING WITH THE DEPARTMENT OF STATE; AND PROVIDING FOR AN EFFECTIVE DATE. (The first reading was held on August 24, 2017.)

This ordinance will be presented for second reading and public hearing on September 14, 2017 by the Fruitland Park City Commission at its regular meeting to be held on Thursday, September 14, 2017 at 6:00 p.m. in the commission chambers of city hall, 506 West Berckman Street, Fruitland Park, Florida 34731. This meeting is open to the public. This ordinance may be reviewed or copies obtained from the city clerk's office at city hall.

Any person requiring a special accommodation at this meeting because of disability or physical impairment should contact the City Clerk's Office at City Hall (352) 360-6727 at least forty-eight (48) hours prior to the meeting. (§286.26 F.S.)

If a person decides to appeal any decision made by the City of Fruitland Park with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. The city does not provide verbatim records. (Florida Statutes 286.0105)

#00762820 August 30, 2017



**AGENDA ITEM
NUMBER**
7a

AGENDA ITEM SUMMARY SHEET

| | | | | | |
|--------------------------------|--|--|-----|---|----|
| ITEM TITLE: | City Manager | | | | |
| For the Meeting of: | September 14, 2017 | | | | |
| Submitted by: | City Manager | | | | |
| Date Submitted: | September 5, 2017 | | | | |
| Are Funds Required: | | | Yes | X | No |
| Account Number: | N/A | | | | |
| Amount Required: | N/A | | | | |
| Balance Remaining: | N/A | | | | |
| Attachments: | | | | | |
| Description of Item: | <ul style="list-style-type: none"> i. Proposed personnel policy revisions. ii. Soccer field. | | | | |
| Action to be Taken: | | | | | |
| Staff's Recommendation: | | | | | |
| Additional Comments: | | | | | |

Reviewed by: _____
City Manager

Authorized to be placed on the agenda: _____
Mayor



**AGENDA ITEM
NUMBER**
7b

AGENDA ITEM SUMMARY SHEET

| | | | | |
|---|----------------------|-----|---|----|
| ITEM TITLE: | City Attorney Report | | | |
| For the Meeting of: | August 24, 2017 | | | |
| Submitted by: | City Attorney | | | |
| Date Submitted: | September 8, 2017 | | | |
| Are Funds Required: | | Yes | X | No |
| Account Number: | | | | |
| Amount Required: | | | | |
| Balance Remaining: | | | | |
| Attachments: | None | | | |
| Description of Item: | | | | |
| Please find below items to report to the City Commission. | | | | |
| <u>James and Rita Homonai v. Foster, Crenshaw and City of Fruitland Park.</u> –Discover is ongoing. | | | | |
| <u>Green v. City of Fruitland Park, Hunnewell, Isom & Isaacs.</u> – The Court has not yet ruled on the City’s Motion to Dismiss. Discovery is ongoing. | | | | |
| <u>Notice of Claim – James Hartson:</u> No developments to report. | | | | |
| <u>Notice of Claim – Larry Odum:</u> No developments to report. | | | | |
| Action to be Taken: | | | | |
| Staff’s Recommendation: | | | | |
| Additional Comments: | | | | |

Reviewed by: _____

Authorized to be placed on the Regular Consent agenda: _____
Mayor



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|---|
| AGENDA ITEM NUMBER 8 |
|---|

AGENDA ITEM SUMMARY SHEET

| | | | |
|---|--------------------|-----|------|
| ITEM TITLE: | Public Comments | | |
| For the Meeting of: | September 14, 2017 | | |
| Submitted by: | City Clerk | | |
| Date Submitted: | September 5, 2017 | | |
| Are Funds Required: | | Yes | X No |
| Account Number: | N/A | | |
| Amount Required: | N/A | | |
| Balance Remaining: | N/A | | |
| Attachments: | Yes | | |
| Description of Item: | | | |
| <p>This section is reserved for members of the public to bring up matters of concern or opportunities for praise. Action may not be taken by the City Commission at this meeting; however, questions may be answered by staff or issues may be referred for appropriate staff action.</p> <p>Note: Pursuant to F.S. 286.0114 and the City of Fruitland Park's Public Participation Policy adopted by Resolution 2013-023, members of the public shall be given a reasonable opportunity to be heard on propositions before the City Commission. Accordingly, comments, questions, and concerns regarding items listed on this agenda shall be received at the time the City Commission addresses such items during this meeting. Pursuant to Resolution 2013-023, public comments are limited to three minutes.</p> | | | |
| Action to be Taken: None. | | | |
| Staff's Recommendation: | | | |
| Additional Comments: | | | |

Reviewed by: _____
City Manager

Authorized to be placed on the agenda: _____
Mayor

RESOLUTION 2013 -023

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, FLORIDA, PROVIDING FOR A PUBLIC PARTICIPATION POLICY WITH REGARD TO MEETINGS OF CITY BOARDS AND COMMISSIONS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission wishes to adopt a public participation policy for meetings of the City's boards and commissions; and

WHEREAS, the City Commission accordingly desires to pass this Resolution 2013-023 to do so.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FRUITLAND PARK, FLORIDA, AS FOLLOWS:

Section 1. The following Public Participation Policy shall apply to meetings of City boards or commissions as provided herein.

Sec. 1. Citizen's Rights

(a) Definition. For the purposes of this section, "board or commission" means a board or commission of the City of Fruitland Park.

(b) Right to be Heard: Members of the public shall be given a reasonable opportunity to be heard on a proposition before a City board or commission except as provided for below. Public input shall be limited to three (3) minutes. This right does not apply to:

1. An official act that must be taken to deal with an emergency situation affecting the public health, welfare, or safety, if compliance with the requirements would cause an unreasonable delay in the ability of the board or commission to act;
2. An official act involving no more than a ministerial act, including, but not limited to, approval of minutes and ceremonial proclamations;
3. A meeting that is exempt from §286.011; or
4. A meeting during which the Commission is acting in a quasi-judicial capacity. This paragraph does not affect the right of a person to be heard as otherwise provided by law.

Sec. 2. Suspension and Amendment of these Rules

(a) Suspension of these Rules: Any provision of these rules not governed by the City Charter or City Code may be temporarily suspended by a vote of a majority of the Commission.

(b) Amendment of these Rules: These rules may be amended or new rules adopted by resolution.

- (c) Effect of Variance from Rules: The failure to follow this Public Participation Policy shall not be grounds for invalidating any otherwise lawful act of the City's boards or commissions.

Section 2. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portion of this Resolution.

Section 3. This Resolution shall become effective immediately upon passage.

RESOLVED this 26 day of September, 2013, by the City Commission of the City of Fruitland Park, Florida.



Christopher J. Bell, Mayor

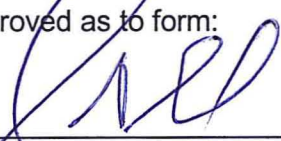
ATTEST:


MARIE AZZOLINO, Acting City Clerk

Passed First Reading 9/26/2013

Passed Second Reading N/A

Approved as to form:


SCOTT A. GERKEN, City Attorney